

In the Senate of the United States,

May 5, 1998.

Resolved, That the bill from the House of Representatives (H.R. 1385) entitled “An Act to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs in the United States, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
3 *“Workforce Investment Partnership Act of 1998”.*

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

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

***TITLE I—VOCATIONAL, TECHNOLOGICAL, AND TECH-PREP
EDUCATION***

Sec. 101. Short title.

Sec. 102. Findings and purpose.

Sec. 103. Voluntary selection and participation.

Sec. 104. Construction.



*Subtitle A—Vocational Education**CHAPTER 1—FEDERAL PROVISIONS*

- Sec. 111. Reservations and State allotment.*
- Sec. 112. Performance measures and expected levels of performance.*
- Sec. 113. Assistance for the outlying areas.*
- Sec. 114. Indian and Hawaiian Native programs.*
- Sec. 115. Tribally controlled postsecondary vocational institutions.*
- Sec. 116. Incentive grants.*

CHAPTER 2—STATE PROVISIONS

- Sec. 121. State administration.*
- Sec. 122. State use of funds.*
- Sec. 123. State leadership activities.*
- Sec. 124. State plan.*

CHAPTER 3—LOCAL PROVISIONS

- Sec. 131. Distribution for secondary school vocational education.*
- Sec. 132. Distribution for postsecondary vocational education.*
- Sec. 133. Local activities.*
- Sec. 134. Local application.*
- Sec. 135. Consortia.*

Subtitle B—Tech-Prep Education

- Sec. 151. Short title.*
- Sec. 152. Purposes.*
- Sec. 153. Definitions.*
- Sec. 154. Program authorized.*
- Sec. 155. Tech-prep education programs.*
- Sec. 156. Applications.*
- Sec. 157. Authorization of appropriations.*
- Sec. 158. Demonstration program.*

Subtitle C—General Provisions

- Sec. 161. Administrative provisions.*
- Sec. 162. Evaluation, improvement, and accountability.*
- Sec. 163. National activities.*
- Sec. 164. National assessment of vocational education programs.*
- Sec. 165. National research center.*
- Sec. 166. Data systems.*
- Sec. 167. Promoting scholar-athlete competitions.*
- Sec. 168. Definition.*

Subtitle D—Authorization of Appropriations

- Sec. 171. Authorization of appropriations.*

Subtitle E—Repeal

- Sec. 181. Repeal.*

TITLE II—ADULT EDUCATION AND LITERACY

- Sec. 201. Short title.*

Sec. 202. Findings and purpose.

Subtitle A—Adult Education and Literacy Programs

CHAPTER 1—FEDERAL PROVISIONS

Sec. 211. Reservation; grants to States; allotments.

Sec. 212. Performance measures and expected levels of performance.

Sec. 213. National leadership activities.

CHAPTER 2—STATE PROVISIONS

Sec. 221. State administration.

Sec. 222. State distribution of funds; State share.

Sec. 223. State leadership activities.

Sec. 224. State plan.

Sec. 225. Programs for corrections education and other institutionalized individuals.

CHAPTER 3—LOCAL PROVISIONS

Sec. 231. Grants and contracts for eligible providers.

Sec. 232. Local application.

Sec. 233. Local administrative cost limits.

CHAPTER 4—GENERAL PROVISIONS

Sec. 241. Administrative provisions.

Sec. 242. Priorities and preferences.

Sec. 243. Incentive grants.

Sec. 244. Evaluation, improvement, and accountability.

Sec. 245. National Institute for Literacy.

Sec. 246. Authorization of appropriations.

Subtitle B—Repeal

Sec. 251. Repeal.

TITLE III—WORKFORCE INVESTMENT AND RELATED ACTIVITIES

Subtitle A—Workforce Investment Activities

CHAPTER 1—ALLOTMENTS TO STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES, DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES, AND YOUTH ACTIVITIES

Sec. 301. General authorization.

Sec. 302. State allotments.

Sec. 303. Statewide partnership.

Sec. 304. State plan.

CHAPTER 2—ALLOCATIONS TO LOCAL WORKFORCE INVESTMENT AREAS

Sec. 306. Within State allocations.

Sec. 307. Local workforce investment areas.

Sec. 308. Local workforce investment partnerships and youth partnerships.

Sec. 309. Local plan.

CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES AND PROVIDERS

- Sec. 311. Identification and oversight of one-stop partners and one-stop customer service center operators.*
- Sec. 312. Determination and identification of eligible providers of training services by program.*
- Sec. 313. Identification of eligible providers of youth activities.*
- Sec. 314. Statewide workforce investment activities.*
- Sec. 315. Local employment and training activities.*
- Sec. 316. Local youth activities.*

CHAPTER 4—GENERAL PROVISIONS

- Sec. 321. Accountability.*
- Sec. 322. Authorization of appropriations.*

Subtitle B—Job Corps

- Sec. 331. Purposes.*
- Sec. 332. Definitions.*
- Sec. 333. Establishment.*
- Sec. 334. Individuals eligible for the Job Corps.*
- Sec. 335. Recruitment, screening, selection, and assignment of enrollees.*
- Sec. 336. Enrollment.*
- Sec. 337. Job Corps centers.*
- Sec. 338. Program activities.*
- Sec. 339. Counseling and job placement.*
- Sec. 340. Support.*
- Sec. 341. Operating plan.*
- Sec. 342. Standards of conduct.*
- Sec. 343. Community participation.*
- Sec. 344. Industry councils.*
- Sec. 345. Advisory committees.*
- Sec. 346. Experimental, research, and demonstration projects.*
- Sec. 347. Application of provisions of Federal law.*
- Sec. 348. Special provisions.*
- Sec. 349. Management information.*
- Sec. 350. General provisions.*
- Sec. 351. Authorization of appropriations.*

Subtitle C—National Programs

- Sec. 361. Native American programs.*
- Sec. 362. Migrant and seasonal farmworker programs.*
- Sec. 363. Veterans' workforce investment programs.*
- Sec. 364. Youth opportunity grants.*
- Sec. 365. Incentive grants.*
- Sec. 366. Technical assistance.*
- Sec. 367. Demonstration, pilot, multiservice, research, and multistate projects.*
- Sec. 368. Evaluations.*
- Sec. 369. National emergency grants.*
- Sec. 370. Authorization of appropriations.*

Subtitle D—Administration

- Sec. 371. Requirements and restrictions.*
- Sec. 372. Prompt allocation of funds.*

- Sec. 373. Monitoring.*
- Sec. 374. Fiscal controls; sanctions.*
- Sec. 375. Reports; recordkeeping; investigations.*
- Sec. 376. Administrative adjudication.*
- Sec. 377. Judicial review.*
- Sec. 378. Nondiscrimination.*
- Sec. 379. Administrative provisions.*
- Sec. 380. State legislative authority.*
- Sec. 381. Workforce flexibility partnership plans.*
- Sec. 382. Use of certain real property.*
- Sec. 383. Continuation of State activities and policies.*

Subtitle E—Repeals and Conforming Amendments

- Sec. 391. Repeals.*
- Sec. 392. Conforming amendments.*
- Sec. 393. Effective dates.*

TITLE IV—WORKFORCE INVESTMENT-RELATED ACTIVITIES

Subtitle A—Wagner-Peyser Act

- Sec. 401. Definitions.*
- Sec. 402. Functions.*
- Sec. 403. Designation of State agencies.*
- Sec. 404. Appropriations.*
- Sec. 405. Disposition of allotted funds.*
- Sec. 406. State plans.*
- Sec. 407. Repeal of Federal advisory council.*
- Sec. 408. Regulations.*
- Sec. 409. Labor market information.*
- Sec. 410. Technical amendments.*

Subtitle B—Linkages With Other Programs

- Sec. 421. Trade Act of 1974.*
- Sec. 422. Veterans' employment programs.*
- Sec. 423. Older Americans Act of 1965.*

Subtitle C—Twenty-First Century Workforce Commission

- Sec. 431. Short title.*
- Sec. 432. Findings.*
- Sec. 433. Definitions.*
- Sec. 434. Establishment of Twenty-First Century Workforce Commission.*
- Sec. 435. Duties of the Commission.*
- Sec. 436. Powers of the Commission.*
- Sec. 437. Commission personnel matters.*
- Sec. 438. Termination of the Commission.*
- Sec. 439. Authorization of appropriations.*

TITLE V—GENERAL PROVISIONS

- Sec. 501. State unified plan.*
- Sec. 502. Definitions for core indicators of performance.*
- Sec. 503. Transition provisions.*
- Sec. 504. Privacy.*
- Sec. 505. Limitation.*

Sec. 506. *Effective date.*

TITLE VI—REHABILITATION ACT AMENDMENTS OF 1998

Sec. 601. *Short title.*

Sec. 602. *Title.*

Sec. 603. *General provisions.*

Sec. 604. *Vocational rehabilitation services.*

Sec. 605. *Research and training.*

Sec. 606. *Professional development and special projects and demonstrations.*

Sec. 607. *National Council on Disability.*

Sec. 608. *Rights and advocacy.*

Sec. 609. *Employment opportunities for individuals with disabilities.*

Sec. 610. *Independent living services and centers for independent living.*

Sec. 611. *Helen Keller National Center Act.*

Sec. 612. *President's Committee on Employment of People With Disabilities.*

Sec. 613. *Conforming amendments.*

1 **SEC. 2. DEFINITIONS.**

2 *In this Act:*

3 (1) *ADULT.*—*In paragraph (14) and title III*
 4 *(other than section 302), the term “adult” means an*
 5 *individual who is age 22 or older.*

6 (2) *ADULT EDUCATION.*—*The term “adult edu-*
 7 *cation” means services or instruction below the post-*
 8 *secondary level for individuals—*

9 (A) *who have attained 16 years of age or*
 10 *who are beyond the age of compulsory school at-*
 11 *tendance under State law;*

12 (B) *who are not enrolled in secondary*
 13 *school; and*

14 (C) *who—*
 15 (i) *lack sufficient mastery of basic edu-*
 16 *cational skills to enable the individuals to*
 17 *function effectively in society;*

1 (ii) do not possess a secondary school
2 diploma or its recognized equivalent; or

3 (iii) are unable to speak, read, or write
4 the English language.

5 (3) AREA VOCATIONAL EDUCATION SCHOOL.—

6 The term “area vocational education school” means—

7 (A) a specialized public secondary school
8 used exclusively or principally for the provision
9 of vocational education for individuals who seek
10 to study and prepare for entering the labor mar-
11 ket;

12 (B) the department of a public secondary
13 school exclusively or principally used for provid-
14 ing vocational education in not fewer than 5 dif-
15 ferent occupational fields to individuals who are
16 available for study in preparation for entering
17 the labor market;

18 (C) a public or nonprofit technical institute
19 or vocational school used exclusively or prin-
20 cipally for the provision of vocational education
21 to individuals who—

22 (i)(I) have completed public secondary
23 school; or

24 (II) have left public secondary school;

25 and

1 (ii) seek to study and prepare for en-
2 tering the labor market; or

3 (D) the department or division of a junior
4 college, community college, or university that—

5 (i) operates under the policies of the
6 appropriate State agency that oversees post-
7 secondary education and is approved under
8 subpart 2 of part H of title IV of the High-
9 er Education Act of 1965 (20 U.S.C. 1099b
10 et seq.); and

11 (ii) provides vocational education in
12 not fewer than 5 different occupational
13 fields leading to immediate employment but
14 not necessarily leading to a degree; and

15 (iii) admits as regular students both
16 individuals who have completed public sec-
17 ondary school and individuals who have left
18 public secondary school.

19 (4) CHIEF ELECTED OFFICIAL.—The term “chief
20 elected official” means—

21 (A) the chief elected executive officer of a
22 unit of general local government in a local area;
23 and

24 (B) in a case in which a local area includes
25 more than 1 unit of general local government,

1 *the individuals designated under the agreement*
2 *described in section 308(d)(1)(B)(i).*

3 (5) *DISADVANTAGED ADULT.*—*In title III, and*
4 *except as provided in section 302, the term “dis-*
5 *advantaged adult” means an adult who is a low-in-*
6 *come individual.*

7 (6) *DISLOCATED WORKER.*—*The term “dislocated*
8 *worker” means an individual who—*

9 *(A)(i) has been terminated or laid off, or*
10 *who has received a notice of termination or lay-*
11 *off, from employment;*

12 *(ii)(I) is eligible for or has exhausted enti-*
13 *tlement to unemployment compensation; or*

14 *(II) has been employed for a duration suffi-*
15 *cient to demonstrate, to the appropriate entity at*
16 *a one-stop customer service center, attachment to*
17 *the workforce, but is not eligible for unemploy-*
18 *ment compensation due to insufficient earnings*
19 *or having performed services for an employer*
20 *that were not covered under a State unemploy-*
21 *ment compensation law; and*

22 *(iii) is unlikely to return to a previous in-*
23 *dustry or occupation;*

24 *(B)(i) has been terminated or laid off, or*
25 *has received a notice of termination or layoff,*

1 *from employment as a result of any permanent*
2 *closure of, or any substantial layoff at, a plant,*
3 *facility, or enterprise;*

4 *(ii) is employed at a facility at which the*
5 *employer has made a general announcement that*
6 *such facility will close within 180 days; or*

7 *(iii) for purposes of eligibility to receive*
8 *services under title III other than training serv-*
9 *ices described in section 315(c)(3), intensive serv-*
10 *ices, or supportive services, is employed at a fa-*
11 *ility at which the employer has made a general*
12 *announcement that such facility will close;*

13 *(C) was self-employed (including employ-*
14 *ment as a farmer, a rancher, or a fisherman) but*
15 *is unemployed as a result of general economic*
16 *conditions in the community in which the indi-*
17 *vidual resides or because of natural disasters; or*

18 *(D) is a displaced homemaker.*

19 *(7) DISPLACED HOME MAKER.—The term “dis-*
20 *placed homemaker” means an individual who has*
21 *been providing unpaid services to family members in*
22 *the home and who—*

23 *(A) has been dependent on the income of an-*
24 *other family member but is no longer supported*
25 *by that income; and*

1 (B) is unemployed or underemployed and is
2 experiencing difficulty in obtaining or upgrad-
3 ing employment.

4 (8) *ECONOMIC DEVELOPMENT AGENCIES.*—The
5 term “economic development agencies” includes local
6 planning and zoning commissions or boards, commu-
7 nity development agencies, and other local agencies
8 and institutions responsible for regulating, promot-
9 ing, or assisting in local economic development.

10 (9) *EDUCATIONAL SERVICE AGENCY.*—The term
11 “educational service agency” means a regional public
12 multiservice agency authorized by State statute to de-
13 velop and manage a service or program, and provide
14 the service or program to a local educational agency.

15 (10) *ELEMENTARY SCHOOL; LOCAL EDUCATIONAL*
16 *AGENCY.*—The terms “elementary school” and “local
17 educational agency” have the meanings given the
18 terms in section 14101 of the *Elementary and Sec-*
19 *ondary Education Act of 1965 (20 U.S.C. 8801).*

20 (11) *ELIGIBLE AGENCY.*—The term “eligible
21 agency” in the case of vocational education, or adult
22 education and literacy, activities or requirements de-
23 scribed in this Act, means the sole entity or agency
24 in a State or an outlying area responsible for admin-
25 istering or supervising policy for vocational edu-

1 *cation, or adult education and literacy, respectively,*
 2 *in the State or outlying area, respectively, consistent*
 3 *with the law of the State or outlying area, respec-*
 4 *tively.*

5 (12) *ELIGIBLE INSTITUTION.*—*In title I, the*
 6 *term “eligible institution” means—*

7 (A) *an institution of higher education;*

8 (B) *a local educational agency providing*
 9 *education at the postsecondary level;*

10 (C) *an area vocational education school*
 11 *providing education at the postsecondary level;*

12 (D) *a postsecondary educational institution*
 13 *controlled by the Bureau of Indian Affairs or op-*
 14 *erated by or on behalf of any Indian tribe that*
 15 *is eligible to contract with the Secretary of the*
 16 *Interior for the administration of programs*
 17 *under the Indian Self-Determination Act or the*
 18 *Act of April 16, 1934 (48 Stat. 596; 25 U.S.C.*
 19 *452 et seq.); and*

20 (E) *a consortium of 2 or more of the enti-*
 21 *ties described in subparagraphs (A) through (D).*

22 (13) *ELIGIBLE PROVIDER.*—*The term “eligible*
 23 *provider”—*

24 (A) *in title II, means—*

25 (i) *a local educational agency;*

- 1 (ii) a community-based organization;
- 2 (iii) an institution of higher education;
- 3 (iv) a public or private nonprofit
- 4 agency;
- 5 (v) a consortium of such agencies, or-
- 6 ganizations, or institutions; or
- 7 (vi) a library; and
- 8 (B) in title III, used with respect to—
- 9 (i) training services (other than on-the-
- 10 job training), means a provider who is
- 11 identified in accordance with section 312;
- 12 (ii) youth activities, means a provider
- 13 who is awarded a grant in accordance with
- 14 section 313; or
- 15 (iii) other workforce investment activi-
- 16 ties, means a public or private entity se-
- 17 lected to be responsible for such activities, in
- 18 accordance with subtitle A of title III, such
- 19 as a one-stop customer service center opera-
- 20 tor designated or certified under section
- 21 311.

22 (14) EMPLOYMENT AND TRAINING ACTIVITY.—

23 The term “employment and training activity” means

24 an activity described in section 314(b)(1) or sub-

1 *section (c)(1) or (d) of section 315, carried out for an*
2 *adult or dislocated worker.*

3 (15) *ENGLISH LITERACY PROGRAM.*—*The term*
4 *“English literacy program” means a program of in-*
5 *struction designed to help individuals of limited*
6 *English proficiency achieve competence in the English*
7 *language.*

8 (16) *GOVERNOR.*—*The term “Governor” means*
9 *the chief executive officer of a State.*

10 (17) *INDIVIDUAL WITH A DISABILITY.*—

11 (A) *IN GENERAL.*—*The term “individual*
12 *with a disability” means an individual with*
13 *any disability (as defined in section 3 of the*
14 *Americans with Disabilities Act of 1990 (42*
15 *U.S.C. 12102)).*

16 (B) *INDIVIDUALS WITH DISABILITIES.*—*The*
17 *term “individuals with disabilities” means more*
18 *than 1 individual with a disability.*

19 (18) *INDIVIDUAL OF LIMITED ENGLISH PRO-*
20 *FICIENCY.*—*The term “individual of limited English*
21 *proficiency” means an adult or out-of-school youth*
22 *who has limited ability in speaking, reading, writing,*
23 *or understanding the English language, and—*

24 (A) *whose native language is a language*
25 *other than English; or*

1 (B) *who lives in a family or community en-*
2 *vironment where a language other than English*
3 *is the dominant language.*

4 (19) *INSTITUTION OF HIGHER EDUCATION.—Ex-*
5 *cept for purposes of subtitle B of title I, the term “in-*
6 *stitution of higher education” means an institution of*
7 *higher education, as defined in section 1201(a) of the*
8 *Higher Education Act of 1965 (20 U.S.C. 1141(a)).*

9 (20) *LITERACY.—*

10 (A) *IN GENERAL.—The term “literacy”*
11 *means an individual’s ability to read, write, and*
12 *speak in English, compute, and solve problems,*
13 *at levels of proficiency necessary to function on*
14 *the job and in society.*

15 (B) *WORKPLACE LITERACY PROGRAM.—The*
16 *term “workplace literacy program” means a pro-*
17 *gram of literacy activities that is offered for the*
18 *purpose of improving the productivity of the*
19 *workforce through the improvement of literacy*
20 *skills.*

21 (21) *LOCAL AREA.—In paragraph (4) and title*
22 *III, the term “local area” means a local workforce in-*
23 *vestment area designated under section 307.*

1 (22) *LOCAL PARTNERSHIP*.—*In title III, the*
2 *term “local partnership” means a local workforce in-*
3 *vestment partnership established under section 308(a).*

4 (23) *LOCAL PERFORMANCE MEASURE*.—*The term*
5 *“local performance measure” means a performance*
6 *measure established under section 321(c).*

7 (24) *LOW-INCOME INDIVIDUAL*.—*In paragraph*
8 *(51) and title III, the term “low-income individual”*
9 *means an individual who—*

10 (A) *receives, or is a member of a family*
11 *that receives, cash payments under a Federal,*
12 *State, or local income-based public assistance*
13 *program;*

14 (B) *received an income, or is a member of*
15 *a family that received a total family income, for*
16 *the 6-month period prior to application for the*
17 *program involved (exclusive of unemployment*
18 *compensation, child support payments, payments*
19 *described in subparagraph (A), and old-age and*
20 *survivors insurance benefits received under sec-*
21 *tion 202 of the Social Security Act (42 U.S.C.*
22 *402)) that, in relation to family size, does not*
23 *exceed the higher of—*

24 (i) *the poverty line, for an equivalent*
25 *period; or*

1 (ii) 70 percent of the lower living
2 standard income level, for an equivalent pe-
3 riod;

4 (C) is a member of a household that receives
5 (or has been determined within the 6-month pe-
6 riod prior to application for the program in-
7 volved to be eligible to receive) food stamps pur-
8 suant to the Food Stamp Act of 1977 (7 U.S.C.
9 2011 et seq.);

10 (D) qualifies as a homeless individual, as
11 defined in subsections (a) and (c) of section 103
12 of the Stewart B. McKinney Homeless Assistance
13 Act (42 U.S.C. 11302);

14 (E) is a foster child on behalf of whom
15 State or local government payments are made; or

16 (F) in cases permitted by regulations of the
17 Secretary of Labor, is an individual with a dis-
18 ability whose own income meets the requirements
19 of a program described in subparagraph (A) or
20 of subparagraph (B), but who is a member of a
21 family whose income does not meet such require-
22 ments.

23 (25) LOWER LIVING STANDARD INCOME LEVEL.—
24 The term “lower living standard income level” means
25 that income level (adjusted for regional, metropolitan,

1 *urban, and rural differences and family size) deter-*
2 *mined annually by the Secretary of Labor based on*
3 *the most recent lower living family budget issued by*
4 *the Secretary of Labor.*

5 *(26) NONTRADITIONAL EMPLOYMENT.—In titles I*
6 *and III, the term “nontraditional employment” refers*
7 *to occupations or fields of work for which individuals*
8 *from one gender comprise less than 25 percent of the*
9 *individuals employed in each such occupation or field*
10 *of work.*

11 *(27) ON-THE-JOB TRAINING.—The term “on-the-*
12 *job training” means training in the public or private*
13 *sector that is provided to a paid participant while*
14 *engaged in productive work in a job that—*

15 *(A) provides knowledge or skills essential to*
16 *the full and adequate performance of the job;*

17 *(B) provides reimbursement to employers of*
18 *up to 50 percent of the wage rate of the partici-*
19 *part, for the extraordinary costs of providing the*
20 *training and additional supervision related to*
21 *the training; and*

22 *(C) is limited in duration as appropriate to*
23 *the occupation for which the participant is being*
24 *trained.*

1 (28) *OUT-OF-SCHOOL YOUTH*.—The term “out-of-
2 school youth” means—

3 (A) a youth who is a school dropout; or

4 (B) a youth who has received a secondary
5 school diploma or its equivalent but is basic lit-
6 eracy skills deficient, unemployed, or under-
7 employed.

8 (29) *OUTLYING AREA*.—The term “outlying
9 area” means the United States Virgin Islands, Guam,
10 American Samoa, the Commonwealth of the Northern
11 Mariana Islands, the Republic of the Marshall Is-
12 lands, the Federated States of Micronesia, and the Re-
13 public of Palau.

14 (30) *PARTICIPANT*.—The term “participant”,
15 used with respect to an activity carried out under
16 title III, means an individual participating in the
17 activity.

18 (31) *POSTSECONDARY EDUCATIONAL INSTITU-*
19 *TION*.—The term “postsecondary educational institu-
20 tion” means—

21 (A) an institution of higher education that
22 provides not less than a 2-year program of in-
23 struction that is acceptable for credit toward a
24 bachelor’s degree;

1 (B) a tribally controlled community college;

2 or

3 (C) a nonprofit educational institution of-
4 fering certificate or apprenticeship programs at
5 the postsecondary level.

6 (32) *POVERTY LINE*.—The term “poverty line”
7 means the poverty line (as defined by the Office of
8 Management and Budget, and revised annually in ac-
9 cordance with section 673(2) of the Community Serv-
10 ices Block Grant Act (42 U.S.C. 9902(2))) applicable
11 to a family of the size involved.

12 (33) *PUBLIC ASSISTANCE*.—In title III, the term
13 “public assistance” means Federal, State, or local
14 government cash payments for which eligibility is de-
15 termined by a needs or income test.

16 (34) *RAPID RESPONSE ACTIVITY*.—In title III,
17 the term “rapid response activity” means an activity
18 provided by a State, or by an entity designated by a
19 State, with funds provided by the State under section
20 306(a)(2), in the case of a permanent closure or mass
21 layoff at a plant, facility, or enterprise, or a natural
22 or other disaster, that results in mass job dislocation,
23 in order to assist dislocated workers in obtaining re-
24 employment as soon as possible, with services includ-
25 ing—

1 (A) the establishment of onsite contact with
2 employers and employee representatives—

3 (i) immediately after the State is noti-
4 fied of a current or projected permanent clo-
5 sure or mass layoff; or

6 (ii) in the case of a disaster, imme-
7 diately after the State is made aware of
8 mass job dislocation as a result of such dis-
9 aster;

10 (B) the provision of information and access
11 to available employment and training activities;

12 (C) assistance in establishing a labor-man-
13 agement committee, voluntarily agreed to by
14 labor and management, with the ability to devise
15 and implement a strategy for assessing the em-
16 ployment and training needs of dislocated work-
17 ers and obtaining services to meet such needs;

18 (D) the provision of emergency assistance
19 adapted to the particular closure, layoff, or dis-
20 aster; and

21 (E) the provision of assistance to the local
22 community in developing a coordinated response
23 and in obtaining access to State economic devel-
24 opment assistance.

1 (35) *SCHOOL DROPOUT.*—*The term “school drop-*
2 *out” means an individual who is no longer attending*
3 *any school and who has not received a secondary*
4 *school diploma or its recognized equivalent.*

5 (36) *SECONDARY SCHOOL.*—*The term “secondary*
6 *school” has the meaning given the term in section*
7 *14101 of the Elementary and Secondary Education*
8 *Act of 1965 (20 U.S.C. 8801), except that the term*
9 *does not include education below grade 9.*

10 (37) *SECRETARY.*—

11 (A) *TITLES I AND II.*—*In titles I and II,*
12 *the term “Secretary” means the Secretary of*
13 *Education.*

14 (B) *TITLE III.*—*In title III, the term “Sec-*
15 *retary” means the Secretary of Labor.*

16 (38) *STATE.*—*The term “State” means each of*
17 *the several States of the United States, the District of*
18 *Columbia, and the Commonwealth of Puerto Rico.*

19 (39) *STATE EDUCATIONAL AGENCY.*—*The term*
20 *“State educational agency” means the State board of*
21 *education or other agency or officer primarily respon-*
22 *sible for the State supervision of public elementary or*
23 *secondary schools, or, if there is no such agency or of-*
24 *ficer, an agency or officer designated by the Governor*
25 *or by State law.*

1 (40) *STATE PERFORMANCE MEASURE.*—*In title*
2 *III, the term “State performance measure” means a*
3 *performance measure established under section 321(b).*

4 (41) *STATEWIDE PARTNERSHIP.*—*The term*
5 *“statewide partnership” means a partnership estab-*
6 *lished under section 303.*

7 (42) *SUPPORTIVE SERVICES.*—

8 (A) *TITLE I.*—*In title I, the term “support-*
9 *ive services” means services related to curricu-*
10 *lum modification, equipment modification, class-*
11 *room modification, supportive personnel, and in-*
12 *structional aids and devices.*

13 (B) *TITLE III.*—*In title III, the term “sup-*
14 *portive services” means services such as trans-*
15 *portation, child care, dependent care, housing,*
16 *and needs-based payments, that are necessary to*
17 *enable an individual to participate in employ-*
18 *ment and training activities or youth activities.*

19 (43) *TRIBALLY CONTROLLED COMMUNITY COL-*
20 *LEGE.*—*The term “tribally controlled community col-*
21 *lege” means an institution that receives assistance*
22 *under the Tribally Controlled Community College As-*
23 *sistance Act of 1978 (25 U.S.C. 1801 et seq.) or the*
24 *Navajo Community College Act (25 U.S.C. 640a et*
25 *seq.).*

1 (44) *UNIT OF GENERAL LOCAL GOVERNMENT.*—
2 *In title III, the term “unit of general local govern-*
3 *ment” means any general purpose political subdivi-*
4 *sion of a State that has the power to levy taxes and*
5 *spend funds, as well as general corporate and police*
6 *powers.*

7 (45) *VETERAN; RELATED DEFINITIONS.*—

8 (A) *VETERAN.*—*The term “veteran” means*
9 *an individual who served in the active military,*
10 *naval, or air service, and who was discharged or*
11 *released from such service under conditions other*
12 *than dishonorable.*

13 (B) *RECENTLY SEPARATED VETERAN.*—*The*
14 *term “recently separated veteran” means any*
15 *veteran who applies for participation under title*
16 *III within 48 months of the discharge or release*
17 *from active military, naval, or air service.*

18 (46) *VOCATIONAL EDUCATION.*—*The term “voca-*
19 *tional education” means organized education that—*

20 (A) *offers a sequence of courses that provides*
21 *individuals with the academic and technological*
22 *knowledge and skills the individuals need to pre-*
23 *pare for further education and for careers (other*
24 *than careers requiring a baccalaureate, master’s,*

1 or doctoral degree) in current or emerging em-
2 ployment sectors; and

3 (B) includes competency-based applied
4 learning that contributes to the academic knowl-
5 edge, higher-order reasoning and problem-solving
6 skills, work attitudes, general employability
7 skills, technological skills, and occupation-spe-
8 cific skills, of an individual.

9 (47) VOCATIONAL REHABILITATION PROGRAM.—
10 The term “vocational rehabilitation program” means
11 a program assisted under title I of the Rehabilitation
12 Act of 1973 (29 U.S.C. 720 et seq.).

13 (48) VOCATIONAL STUDENT ORGANIZATION.—

14 (A) IN GENERAL.—The term “vocational
15 student organization” means an organization for
16 individuals enrolled in a vocational education
17 program.

18 (B) STATE AND NATIONAL UNITS.—An or-
19 ganization described in subparagraph (A) may
20 have State and national units that aggregate the
21 work and purposes of instruction in vocational
22 education at the local level.

23 (49) WELFARE RECIPIENT.—The term “welfare
24 recipient” means a person receiving payments de-
25 scribed in paragraph (24)(A).

1 (50) *WORKFORCE INVESTMENT ACTIVITY.*—*The*
2 *term “workforce investment activity” means an em-*
3 *ployment and training activity, a youth activity, and*
4 *an activity described in section 314.*

5 (51) *YOUTH.*—*In paragraph (52) and title III*
6 *(other than section 302 and subtitles B and C of such*
7 *title), the term “youth” means an individual who—*

8 (A) *is not less than age 14 and not more*
9 *than age 21;*

10 (B) *is a low-income individual; and*

11 (C) *an individual who is 1 or more of the*
12 *following:*

13 (i) *Deficient in basic literacy skills.*

14 (ii) *A school dropout.*

15 (iii) *Homeless, a runaway, or a foster*
16 *child.*

17 (iv) *Pregnant or a parent.*

18 (v) *An offender.*

19 (vi) *An individual who requires addi-*
20 *tional assistance to complete an educational*
21 *program, or to secure and hold employment.*

22 (52) *YOUTH ACTIVITY.*—*The term “youth activ-*
23 *ity” means an activity described in section 316, car-*
24 *ried out for youth.*

1 (53) *YOUTH PARTNERSHIP*.—The term “youth
2 partnership” means a partnership established under
3 section 308(i).

4 ***TITLE I—VOCATIONAL, TECHNO-***
5 ***LOGICAL, AND TECH-PREP***
6 ***EDUCATION***

7 ***SEC. 101. SHORT TITLE.***

8 This title may be cited as the “Carl D. Perkins Voca-
9 tional and Applied Technology Education Act of 1998”.

10 ***SEC. 102. FINDINGS AND PURPOSE.***

11 (a) *FINDINGS*.—Congress finds that—

12 (1) *in order to be successful workers, citizens,*
13 *and learners in the 21st century, individuals will*
14 *need—*

15 (A) *a combination of strong basic and ad-*
16 *vanced academic skills;*

17 (B) *computer and other technical skills;*

18 (C) *theoretical knowledge;*

19 (D) *communications, problem-solving, team-*
20 *work, and employability skills; and*

21 (E) *the ability to acquire additional knowl-*
22 *edge and skills throughout a lifetime;*

23 (2) *students participating in vocational edu-*
24 *cation can achieve challenging academic and tech-*
25 *nical skills, and may learn better and retain more,*

1 *when the students learn in context, learn by doing,*
2 *and have an opportunity to learn and understand*
3 *how academic, vocational, and technological skills are*
4 *used outside the classroom;*

5 *(3)(A) many high school graduates in the United*
6 *States do not complete a rigorous course of study that*
7 *prepares the graduates for completing a 2-year or 4-*
8 *year college degree or for entering high-skill, high-*
9 *wage careers;*

10 *(B) adult students are an increasingly diverse*
11 *group and often enter postsecondary education unpre-*
12 *pared for academic and technical work; and*

13 *(C) certain individuals often face great chal-*
14 *lenges in acquiring the knowledge and skills needed*
15 *for successful employment;*

16 *(4) community colleges, technical colleges, and*
17 *area vocational education schools are offering adults*
18 *a gateway to higher education, and access to quality*
19 *certificates and degrees that increase their skills and*
20 *earnings, by—*

21 *(A) ensuring that the academic, vocational,*
22 *and technological skills gained by students ade-*
23 *quately prepare the students for the workforce;*
24 *and*

1 (B) enhancing connections with employers
2 and 4-year institutions of higher education;

3 (5) local, State, and national programs sup-
4 ported under the Carl D. Perkins Vocational and Ap-
5 plied Technology Education Act (20 U.S.C. 2301 et
6 seq.) (as such Act was in effect on the day before the
7 date of enactment of this Act) have assisted many stu-
8 dents in obtaining technical, academic, and employ-
9 ability skills, and tech-prep education;

10 (6) the Federal Government can assist States
11 and localities by carrying out nationally significant
12 research, program development, demonstration, dis-
13 semination, evaluation, data collection, professional
14 development, and technical assistance activities that
15 support State and local efforts regarding vocational
16 education; and

17 (7) through a performance partnership with
18 States and localities based on clear programmatic
19 goals, increased State and local flexibility, improved
20 accountability, and performance measures, the Fed-
21 eral Government will provide to States and localities
22 financial assistance for the improvement and expan-
23 sion of vocational education for students participat-
24 ing in vocational education.

1 (b) *PURPOSE.*—*The purpose of this title is to make the*
2 *United States more competitive in the world economy by*
3 *developing more fully the academic, technological, voca-*
4 *tional, and employability skills of secondary students and*
5 *postsecondary students who elect to enroll in vocational edu-*
6 *cation programs, by—*

7 (1) *building on the efforts of States and localities*
8 *to develop challenging academic standards;*

9 (2) *promoting the development of services and*
10 *activities that integrate academic, vocational, and*
11 *technological instruction, and that link secondary and*
12 *postsecondary education for participating vocational*
13 *education students;*

14 (3) *increasing State and local flexibility in pro-*
15 *viding services and activities designed to develop, im-*
16 *plement, and improve vocational education, including*
17 *tech-prep education; and*

18 (4) *disseminating national research, and provid-*
19 *ing professional development and technical assistance,*
20 *that will improve vocational education programs,*
21 *services, and activities.*

22 **SEC. 103. VOLUNTARY SELECTION AND PARTICIPATION.**

23 *No funds made available under this title shall be*
24 *used—*

1 (1) to require any secondary school student to
2 choose or pursue a specific career path or major; and

3 (2) to mandate that any individual participate
4 in a vocational education program, including a voca-
5 tional education program that requires the attain-
6 ment of a federally funded skill level or standard.

7 **SEC. 104. CONSTRUCTION.**

8 Nothing in this Act shall be construed to permit, allow,
9 encourage, or authorize any Federal control over any aspect
10 of a private, religious, or home school, regardless of whether
11 a home school is treated as a private school or home school
12 under State law. This section shall not be construed to bar
13 students attending private, religious, or home schools from
14 participation in programs or services under this Act.

15 **Subtitle A—Vocational Education**

16 **CHAPTER 1—FEDERAL PROVISIONS**

17 **SEC. 111. RESERVATIONS AND STATE ALLOTMENT.**

18 (a) **RESERVATIONS AND STATE ALLOTMENT.**—

19 (1) **RESERVATIONS.**—From the sum appro-
20 priated under section 171 for each fiscal year, the
21 Secretary shall reserve—

22 (A) 0.2 percent to carry out section 113;

23 (B) 1.80 percent to carry out sections 114
24 and 115, of which—

1 (i) 1.25 percent of the sum shall be
2 available to carry out section 114(b);

3 (ii) 0.25 percent of the sum shall be
4 available to carry out section 114(c); and

5 (iii) 0.30 percent of the sum shall be
6 available to carry out section 115; and

7 (C) 1.3 percent to carry out sections 116,
8 163, 164, 165, and 166, of which not less than
9 0.65 percent of the sum shall be available to
10 carry out section 116 for each of the fiscal years
11 2001 through 2005.

12 (2) *STATE ALLOTMENT FORMULA.*—Subject to
13 paragraphs (3) and (4), from the remainder of the
14 sums appropriated under section 171 and not re-
15 served under paragraph (1) for a fiscal year, the Sec-
16 retary shall allot to a State for the fiscal year—

17 (A) an amount that bears the same ratio to
18 50 percent of the sums being allotted as the prod-
19 uct of the population aged 15 to 19 inclusive, in
20 the State in the fiscal year preceding the fiscal
21 year for which the determination is made and
22 the State's allotment ratio bears to the sum of
23 the corresponding products for all the States;

24 (B) an amount that bears the same ratio to
25 20 percent of the sums being allotted as the prod-

1 *uct of the population aged 20 to 24, inclusive, in*
2 *the State in the fiscal year preceding the fiscal*
3 *year for which the determination is made and*
4 *the State's allotment ratio bears to the sum of*
5 *the corresponding products for all the States;*

6 *(C) an amount that bears the same ratio to*
7 *15 percent of the sums being allotted as the prod-*
8 *uct of the population aged 25 to 65, inclusive, in*
9 *the State in the fiscal year preceding the fiscal*
10 *year for which the determination is made and*
11 *the State's allotment ratio bears to the sum of*
12 *the corresponding products for all the States; and*

13 *(D) an amount that bears the same ratio to*
14 *15 percent of the sums being allotted as the*
15 *amounts allotted to the State under subpara-*
16 *graphs (A), (B), and (C) for such years bears to*
17 *the sum of the amounts allotted to all the States*
18 *under subparagraphs (A), (B), and (C) for such*
19 *year.*

20 *(3) MINIMUM ALLOTMENT.—*

21 *(A) IN GENERAL.—Notwithstanding any*
22 *other provision of law and subject to subpara-*
23 *graphs (B) and (C), and paragraph (4), no State*
24 *shall receive for a fiscal year under this sub-*
25 *section less than $\frac{1}{2}$ of 1 percent of the amount*

1 *appropriated under section 171 and not reserved*
2 *under paragraph (1) for such fiscal year.*
3 *Amounts necessary for increasing such payments*
4 *to States to comply with the preceding sentence*
5 *shall be obtained by ratably reducing the*
6 *amounts to be paid to other States.*

7 *(B) REQUIREMENT.—Due to the applica-*
8 *tion of subparagraph (A), for any fiscal year, no*
9 *State shall receive more than 150 percent of the*
10 *amount the State received under this subsection*
11 *for the preceding fiscal year (or in the case of*
12 *fiscal year 1999 only, under section 101 of the*
13 *Carl D. Perkins Vocational and Applied Tech-*
14 *nology Education Act, as such section was in ef-*
15 *fect on the day before the date of enactment of*
16 *this Act).*

17 *(C) SPECIAL RULE.—*

18 *(i) IN GENERAL.—Subject to para-*
19 *graph (4), no State, by reason of subpara-*
20 *graph (A), shall be allotted for a fiscal year*
21 *more than the lesser of—*

22 *(I) 150 percent of the amount that*
23 *the State received in the preceding fis-*
24 *cal year (or in the case of fiscal year*
25 *1999 only, under section 101 of the*

1 *Carl D. Perkins Vocational and Ap-*
2 *plied Technology Education Act, as*
3 *such section was in effect on the day*
4 *before the date of enactment of this*
5 *Act); and*

6 *(II) the amount calculated under*
7 *clause (i).*

8 *(i) AMOUNT.—The amount calculated*
9 *under this clause shall be determined by*
10 *multiplying—*

11 *(I) the number of individuals in*
12 *the State counted under paragraph (2)*
13 *in the preceding fiscal year; by*

14 *(II) 150 percent of the national*
15 *average per pupil payment made with*
16 *funds available under this section for*
17 *that year (or in the case of fiscal year*
18 *1999, only, under section 101 of the*
19 *Carl D. Perkins Vocational and Ap-*
20 *plied Technology Education Act, as*
21 *such section was in effect on the day*
22 *before the date of enactment of this*
23 *Act).*

24 *(4) HOLD HARMLESS.—*

1 (A) *IN GENERAL.*—No State shall receive an
2 allotment under this section for a fiscal year that
3 is less than the allotment the State received
4 under part A of title I of the Carl D. Perkins Vo-
5 cational and Applied Technology Education Act
6 (20 U.S.C. 2311 *et seq.*) (as such part was in ef-
7 fect on the day before the date of enactment of
8 this Act) for fiscal year 1997.

9 (B) *RATABLE REDUCTION.*—If for any fis-
10 cal year the amount appropriated for allotments
11 under this section is insufficient to satisfy the
12 provisions of subparagraph (A), the payments to
13 all States under such subparagraph shall be rat-
14 ably reduced.

15 (b) *REALLOTMENT.*—If the Secretary determines that
16 any amount of any State's allotment under subsection (a)
17 for any fiscal year will not be required for such fiscal year
18 for carrying out the activities for which such amount has
19 been allotted, the Secretary shall make such amount avail-
20 able for reallocation. Any such reallocation among other
21 States shall occur on such dates during the same year as
22 the Secretary shall fix, and shall be made on the basis of
23 criteria established by regulation. No funds may be reallo-
24 ted for any use other than the use for which the funds were
25 appropriated. Any amount reallocated to a State under this

1 subsection for any fiscal year shall remain available for ob-
2 ligation during the succeeding fiscal year and shall be
3 deemed to be part of the State's allotment for the year in
4 which the amount is obligated.

5 (c) ALLOTMENT RATIO.—

6 (1) IN GENERAL.—The allotment ratio for any
7 State shall be 1.00 less the product of—

8 (A) 0.50; and

9 (B) the quotient obtained by dividing the
10 per capita income for the State by the per capita
11 income for all the States (exclusive of the Com-
12 monwealth of Puerto Rico and the United States
13 Virgin Islands), except that—

14 (i) the allotment ratio in no case shall
15 be more than 0.60 or less than 0.40; and

16 (ii) the allotment ratio for the Com-
17 monwealth of Puerto Rico and the United
18 States Virgin Islands shall be 0.60.

19 (2) PROMULGATION.—The allotment ratios shall
20 be promulgated by the Secretary for each fiscal year
21 between October 1 and December 31 of the fiscal year
22 preceding the fiscal year for which the determination
23 is made. Allotment ratios shall be computed on the
24 basis of the average of the appropriate per capita in-

1 comes for the 3 most recent consecutive fiscal years for
2 which satisfactory data are available.

3 (3) *DEFINITION OF PER CAPITA INCOME.*—For
4 the purpose of this section, the term “per capita in-
5 come” means, with respect to a fiscal year, the total
6 personal income in the calendar year ending in such
7 year, divided by the population of the area concerned
8 in such year.

9 (4) *POPULATION DETERMINATION.*—For the pur-
10 poses of this section, population shall be determined
11 by the Secretary on the basis of the latest estimates
12 available to the Department of Education.

13 (d) *DEFINITION OF STATE.*—For the purpose of this
14 section, the term “State” means each of the several States
15 of the United States, the Commonwealth of Puerto Rico, the
16 District of Columbia, and the United States Virgin Islands.

17 **SEC. 112. PERFORMANCE MEASURES AND EXPECTED LEV-**
18 **ELS OF PERFORMANCE.**

19 (a) *PUBLICATION OF PERFORMANCE MEASURES.*—

20 (1) *IN GENERAL.*—The Secretary shall publish
21 the following performance measures to assess the
22 progress of each eligible agency:

23 (A) Student attainment of academic skills.

24 (B) Student attainment of job readiness
25 skills.

1 (C) *Student attainment of vocational skill*
2 *proficiencies for students in vocational education*
3 *programs, that are necessary for the receipt of a*
4 *secondary school diploma or its recognized equiv-*
5 *alent, or a secondary school skill certificate.*

6 (D) *Receipt of a postsecondary degree or*
7 *certificate.*

8 (E) *Retention in, and completion of, sec-*
9 *ondary school education (as determined under*
10 *State law), placement in, retention in, and com-*
11 *pletion of postsecondary education, employment,*
12 *or military service.*

13 (F) *Participation in and completion of vo-*
14 *cational education programs that lead to non-*
15 *traditional employment.*

16 (2) *SPECIAL RULE.—The Secretary shall estab-*
17 *lish 1 set of performance measures for students served*
18 *under this title, including populations described in*
19 *section 124(c)(16).*

20 (b) *EXPECTED LEVELS OF PERFORMANCE.—In devel-*
21 *oping a State plan, each eligible agency shall negotiate with*
22 *the Secretary the expected levels of performance for the per-*
23 *formance measures described in subsection (a).*

1 **SEC. 113. ASSISTANCE FOR THE OUTLYING AREAS.**

2 (a) *IN GENERAL.*—*From the funds reserved under sec-*
3 *tion 111(a)(1)(A), the Secretary—*

4 (1) *shall award a grant in the amount of*
5 *\$500,000 to Guam for vocational education and*
6 *training for the purpose of providing direct edu-*
7 *cational services related to vocational education, in-*
8 *cluding—*

9 (A) *teacher and counselor training and re-*
10 *training;*

11 (B) *curriculum development; and*

12 (C) *improving vocational education pro-*
13 *grams in secondary schools and institutions of*
14 *higher education, or improving cooperative edu-*
15 *cation programs involving both secondary schools*
16 *and institutions of higher education; and*

17 (2) *shall award a grant in the amount of*
18 *\$190,000 to each of American Samoa and the Com-*
19 *monwealth of the Northern Mariana Islands for voca-*
20 *tional education for the purpose described in para-*
21 *graph (1).*

22 (b) *SPECIAL RULE.*—

23 (1) *IN GENERAL.*—*From funds reserved under*
24 *section 111(a)(1)(A) and not awarded under sub-*
25 *section (a), the Secretary shall make available the*
26 *amount awarded to the Republic of the Marshall Is-*

1 *lands, the Federated States of Micronesia, and the Re-*
2 *public of Palau under section 101A of the Carl D.*
3 *Perkins Vocational and Applied Technology Edu-*
4 *cation Act (as such section was in effect on the day*
5 *before the date of enactment of this Act) to award*
6 *grants under the succeeding sentence. From the*
7 *amount made available under the preceding sentence,*
8 *the Secretary shall award grants, to Guam, American*
9 *Samoa, the Commonwealth of the Northern Mariana*
10 *Islands, the Republic of the Marshall Islands, the Fed-*
11 *erated States of Micronesia, or the Republic of Palau*
12 *for the purpose described in subsection (a)(1).*

13 (2) *AWARD BASIS.—The Secretary shall award*
14 *grants pursuant to paragraph (1) on a competitive*
15 *basis and pursuant to recommendations from the Pa-*
16 *cific Region Educational Laboratory in Honolulu,*
17 *Hawaii.*

18 (3) *TERMINATION OF ELIGIBILITY.—Notwith-*
19 *standing any other provision of law, the Republic of*
20 *the Marshall Islands, the Federated States of Microne-*
21 *sia, and the Republic of Palau shall not receive any*
22 *funds under this title for any fiscal year that begins*
23 *after September 30, 2004.*

24 (4) *ADMINISTRATIVE COSTS.—The Secretary*
25 *may provide not more than 5 percent of the funds*

1 *made available for grants under this subsection to*
2 *pay the administrative costs of the Pacific Region*
3 *Educational Laboratory regarding activities assisted*
4 *under this subsection.*

5 **SEC. 114. INDIAN AND HAWAIIAN NATIVE PROGRAMS.**

6 *(a) DEFINITIONS; AUTHORITY OF SECRETARY.—*

7 *(1) DEFINITIONS.—For the purpose of this sec-*
8 *tion—*

9 *(A) the term “Act of April 16, 1934” means*
10 *the Act entitled “An Act authorizing the Sec-*
11 *retary of the Interior to arrange with States or*
12 *territories for the education, medical attention,*
13 *relief of distress, and social welfare of Indians,*
14 *and for other purposes”, enacted April 16, 1934*
15 *(48 Stat. 596; 25 U.S.C. 452 et seq.);*

16 *(B) the term “Bureau funded school” has*
17 *the meaning given the term in section 1146 of*
18 *the Education Amendments of 1978 (25 U.S.C.*
19 *2026);*

20 *(C) the term “Hawaiian native” means any*
21 *individual any of whose ancestors were natives,*
22 *prior to 1778, of the area which now comprises*
23 *the State of Hawaii; and*

24 *(D) the terms “Indian” and “Indian tribe”*
25 *have the meanings given the terms in section 2*

1 *of the Tribally Controlled Community College*
2 *Assistance Act of 1978 (25 U.S.C. 1801).*

3 (2) *AUTHORITY.—From the funds reserved pur-*
4 *suant to section 111(a)(1)(B), the Secretary shall*
5 *award grants and enter into contracts for Indian and*
6 *Hawaiian native programs in accordance with this*
7 *section, except that such programs shall not include*
8 *secondary school programs in Bureau funded schools.*

9 (b) *INDIAN PROGRAMS.—*

10 (1) *AUTHORITY.—*

11 (A) *IN GENERAL.—Except as provided in*
12 *subparagraph (B), from the funds reserved pur-*
13 *suant to section 111(a)(1)(B)(i), the Secretary is*
14 *directed—*

15 (i) *upon the request of any Indian*
16 *tribe, or a tribal organization serving an*
17 *Indian tribe, which is eligible to contract*
18 *with the Secretary of the Interior for the ad-*
19 *ministration of programs under the Indian*
20 *Self-Determination Act (25 U.S.C. 450 et*
21 *seq.) or under the Act of April 16, 1934; or*

22 (ii) *upon an application received from*
23 *a Bureau funded school offering postsecond-*
24 *ary or adult education programs filed at*

1 *such time and under such conditions as the*
2 *Secretary may prescribe,*
3 *to make grants to or enter into contracts with*
4 *any Indian tribe or tribal organization, or to*
5 *make a grant to such Bureau funded school, as*
6 *appropriate, to plan, conduct, and administer*
7 *programs or portions of programs authorized by,*
8 *and consistent with the purpose of, this title.*

9 *(B) REQUIREMENTS.—The grants or con-*
10 *tracts described in subparagraph (A), shall be*
11 *subject to the following:*

12 *(i) TRIBES AND TRIBAL ORGANIZA-*
13 *TIONS.—Such grants or contracts with any*
14 *tribes or tribal organization shall be subject*
15 *to the terms and conditions of section 102*
16 *of the Indian Self-Determination Act (25*
17 *U.S.C. 450f) and shall be conducted in ac-*
18 *cordance with the provisions of sections 4,*
19 *5, and 6 of the Act of April 16, 1934, which*
20 *are relevant to the programs administered*
21 *under this subsection.*

22 *(ii) BUREAU FUNDED SCHOOLS.—Such*
23 *grants to Bureau funded schools shall not be*
24 *subject to the requirements of the Indian*

1 *Self-Determination Act (25 U.S.C. 450f et*
2 *seq.) or the Act of April 16, 1934.*

3 (C) *REGULATIONS.—If the Secretary pro-*
4 *mulgates any regulations applicable to subpara-*
5 *graph (B), the Secretary shall—*

6 (i) *confer with, and allow for active*
7 *participation by, representatives of Indian*
8 *tribes, tribal organizations, and individual*
9 *tribal members; and*

10 (ii) *promulgate the regulations under*
11 *subchapter III of chapter 5 of title 5,*
12 *United States Code, commonly known as*
13 *the “Negotiated Rulemaking Act of 1990”.*

14 (D) *APPLICATION.—Any Indian tribe, trib-*
15 *al organization, or Bureau funded school eligible*
16 *to receive assistance under this paragraph may*
17 *apply individually or as part of a consortium*
18 *with another such Indian tribe, tribal organiza-*
19 *tion, or Bureau funded school.*

20 (E) *PERFORMANCE MEASURES AND EVALUA-*
21 *TION.—Any Indian tribe, tribal organization, or*
22 *Bureau funded school that receives assistance*
23 *under this section shall—*

1 (i) establish performance measures and
2 expected levels of performance to be achieved
3 by students served under this section; and

4 (ii) evaluate the quality and effective-
5 ness of activities and services provided
6 under this subsection.

7 (F) *MINIMUM.*—In the case of a Bureau
8 funded school, the minimum amount of a grant
9 awarded or contract entered into under this sec-
10 tion shall be \$35,000.

11 (G) *RESTRICTIONS.*—The Secretary may
12 not place upon grants awarded or contracts en-
13 tered into under this paragraph any restrictions
14 relating to programs other than restrictions that
15 apply to grants made to or contracts entered into
16 with States pursuant to allotments under section
17 111(a). The Secretary, in awarding grants and
18 entering into contracts under this paragraph,
19 shall ensure that the grants and contracts will
20 improve vocational education programs, and
21 shall give special consideration to—

22 (i) grants or contracts which involve,
23 coordinate with, or encourage tribal eco-
24 nomic development plans; and

1 (ii) applications from tribally con-
2 trolled community colleges that—

3 (I) are accredited or are can-
4 didates for accreditation by a nation-
5 ally recognized accreditation organiza-
6 tion as an institution of postsecondary
7 vocational education; or

8 (II) operate vocational education
9 programs that are accredited or are
10 candidates for accreditation by a na-
11 tionally recognized accreditation orga-
12 nization, and issue certificates for com-
13 pletion of vocational education pro-
14 grams.

15 (H) STIPENDS.—

16 (i) IN GENERAL.—Funds received pur-
17 suant to grants or contracts described in
18 subparagraph (A) may be used to provide
19 stipends to students who are enrolled in vo-
20 cational education programs and who have
21 acute economic needs which cannot be met
22 through work-study programs.

23 (ii) AMOUNT.—Stipends described in
24 clause (i) shall not exceed reasonable
25 amounts as prescribed by the Secretary.

1 (2) *MATCHING.*—*If sufficient funding is avail-*
2 *able, the Bureau of Indian Affairs shall expend an*
3 *amount equal to the amount made available under*
4 *this subsection, relating to programs for Indians, to*
5 *pay a part of the costs of programs funded under this*
6 *subsection. During each fiscal year the Bureau of In-*
7 *dian Affairs shall expend no less than the amount ex-*
8 *pended during the prior fiscal year on vocational*
9 *education programs, services, and activities adminis-*
10 *tered either directly by, or under contract with, the*
11 *Bureau of Indian Affairs, except that in no year shall*
12 *funding for such programs, services, and activities be*
13 *provided from accounts and programs that support*
14 *other Indian education programs. The Secretary and*
15 *the Assistant Secretary of the Interior for Indian Af-*
16 *airs shall prepare jointly a plan for the expenditure*
17 *of funds made available and for the evaluation of pro-*
18 *grams assisted under this subsection. Upon the com-*
19 *pletion of a joint plan for the expenditure of the funds*
20 *and the evaluation of the programs, the Secretary*
21 *shall assume responsibility for the administration of*
22 *the program, with the assistance and consultation of*
23 *the Bureau of Indian Affairs.*

24 (3) *SPECIAL RULE.*—*Programs funded under*
25 *this subsection shall be in addition to such other pro-*

1 *grams, services, and activities as are made available*
2 *to eligible Indians under other provisions of this Act.*

3 (c) *HAWAIIAN NATIVE PROGRAMS.*—*From the funds*
4 *reserved pursuant to section 111(a)(1)(B)(ii), the Secretary*
5 *shall award grants or enter into contracts, with organiza-*
6 *tions primarily serving and representing Hawaiian natives*
7 *which are recognized by the Governor of the State of Ha-*
8 *waii, for the planing, conduct, or administration of pro-*
9 *grams, or portions thereof, that are described in this title*
10 *and consistent with the purpose of this title, for the benefit*
11 *of Hawaiian natives.*

12 **SEC. 115. TRIBALLY CONTROLLED POSTSECONDARY VOCA-**
13 **TIONAL INSTITUTIONS.**

14 (a) *IN GENERAL.*—*It is the purpose of this section to*
15 *provide grants for the operation and improvement of trib-*
16 *ally controlled postsecondary vocational institutions to en-*
17 *sure continued and expanded educational opportunities for*
18 *Indian students, and to allow for the improvement and ex-*
19 *pansion of the physical resources of such institutions.*

20 (b) *GRANTS AUTHORIZED.*—

21 (1) *IN GENERAL.*—*From the funds reserved pur-*
22 *suant to section 111(a)(1)(B)(iii), the Secretary shall*
23 *make grants to tribally controlled postsecondary voca-*
24 *tional institutions to provide basic support for the vo-*
25 *cational education and training of Indian students.*

1 (2) *AMOUNT OF GRANTS.*—

2 (A) *IN GENERAL.*—*If the sum appropriated*
3 *for any fiscal year for grants under this section*
4 *is not sufficient to pay in full the total amount*
5 *that approved applicants are eligible to receive*
6 *under this section for such fiscal year, the Sec-*
7 *retary shall first allocate to each such applicant*
8 *that received funds under this part for the pre-*
9 *ceding fiscal year an amount equal to 100 per-*
10 *cent of the product of the per capita payment for*
11 *the preceding fiscal year and such applicant's*
12 *Indian student count for the current program*
13 *year, plus an amount equal to the actual cost of*
14 *any increase to the per capita figure resulting*
15 *from inflationary increases to necessary costs be-*
16 *yond the institution's control.*

17 (B) *PER CAPITA DETERMINATION.*—*For the*
18 *purposes of paragraph (1), the per capita pay-*
19 *ment for any fiscal year shall be determined by*
20 *dividing the amount available for grants to trib-*
21 *ally controlled postsecondary vocational institu-*
22 *tions under this part for such program year by*
23 *the sum of the Indian student counts of such in-*
24 *stitutions for such program year. The Secretary*
25 *shall, on the basis of the most accurate data*

1 *available from the institutions, compute the In-*
2 *dian student count for any fiscal year for which*
3 *such count was not used for the purpose of mak-*
4 *ing allocations under this section.*

5 *(c) ELIGIBLE GRANT RECIPIENTS.—To be eligible for*
6 *assistance under this section a tribally controlled post-*
7 *secondary vocational institution shall—*

8 *(1) be governed by a board of directors or trust-*
9 *ees, a majority of whom are Indians;*

10 *(2) demonstrate adherence to stated goals, a phi-*
11 *losophy, or a plan of operation which fosters individ-*
12 *ual Indian economic and self-sufficiency opportunity,*
13 *including programs that are appropriate to stated*
14 *tribal goals of developing individual entrepreneur-*
15 *ships and self-sustaining economic infrastructures on*
16 *reservations;*

17 *(3) have been in operation for at least 3 years;*

18 *(4) hold accreditation with or be a candidate for*
19 *accreditation by a nationally recognized accrediting*
20 *authority for postsecondary vocational education; and*

21 *(5) enroll the full-time equivalency of not less*
22 *than 100 students, of whom a majority are Indians.*

23 *(d) GRANT REQUIREMENTS.—*

24 *(1) APPLICATIONS.—Any tribally controlled*
25 *postsecondary vocational institution that desires to*

1 *receive a grant under this section shall submit an ap-*
2 *plication to the Secretary. Such application shall in-*
3 *clude a description of recordkeeping procedures for the*
4 *expenditure of funds received under this section that*
5 *will allow the Secretary to audit and monitor pro-*
6 *grams.*

7 (2) *NUMBER.—The Secretary shall award not*
8 *less than 2 grants under this section for each fiscal*
9 *year.*

10 (3) *CONSULTATION.—In awarding grants under*
11 *this section, the Secretary shall, to the extent prac-*
12 *ticable, consult with the boards of trustees of, and the*
13 *tribal governments chartering, the institutions desir-*
14 *ing the grants.*

15 (4) *LIMITATION.—Amounts made available*
16 *through grants under this section shall not be used in*
17 *connection with religious worship or sectarian in-*
18 *struction.*

19 (e) *USES OF GRANTS.—*

20 (1) *IN GENERAL.—The Secretary shall, subject to*
21 *the availability of appropriations, provide for each*
22 *program year to each tribally controlled postsecond-*
23 *ary vocational institution having an application ap-*
24 *proved by the Secretary, an amount necessary to pay*
25 *expenses associated with—*

1 (A) *the maintenance and operation of the*
2 *program, including development costs, costs of*
3 *basic and special instruction (including special*
4 *programs for individuals with disabilities and*
5 *academic instruction), materials, student costs,*
6 *administrative expenses, boarding costs, trans-*
7 *portation, student services, daycare and family*
8 *support programs for students and their families*
9 *(including contributions to the costs of education*
10 *for dependents), and student stipends;*

11 (B) *capital expenditures, including oper-*
12 *ations and maintenance, and minor improve-*
13 *ments and repair, and physical plant mainte-*
14 *nance costs, for the conduct of programs funded*
15 *under this section; and*

16 (C) *costs associated with repair, upkeep, re-*
17 *placement, and upgrading of the instructional*
18 *equipment.*

19 (2) *ACCOUNTING.—Each institution receiving a*
20 *grant under this section shall provide annually to the*
21 *Secretary an accurate and detailed accounting of the*
22 *institution's operating and maintenance expenses and*
23 *such other information concerning costs as the Sec-*
24 *retary may reasonably require.*

25 (f) *EFFECT ON OTHER PROGRAMS.—*

1 (1) *IN GENERAL.*—*Except as specifically pro-*
2 *vided in this Act, eligibility for assistance under this*
3 *section shall not preclude any tribally controlled post-*
4 *secondary vocational institution from receiving Fed-*
5 *eral financial assistance under any program author-*
6 *ized under the Higher Education Act of 1965 (20*
7 *U.S.C. 1001 et seq.) or any other applicable program*
8 *for the benefit of institutions of higher education or*
9 *vocational education.*

10 (2) *PROHIBITION ON ALTERATION OF GRANT*
11 *AMOUNT.*—*The amount of any grant for which trib-*
12 *ally controlled postsecondary vocational institutions*
13 *are eligible under this section shall not be altered be-*
14 *cause of funds allocated to any such institution from*
15 *funds appropriated under the Act of November 2,*
16 *1921 (commonly known as the “Snyder Act”) (42*
17 *Stat. 208, chapter 115; 25 U.S.C. 13).*

18 (3) *PROHIBITION ON CONTRACT DENIAL.*—*No*
19 *tribally controlled postsecondary vocational institu-*
20 *tion for which an Indian tribe has designated a por-*
21 *tion of the funds appropriated for the tribe from*
22 *funds appropriated under such Act of November 2,*
23 *1921, may be denied a contract for such portion*
24 *under the Indian Self-Determination and Education*
25 *Assistance Act (25 U.S.C. 450b et seq.) (except as pro-*

1 *vided in that Act), or denied appropriate contract*
2 *support to administer such portion of the appro-*
3 *priated funds.*

4 *(g) NEEDS ESTIMATE AND REPORT ON FACILITIES*
5 *AND FACILITIES IMPROVEMENT.—*

6 *(1) NEEDS ESTIMATE.—The Secretary shall,*
7 *based on the most accurate data available from the*
8 *institutions and Indian tribes whose Indian students*
9 *are served under this section, and in consideration of*
10 *employment needs, economic development needs, pop-*
11 *ulation training needs, and facilities needs, prepare*
12 *an actual budget needs estimate for each institution*
13 *eligible under this section for each subsequent pro-*
14 *gram year, and submit such budget needs estimate to*
15 *Congress in such a timely manner as will enable the*
16 *appropriate committees of Congress to consider such*
17 *needs data for purposes of the uninterrupted flow of*
18 *adequate appropriations to such institutions. Such*
19 *data shall take into account the goals and require-*
20 *ments of the Personal Responsibility and Work Op-*
21 *portunity Reconciliation Act of 1996 (Public Law*
22 *104–193; 110 Stat. 2105).*

23 *(2) STUDY OF TRAINING AND HOUSING NEEDS.—*

24 *(A) IN GENERAL.—The Secretary shall con-*
25 *duct a detailed study of the training, housing,*

1 *and immediate facilities needs of each institu-*
2 *tion eligible under this section. The study shall*
3 *include an examination of—*

4 *(i) training equipment needs;*

5 *(ii) housing needs of families whose*
6 *heads of households are students and whose*
7 *dependents have no alternate source of sup-*
8 *port while such heads of households are stu-*
9 *dents; and*

10 *(iii) immediate facilities needs.*

11 *(B) REPORT.—The Secretary shall report to*
12 *Congress not later than July 1, 1999, on the re-*
13 *sults of the study required by subparagraph (A).*

14 *(C) CONTENTS.—The report required by*
15 *subparagraph (B) shall include the number,*
16 *type, and cost of meeting the needs described in*
17 *subparagraph (A), and rank each institution by*
18 *relative need.*

19 *(D) PRIORITY.—In conducting the study re-*
20 *quired by subparagraph (A), the Secretary shall*
21 *give priority to institutions that are receiving*
22 *assistance under this section.*

23 *(3) LONG-TERM STUDY OF FACILITIES.—*

24 *(A) IN GENERAL.—The Secretary shall pro-*
25 *vide for the conduct of a long-term study of the*

1 *facilities of each institution eligible for assist-*
2 *ance under this section.*

3 (B) *CONTENTS.*—*The study required by*
4 *subparagraph (A) shall include a 5-year projec-*
5 *tion of training facilities, equipment, and hous-*
6 *ing needs and shall consider such factors as pro-*
7 *jected service population, employment, and eco-*
8 *nomie development forecasting, based on the most*
9 *current and accurate data available from the in-*
10 *stitutions and Indian tribes affected.*

11 (C) *SUBMISSION.*—*The Secretary shall sub-*
12 *mit to Congress a detailed report on the results*
13 *of such study not later than the end of the 18-*
14 *month period beginning on the date of enactment*
15 *of this Act.*

16 (h) *DEFINITIONS.*—*For the purposes of this section:*

17 (1) *INDIAN; INDIAN TRIBE.*—*The terms “Indian”*
18 *and “Indian tribe” have the meaning given such*
19 *terms in section 2 of the Tribally Controlled Commu-*
20 *nity College Assistance Act of 1978 (25 U.S.C. 1801).*

21 (2) *TRIBALLY CONTROLLED POSTSECONDARY VO-*
22 *CATIONAL INSTITUTION.*—*The term “tribally con-*
23 *trolled postsecondary vocational institution” means*
24 *an institution of higher education that—*

1 (A) is formally controlled, or has been for-
2 mally sanctioned or chartered by the governing
3 body of an Indian tribe or tribes; and

4 (B) offers technical degrees or certificate
5 granting programs.

6 (3) INDIAN STUDENT COUNT.—The term “Indian
7 student count” means a number equal to the total
8 number of Indian students enrolled in each tribally
9 controlled postsecondary vocational institution, deter-
10 mined as follows:

11 (A) REGISTRATIONS.—The registrations of
12 Indian students as in effect on October 1 of each
13 year.

14 (B) SUMMER TERM.—Credits or clock hours
15 toward a certificate earned in classes offered dur-
16 ing a summer term shall be counted toward the
17 computation of the Indian student count in the
18 succeeding fall term.

19 (C) ADMISSION CRITERIA.—Credits or clock
20 hours toward a certificate earned in classes dur-
21 ing a summer term shall be counted toward the
22 computation of the Indian student count if the
23 institution at which the student is in attendance
24 has established criteria for the admission of such
25 student on the basis of the student’s ability to

1 *benefit from the education or training offered.*
2 *The institution shall be presumed to have estab-*
3 *lished such criteria if the admission procedures*
4 *for such studies include counseling or testing*
5 *that measures the student's aptitude to success-*
6 *fully complete the course in which the student*
7 *has enrolled. No credit earned by such student*
8 *for purposes of obtaining a secondary school di-*
9 *ploma or its recognized equivalent shall be count-*
10 *ed toward the computation of the Indian student*
11 *count.*

12 *(D) DETERMINATION OF HOURS.—Indian*
13 *students earning credits in any continuing edu-*
14 *cation program of a tribally controlled post-*
15 *secondary vocational institution shall be in-*
16 *cluded in determining the sum of all credit or*
17 *clock hours.*

18 *(E) CONTINUING EDUCATION.—Credits or*
19 *clock hours earned in a continuing education*
20 *program shall be converted to the basis that is in*
21 *accordance with the institution's system for pro-*
22 *viding credit for participation in such programs.*

1 **SEC. 116. INCENTIVE GRANTS.**

2 (a) *IN GENERAL.*—*The Secretary may make grants to*
3 *States that exceed the expected levels of performance for per-*
4 *formance measures established under this Act.*

5 (b) *USE OF FUNDS.*—*A State that receives an incen-*
6 *tive grant under this section shall use the funds made avail-*
7 *able through the grant to carry out innovative vocational*
8 *education, adult education and literacy, or workforce in-*
9 *vestment programs as determined by the State.*

10 **CHAPTER 2—STATE PROVISIONS**

11 **SEC. 121. STATE ADMINISTRATION.**

12 *Each eligible agency shall be responsible for the State*
13 *administration of activities under this subtitle, including—*

14 (1) *the development, submission, and implemen-*
15 *tation of the State plan;*

16 (2) *the efficient and effective performance of the*
17 *eligible agency's duties under this subtitle; and*

18 (3) *consultation with other appropriate agencies,*
19 *groups, and individuals that are involved in the de-*
20 *velopment and implementation of activities assisted*
21 *under this subtitle, such as employers, parents, stu-*
22 *dents, teachers, labor organizations, State and local*
23 *elected officials, and local program administrators.*

1 **SEC. 122. STATE USE OF FUNDS.**

2 (a) *RESERVATIONS.*—*From funds allotted to each*
3 *State under section 111(a) for each fiscal year, the eligible*
4 *agency shall reserve—*

5 (1) *not more than 14 percent of the funds to*
6 *carry out section 123;*

7 (2) *not more than 10 percent of the funds, or*
8 *\$300,000, whichever is greater, of which—*

9 (A) *\$60,000 shall be available to provide*
10 *technical assistance and advice to local edu-*
11 *cational agencies, postsecondary educational in-*
12 *stitutions, and other interested parties in the*
13 *State for gender equity activities; and*

14 (B) *the remainder may be used to—*

15 (i) *develop the State plan;*

16 (ii) *review local applications;*

17 (iii) *monitor and evaluate program ef-*
18 *fectiveness;*

19 (iv) *provide technical assistance; and*

20 (v) *assure compliance with all applica-*
21 *ble Federal laws, including required services*
22 *and activities for individuals who are mem-*
23 *bers of populations described in section*
24 *124(c)(16); and*

25 (3) *1 percent of the funds, or the amount the*
26 *State expended under the Carl D. Perkins Vocational*

1 *and Applied Technology Education Act (20 U.S.C.*
2 *2301 et seq.) for vocational education programs for*
3 *criminal offenders for the fiscal year 1997, whichever*
4 *is greater, to carry out programs for criminal offend-*
5 *ers.*

6 (b) *REMAINDER.—From funds allotted to each State*
7 *under section 111(a) for each fiscal year and not reserved*
8 *under subsection (a), the eligible agency shall determine the*
9 *portion of the funds that will be available to carry out sec-*
10 *tions 131 and 132.*

11 (c) *MATCHING REQUIREMENT.—Each eligible agency*
12 *receiving funds under this subtitle shall match, from non-*
13 *Federal sources and on a dollar-for-dollar basis, the funds*
14 *received under subsection (a)(2).*

15 **SEC. 123. STATE LEADERSHIP ACTIVITIES.**

16 (a) *MANDATORY.—Each eligible agency shall use the*
17 *funds reserved under section 122(a)(1) to conduct programs,*
18 *services, and activities that further the development, imple-*
19 *mentation, and improvement of vocational education with-*
20 *in the State and that are integrated, to the maximum extent*
21 *possible, with challenging State academic standards, in-*
22 *cluding—*

23 (1) *providing comprehensive professional devel-*
24 *opment (including initial teacher preparation) for vo-*

1 *ational, academic, guidance, and administrative per-*
2 *sonnel, that—*

3 *(A) will help the teachers and personnel to*
4 *assist students in meeting the expected levels of*
5 *performance established under section 112;*

6 *(B) reflects the eligible agency’s assessment*
7 *of the eligible agency’s needs for professional de-*
8 *velopment; and*

9 *(C) is integrated with the professional devel-*
10 *opment activities that the State carries out*
11 *under title II of the Elementary and Secondary*
12 *Education Act of 1965 (20 U.S.C. 6001 et seq.);*

13 *(2) developing and disseminating curricula that*
14 *are aligned, as appropriate, with challenging State*
15 *academic standards, and vocational and technological*
16 *skills;*

17 *(3) monitoring and evaluating the quality of,*
18 *and improvement in, activities conducted with assist-*
19 *ance under this subtitle;*

20 *(4) providing gender equity programs in second-*
21 *ary and postsecondary vocational education;*

22 *(5) supporting tech-prep education activities;*

23 *(6) improving and expanding the use of tech-*
24 *nology in instruction;*

1 (7) *supporting partnerships among local edu-*
2 *catinal agencies, institutions of higher education,*
3 *adult education providers, and, as appropriate, other*
4 *entities, such as employers, labor organizations, par-*
5 *ents, and local partnerships, to enable students to*
6 *achieve State academic standards, and vocational and*
7 *technological skills; and*

8 (8) *serving individuals in State institutions,*
9 *such as State correctional institutions and institu-*
10 *tions that serve individuals with disabilities.*

11 (b) *PERMISSIVE.—Each eligible agency may use the*
12 *funds reserved under section 122(a)(1) for—*

13 (1) *improving guidance and counseling pro-*
14 *grams that assist students in making informed edu-*
15 *cation and vocational decisions;*

16 (2) *supporting vocational student organizations,*
17 *especially with respect to efforts to increase the par-*
18 *ticipation of students who are members of populations*
19 *described in section 124(c)(16);*

20 (3) *providing vocational education programs for*
21 *adults and school dropouts to complete their second-*
22 *ary school education; and*

23 (4) *providing assistance to students who have*
24 *participated in services and activities under this sub-*

1 *title in finding an appropriate job and continuing*
2 *their education.*

3 **SEC. 124. STATE PLAN.**

4 *(a) STATE PLAN.—*

5 *(1) IN GENERAL.—Each eligible entity desiring*
6 *assistance under this subtitle for any fiscal year shall*
7 *prepare and submit to the Secretary a State plan for*
8 *a 3-year period, together with such annual revisions*
9 *as the eligible agency determines to be necessary.*

10 *(2) COORDINATION.—The period required by*
11 *paragraph (1) shall be coordinated with the period*
12 *covered by the State plan described in section 304.*

13 *(3) HEARING PROCESS.—The eligible agency*
14 *shall conduct public hearings in the State, after ap-*
15 *propriate and sufficient notice, for the purpose of af-*
16 *fording all segments of the public and interested orga-*
17 *nizations and groups (including employers, labor or-*
18 *ganizations, and parents), an opportunity to present*
19 *their views and make recommendations regarding the*
20 *State plan. A summary of such recommendations and*
21 *the eligible agency's response to such recommenda-*
22 *tions shall be included with the State plan.*

23 *(b) PLAN DEVELOPMENT.—The eligible agency shall*
24 *develop the State plan with representatives of secondary*
25 *and postsecondary vocational education, parents, represent-*

1 *atives of populations described in section 124(c)(16), and*
2 *businesses, in the State and shall also consult the Governor*
3 *of the State.*

4 *(c) PLAN CONTENTS.—The State plan shall include in-*
5 *formation that—*

6 *(1) describes the vocational education activities*
7 *to be assisted that are designed to meet and reach the*
8 *State performance measures;*

9 *(2) describes the integration of academic and*
10 *technological education with vocational education;*

11 *(3) describes how the eligible agency will*
12 *disaggregate data relating to students participating*
13 *in vocational education in order to adequately meas-*
14 *ure the progress of the students;*

15 *(4) describes how the eligible agency will ade-*
16 *quately address the needs of students in alternative*
17 *education programs;*

18 *(5) describes how the eligible agency will provide*
19 *local educational agencies, area vocational education*
20 *schools, and eligible institutions in the State with*
21 *technical assistance;*

22 *(6) describes how the eligible agency will encour-*
23 *age the participation of the parents of secondary*
24 *school students who are involved in vocational edu-*
25 *cation activities;*

1 (7) identifies how the eligible agency will obtain
2 the active participation of business, labor organiza-
3 tions, and parents in the development and improve-
4 ment of vocational education activities carried out by
5 the eligible agency;

6 (8) describes how vocational education relates to
7 State and regional employment opportunities;

8 (9) describes the methods proposed for the joint
9 planning and coordination of programs carried out
10 under this subtitle with other Federal education pro-
11 grams;

12 (10) describes how funds will be used to promote
13 gender equity in secondary and postsecondary voca-
14 tional education;

15 (11) describes how funds will be used to improve
16 and expand the use of technology in instruction;

17 (12) describes how funds will be used to serve in-
18 dividuals in State correctional institutions;

19 (13) describes how funds will be used effectively
20 to link secondary and postsecondary education;

21 (14) describes how funds will be allocated and
22 used at the secondary and postsecondary level, any
23 consortia that will be formed among secondary schools
24 and eligible institutions, and how funds will be allo-
25 cated among the members of the consortia;

1 (15) describes how the eligible agency will ensure
2 that the data reported to the eligible agency from local
3 educational agencies and eligible institutions under
4 this subtitle and the data the eligible agency reports
5 to the Secretary are complete, accurate, and reliable;

6 (16) describes the eligible agency's program
7 strategies for populations that include, at a mini-
8 mum—

9 (A) low-income individuals, including foster
10 children;

11 (B) individuals with disabilities;

12 (C) single parents and displaced home-
13 makers; and

14 (D) individuals with other barriers to edu-
15 cational achievement, including individuals with
16 limited English proficiency;

17 (17) describes how individuals who are members
18 of the special populations described in subsection
19 (c)(16)—

20 (A) will be provided with equal access to ac-
21 tivities assisted under this title; and

22 (B) will not be discriminated against on the
23 basis of their status as members of the special
24 populations; and

1 (18) contains the description and information
2 specified in paragraphs (9) and (17) of section 304(b)
3 concerning the provision of services only for post-
4 secondary students and school dropouts.

5 (d) *PLAN APPROVAL.*—

6 (1) *IN GENERAL.*—The Secretary shall approve a
7 State plan, or a revision to an approved State plan,
8 only if the Secretary determines that—

9 (A) the State plan, or revision, respectively,
10 meets the requirements of this section; and

11 (B) the State’s performance measures and
12 expected levels of performance under section 112
13 are sufficiently rigorous to meet the purpose of
14 this title.

15 (2) *DISAPPROVAL.*—The Secretary shall not fi-
16 nally disapprove a State plan, except after giving the
17 eligible agency notice and an opportunity for a hear-
18 ing.

19 (3) *PEER REVIEW.*—The Secretary shall establish
20 a peer review process to make recommendations re-
21 garding approval of State plans.

22 (4) *TIMEFRAME.*—A State plan shall be deemed
23 approved if the Secretary has not responded to the eli-
24 gible agency regarding the plan within 90 days of the
25 date the Secretary receives the plan.

1 (e) *ASSURANCES.*—A State plan shall contain assur-
2 ances that the State will comply with the requirements of
3 this title and the provisions of the State plan, and provide
4 for such fiscal control and fund accounting procedures that
5 may be necessary to ensure the proper disbursement of, and
6 accounting for, funds paid to the State under this title.

7 (f) *ELIGIBLE AGENCY REPORT.*—

8 (1) *IN GENERAL.*—The eligible agency shall an-
9 nually report to the Secretary regarding—

10 (A) the quality and effectiveness of the pro-
11 grams, services, and activities, assisted under
12 this subtitle, based on the performance measures
13 and expected levels of performance described in
14 section 112; and

15 (B) the progress each population of individ-
16 uals described in section 124(c)(16) is making
17 toward achieving the expected levels of perform-
18 ance.

19 (2) *CONTENTS.*—The eligible agency report
20 also—

21 (A) shall include such information, in such
22 form, as the Secretary may reasonably require,
23 in order to ensure the collection of uniform data;
24 and

25 (B) shall be made available to the public.

1 **CHAPTER 3—LOCAL PROVISIONS**

2 **SEC. 131. DISTRIBUTION FOR SECONDARY SCHOOL VOCA-**
3 **TIONAL EDUCATION.**

4 (a) *ALLOCATION.*—*Except as otherwise provided in*
5 *this section, each eligible agency shall distribute the portion*
6 *of the funds made available for secondary school vocational*
7 *education activities under section 122(b) for any fiscal year*
8 *to local educational agencies within the State as follows:*

9 (1) *SEVENTY PERCENT.*—*From 70 percent of*
10 *such portion, each local educational agency shall be*
11 *allocated an amount that bears the same relationship*
12 *to such 70 percent as the amount such local edu-*
13 *cational agency was allocated under section 1124 of*
14 *the Elementary and Secondary Education Act of*
15 *1965 (20 U.S.C. 6333) for the preceding fiscal year*
16 *bears to the total amount received under such section*
17 *by all local educational agencies in the State for such*
18 *year.*

19 (2) *TWENTY PERCENT.*—*From 20 percent of such*
20 *portion, each local educational agency shall be allo-*
21 *cated an amount that bears the same relationship to*
22 *such 20 percent as the number of students with dis-*
23 *abilities who have individualized education programs*
24 *under section 614(d) of the Individuals With Disabil-*
25 *ities Education Act (20 U.S.C. 1414(d)) served by*

1 *such local educational agency for the preceding fiscal*
2 *year bears to the total number of such students served*
3 *by all local educational agencies in the State for such*
4 *year.*

5 (3) *TEN PERCENT.*—*From 10 percent of such*
6 *portion, each local educational agency shall be allo-*
7 *cated an amount that bears the same relationship to*
8 *such 10 percent as the number of students enrolled in*
9 *schools and adults enrolled in training programs*
10 *under the jurisdiction of such local educational agen-*
11 *cy for the preceding fiscal year bears to the number*
12 *of students enrolled in schools and adults enrolled in*
13 *training programs under the jurisdiction of all local*
14 *educational agencies in the State for such year.*

15 (b) *MINIMUM ALLOCATION.*—

16 (1) *IN GENERAL.*—*Except as provided in para-*
17 *graph (2), no local educational agency shall receive*
18 *an allocation under subsection (a) unless the amount*
19 *allocated to such agency under subsection (a) is not*
20 *less than \$25,000. A local educational agency may*
21 *enter into a consortium with other local educational*
22 *agencies for purposes of meeting the minimum alloca-*
23 *tion requirement of this paragraph.*

24 (2) *WAIVER.*—*The eligible agency may waive the*
25 *application of paragraph (1) for a local educational*

1 *agency that is located in a rural, sparsely populated*
2 *area.*

3 (3) *REALLOCATION.*—*Any amounts that are not*
4 *allocated by reason of paragraph (1) or (2) shall be*
5 *reallocated to local educational agencies that meet the*
6 *requirements of paragraph (1) or (2) in accordance*
7 *with the provisions of this section.*

8 (c) *LIMITED JURISDICTION AGENCIES.*—

9 (1) *IN GENERAL.*—*In applying the provisions of*
10 *subsection (a), no eligible agency receiving assistance*
11 *under this subtitle shall allocate funds to a local edu-*
12 *cational agency that serves only elementary schools,*
13 *but shall distribute such funds to the local educational*
14 *agency or regional educational agency that provides*
15 *secondary school services to secondary school students*
16 *in the same attendance area.*

17 (2) *SPECIAL RULE.*—*The amount to be allocated*
18 *under paragraph (1) to a local educational agency*
19 *that has jurisdiction only over secondary schools shall*
20 *be determined based on the number of students that*
21 *entered such secondary schools in the previous year*
22 *from the elementary schools involved.*

23 (d) *ALLOCATIONS TO AREA VOCATIONAL EDUCATION*
24 *SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.*—

1 (1) *IN GENERAL.*—*Each eligible agency shall dis-*
2 *tribute the portion of funds made available for any*
3 *fiscal year by such entity for secondary school voca-*
4 *tional education activities under section 122(b) to the*
5 *appropriate area vocational education school or edu-*
6 *cational service agency in any case in which—*

7 (A) *the area vocational education school or*
8 *educational service agency, and the local edu-*
9 *cational agency concerned—*

10 (i) *have formed or will form a consor-*
11 *tium for the purpose of receiving funds*
12 *under this section; or*

13 (ii) *have entered into or will enter into*
14 *a cooperative arrangement for such purpose;*
15 *and*

16 (B)(i) *the area vocational education school*
17 *or educational service agency serves an approxi-*
18 *mately equal or greater proportion of students*
19 *who are individuals with disabilities or are low-*
20 *income than the proportion of such students at-*
21 *tending the secondary schools under the jurisdic-*
22 *tion of all of the local educational agencies send-*
23 *ing students to the area vocational education*
24 *school or the educational service agency; or*

1 (ii) the area vocational education school,
2 educational service agency, or local educational
3 agency demonstrates that the vocational edu-
4 cation school or educational service agency is un-
5 able to meet the criterion described in clause (i)
6 due to the lack of interest by students described
7 in clause (i) in attending vocational education
8 programs in that area vocational education
9 school or educational service agency.

10 (2) *ALLOCATION BASIS.*—If an area vocational
11 education school or educational service agency meets
12 the requirements of paragraph (1), then—

13 (A) the amount that will otherwise be dis-
14 tributed to the local educational agency under
15 this section shall be allocated to the area voca-
16 tional education school, the educational service
17 agency, and the local educational agency, based
18 on each school's or agency's relative share of stu-
19 dents described in paragraph (1)(B)(i) who are
20 attending vocational education programs (based,
21 if practicable, on the average enrollment for the
22 prior 3 years); or

23 (B) such amount may be allocated on the
24 basis of an agreement between the local edu-

1 *educational agency and the area vocational edu-*
2 *cation school or educational service agency.*

3 (3) *STATE DETERMINATION.*—

4 (A) *IN GENERAL.*—*For the purposes of this*
5 *subsection, the eligible agency may determine the*
6 *number of students who are low-income on the*
7 *basis of—*

8 (i) *eligibility for—*

9 (I) *free or reduced-price meals*
10 *under the National School Lunch Act*
11 *(7 U.S.C. 1751 et seq.);*

12 (II) *assistance under a State pro-*
13 *gram funded under part A of title IV*
14 *of the Social Security Act;*

15 (III) *benefits under the Food*
16 *Stamp Act of 1977 (7 U.S.C. 2011 et*
17 *seq.); or*

18 (IV) *services under title I of the*
19 *Elementary and Secondary Education*
20 *Act of 1965 (20 U.S.C. 6301 et seq.); or*

21 (ii) *another index of economic status,*
22 *including an estimate of such index, if the*
23 *eligible agency demonstrates to the satisfac-*
24 *tion of the Secretary that such index is a*

1 *more representative means of determining*
2 *such number.*

3 (B) *DATA.*—*If an eligible agency elects to*
4 *use more than 1 factor described in subpara-*
5 *graph (A) for purposes of making the determina-*
6 *tion described in such subparagraph, the eligible*
7 *agency shall ensure that the data used is not du-*
8 *plicative.*

9 (4) *APPEALS PROCEDURE.*—*The eligible agency*
10 *shall establish an appeals procedure for resolution of*
11 *any dispute arising between a local educational agen-*
12 *cy and an area vocational education school or an*
13 *educational service agency with respect to the alloca-*
14 *tion procedures described in this section, including*
15 *the decision of a local educational agency to leave a*
16 *consortium.*

17 (5) *SPECIAL RULE.*—*Notwithstanding the provi-*
18 *sions of paragraphs (1), (2), (3), and (4), any local*
19 *educational agency receiving an allocation that is not*
20 *sufficient to conduct a secondary school vocational*
21 *education program of sufficient size, scope, and qual-*
22 *ity to be effective may—*

23 (A) *form a consortium or enter into a coop-*
24 *erative agreement with an area vocational edu-*
25 *cation school or educational service agency offer-*

1 *ing secondary school vocational education pro-*
2 *grams of sufficient size, scope, and quality to be*
3 *effective and that are accessible to students who*
4 *are individuals with disabilities or are low-in-*
5 *come, and are served by such local educational*
6 *agency; and*

7 *(B) transfer such allocation to the area vo-*
8 *ccational education school or educational service*
9 *agency.*

10 *(e) SPECIAL RULE.—Each eligible agency distributing*
11 *funds under this section shall treat a secondary school fund-*
12 *ed by the Bureau of Indian Affairs within the State as if*
13 *such school were a local educational agency within the State*
14 *for the purpose of receiving a distribution under this sec-*
15 *tion.*

16 **SEC. 132. DISTRIBUTION FOR POSTSECONDARY VOCA-**
17 **TIONAL EDUCATION.**

18 *(a) DISTRIBUTION.—*

19 *(1) IN GENERAL.—Except as otherwise provided*
20 *in this section, each eligible agency shall distribute*
21 *the portion of funds made available for postsecondary*
22 *vocational education under section 122(b) for any fis-*
23 *cal year to eligible institutions within the State in*
24 *accordance with paragraph (2).*

1 (2) *ALLOCATION.*—*Each eligible institution in*
2 *the State having an application approved under sec-*
3 *tion 134 for a fiscal year shall be allocated an*
4 *amount that bears the same relationship to the*
5 *amount of funds made available for postsecondary vo-*
6 *catational education under section 122(b) for the fiscal*
7 *year as the number of Pell Grant recipients and re-*
8 *cipients of assistance from the Bureau of Indian Af-*
9 *airs enrolled for the preceding fiscal year by such eli-*
10 *gible institution in vocational education programs*
11 *that do not exceed 2 years in duration bears to the*
12 *number of such recipients enrolled in such programs*
13 *within the State for such fiscal year.*

14 (3) *SPECIAL RULE FOR CONSORTIA.*—*In order*
15 *for a consortium described in section 2(12)(E) to re-*
16 *ceive assistance under this section, such consortium*
17 *shall operate joint projects that—*

18 (A) *provide services to all postsecondary in-*
19 *stitutions participating in the consortium; and*

20 (B) *are of sufficient size, scope, and quality*
21 *to be effective.*

22 (4) *MINIMUM ALLOCATION.*—

23 (A) *IN GENERAL.*—*Except as provided in*
24 *subparagraph (B), no eligible institution shall*
25 *receive an allocation under paragraph (2) unless*

1 *the amount allocated to the eligible institution*
2 *under paragraph (2) is not less than \$65,000.*

3 *(B) WAIVER.—The eligible agency may*
4 *waive the application of subparagraph (A) in*
5 *any case in which the eligible institution is lo-*
6 *cated in a rural, sparsely populated area.*

7 *(C) REALLOCATION.—Any amounts that are*
8 *not allocated by reason of subparagraph (A) or*
9 *(B) shall be reallocated to eligible institutions*
10 *that meet the requirements of subparagraph (A)*
11 *or (B) in accordance with the provisions of this*
12 *section.*

13 *(5) DEFINITION OF PELL GRANT RECIPIENT.—*
14 *The term “Pell Grant recipient” means a recipient of*
15 *financial aid under subpart 1 of part A of title IV*
16 *of the Higher Education Act of 1965 (20 U.S.C.*
17 *1070a).*

18 *(b) ALTERNATIVE ALLOCATION.—An eligible agency*
19 *may allocate funds made available for postsecondary edu-*
20 *cation under section 122(b) for a fiscal year using an alter-*
21 *native formula if the eligible agency demonstrates to the*
22 *Secretary’s satisfaction that—*

23 *(1) the alternative formula better meets the pur-*
24 *pose of this title; and*

1 (2)(A) *the formula described in subsection (a)*
2 *does not result in an allocation of funds to the eligible*
3 *institutions that serve the highest numbers or percent-*
4 *ages of low-income students; and*
5 (B) *the alternative formula will result in such a*
6 *distribution.*

7 **SEC. 133. LOCAL ACTIVITIES.**

8 (a) *MANDATORY.—Funds made available to a local*
9 *educational agency or an eligible institution under this sub-*
10 *title shall be used—*

11 (1) *to initiate, improve, expand, and modernize*
12 *quality vocational education programs;*

13 (2) *to improve or expand the use of technology*
14 *in vocational instruction, including professional de-*
15 *velopment in the use of technology, which instruction*
16 *may include distance learning;*

17 (3) *to provide services and activities that are of*
18 *sufficient size, scope, and quality to be effective;*

19 (4) *to integrate academic education with voca-*
20 *tional education for students participating in voca-*
21 *tional education;*

22 (5) *to link secondary education (as determined*
23 *under State law) and postsecondary education, in-*
24 *cluding implementing tech-prep programs;*

1 (6) to provide professional development activities
2 to teachers, counselors, and administrators, includ-
3 ing—

4 (A) inservice and preservice training in
5 state-of-the-art vocational education programs;

6 (B) internship programs that provide busi-
7 ness experience to teachers; and

8 (C) programs designed to train teachers spe-
9 cifically in the use and application of tech-
10 nology;

11 (7) to develop and implement programs that pro-
12 vide access to, and the supportive services needed to
13 participate in, quality vocational education programs
14 for students, including students who are members of
15 the populations described in section 124(c)(16);

16 (8) to develop and implement performance man-
17 agement systems and evaluations; and

18 (9) to promote gender equity in secondary and
19 postsecondary vocational education.

20 (b) *PERMISSIVE*.—Funds made available to a local
21 educational agency or an eligible institution under this sub-
22 title may be used—

23 (1) to carry out student internships;

1 (2) to provide guidance and counseling for stu-
2 dents participating in vocational education pro-
3 grams;

4 (3) to provide vocational education programs for
5 adults and school dropouts to complete their second-
6 ary school education;

7 (4) to acquire and adapt equipment, including
8 instructional aids;

9 (5) to support vocational student organizations;

10 (6) to provide assistance to students who have
11 participated in services and activities under this sub-
12 title in finding an appropriate job and continuing
13 their education; and

14 (7) to support other vocational education activi-
15 ties that are consistent with the purpose of this title.

16 **SEC. 134. LOCAL APPLICATION.**

17 (a) *IN GENERAL.*—Each local educational agency or
18 eligible institution desiring assistance under this subtitle
19 shall submit an application to the eligible agency at such
20 time, in such manner, and accompanied by such informa-
21 tion as the eligible agency (in consultation with such other
22 educational entities as the eligible agency determines to be
23 appropriate) may require.

24 (b) *CONTENTS.*—Each application shall, at a mini-
25 mum—

1 (1) describe how the vocational education activi-
2 ties will be carried out pertaining to meeting the ex-
3 pected levels of performance;

4 (2) describe the process that will be used to inde-
5 pendently evaluate and continuously improve the per-
6 formance of the local educational agency or eligible
7 institution, as appropriate;

8 (3) describe how the local educational agency or
9 eligible institution, as appropriate, will plan and
10 consult with students, parents, representatives of pop-
11 ulations described in section 124(c)(16), businesses,
12 labor organizations, and other interested individuals,
13 in carrying out activities under this subtitle;

14 (4) describe how the local educational agency or
15 eligible institution, as appropriate, will review voca-
16 tional education programs, and identify and adopt
17 strategies to overcome barriers that result in lowering
18 rates of access to the programs, for populations de-
19 scribed in section 124(c)(16); and

20 (5) describe how individuals who are members of
21 the special populations described in section 124(c)(16)
22 will not be discriminated against on the basis of their
23 status as members of the special populations.

1 **SEC. 135. CONSORTIA.**

2 *A local educational agency and an eligible institution*
3 *may form a consortium to carry out the provisions of this*
4 *chapter if the sum of the amount the consortium receives*
5 *for a fiscal year under sections 131 and 132 equals or ex-*
6 *ceeds \$65,000.*

7 ***Subtitle B—Tech-Prep Education***

8 **SEC. 151. SHORT TITLE.**

9 *This subtitle may be cited as the “Tech-Prep Edu-*
10 *cation Act”.*

11 **SEC. 152. PURPOSES.**

12 *The purposes of this subtitle are—*

13 *(1) to provide implementation grants to consor-*
14 *tia of local educational agencies, postsecondary edu-*
15 *cational institutions, and employers or labor organi-*
16 *zations, for the development and operation of pro-*
17 *grams designed to provide a tech-prep education pro-*
18 *gram leading to a 2-year associate degree or a 2-year*
19 *certificate;*

20 *(2) to provide, in a systematic manner, strong,*
21 *comprehensive links among secondary schools, post-*
22 *secondary educational institutions, and local or re-*
23 *gional employers, or labor organizations; and*

24 *(3) to support the use of contextual, authentic,*
25 *and applied teaching and curriculum based on each*

1 *State’s academic, occupational, and employability*
2 *standards.*

3 **SEC. 153. DEFINITIONS.**

4 *(a) In this subtitle:*

5 (1) *ARTICULATION AGREEMENT.*—*The term “ar-*
6 *ticulation agreement” means a written commitment*
7 *to a program designed to provide students with a non*
8 *duplicative sequence of progressive achievement lead-*
9 *ing to degrees or certificates in a tech-prep education*
10 *program.*

11 (2) *COMMUNITY COLLEGE.*—*The term “commu-*
12 *nity college”—*

13 (A) *has the meaning provided in section*
14 *1201(a) of the Higher Education Act of 1965 (20*
15 *U.S.C. 1141) for an institution which provides*
16 *not less than a 2-year program which is accept-*
17 *able for full credit toward a bachelor’s degree;*
18 *and*

19 (B) *includes tribally controlled community*
20 *colleges.*

21 (3) *TECH-PREP PROGRAM.*—*The term “tech-prep*
22 *program” means a program of study that—*

23 (A) *combines at a minimum 2 years of sec-*
24 *ondary education (as determined under State*
25 *law) with a minimum of 2 years of postsecond-*

1 *ary education in a nonduplicative, sequential*
2 *course of study;*

3 *(B) integrates academic and vocational in-*
4 *struction, and utilizes work-based and worksite*
5 *learning where appropriate and available;*

6 *(C) provides technical preparation in a ca-*
7 *reer field such as engineering technology, applied*
8 *science, a mechanical, industrial, or practical*
9 *art or trade, agriculture, health occupations,*
10 *business, or applied economics;*

11 *(D) builds student competence in mathe-*
12 *matics, science, reading, writing, communica-*
13 *tions, economics, and workplace skills through*
14 *applied, contextual academics, and integrated*
15 *instruction, in a coherent sequence of courses;*

16 *(E) leads to an associate or a baccalaureate*
17 *degree or a certificate in a specific career field;*
18 *and*

19 *(F) leads to placement in appropriate em-*
20 *ployment or further education.*

21 **SEC. 154. PROGRAM AUTHORIZED.**

22 *(a) DISCRETIONARY AMOUNTS.—*

23 *(1) IN GENERAL.—For any fiscal year for which*
24 *the amount appropriated under section 157 to carry*
25 *out this subtitle is equal to or less than \$50,000,000,*

1 *the Secretary shall award grants for tech-prep edu-*
2 *cation programs to consortia between or among—*

3 *(A) a local educational agency, an inter-*
4 *mediate educational agency or area vocational*
5 *education school serving secondary school stu-*
6 *dents, or a secondary school funded by the Bu-*
7 *reau of Indian Affairs; and*

8 *(B)(i) a nonprofit institution of higher edu-*
9 *cation that offers—*

10 *(I) a 2-year associate degree program,*
11 *or a 2-year certificate program, and is*
12 *qualified as institutions of higher education*
13 *pursuant to section 481(a) of the Higher*
14 *Education Act of 1965 (20 U.S.C. 1088(a)),*
15 *including an institution receiving assist-*
16 *ance under the Tribally Controlled Commu-*
17 *nity College Assistance Act of 1978 (25*
18 *U.S.C. 1801 et seq.) and a tribally con-*
19 *trolled postsecondary vocational institution;*
20 *or*

21 *(II) a 2-year apprenticeship program*
22 *that follows secondary instruction,*
23 *if such nonprofit institution of higher education*
24 *is not prohibited from receiving assistance under*
25 *part B of the Higher Education Act of 1965 (20*

1 *U.S.C. 1071 et seq.) pursuant to the provisions*
2 *of section 435(a)(3) of such Act (20 U.S.C.*
3 *1083(a)); or*

4 *(ii) a proprietary institution of higher edu-*
5 *cation that offers a 2-year associate degree pro-*
6 *gram and is qualified as an institution of higher*
7 *education pursuant to section 481(a) of the*
8 *Higher Education Act of 1965 (20 U.S.C.*
9 *1088(a)), if such proprietary institution of high-*
10 *er education is not subject to a default manage-*
11 *ment plan required by the Secretary.*

12 (2) *SPECIAL RULE.—In addition, a consortium*
13 *described in paragraph (1) may include 1 or more—*

14 (A) *institutions of higher education that*
15 *award a baccalaureate degree; and*

16 (B) *employer or labor organizations.*

17 (b) *STATE GRANTS.—*

18 (1) *IN GENERAL.—For any fiscal year for which*
19 *the amount made available under section 157 to carry*
20 *out this subtitle exceeds \$50,000,000, the Secretary*
21 *shall allot such amount among the States in the same*
22 *manner as funds are allotted to States under para-*
23 *graphs (2), (3), and (4) of section 111(a).*

24 (2) *PAYMENTS TO ELIGIBLE AGENCIES.—The*
25 *Secretary shall make a payment in the amount of a*

1 *State's allotment under this paragraph to the eligible*
2 *agency that serves the State and has an application*
3 *approved under paragraph (4).*

4 (3) *AWARD BASIS.*—*From amounts made avail-*
5 *able to each eligible agency under this subsection, the*
6 *eligible agency shall award grants, on a competitive*
7 *basis or on the basis of a formula determined by the*
8 *eligible agency, for tech-prep education programs to*
9 *consortia described in subsection (a).*

10 (4) *STATE APPLICATION.*—*Each eligible agency*
11 *desiring assistance under this subtitle shall submit an*
12 *application to the Secretary at such time, in such*
13 *manner, and accompanied by such information as the*
14 *Secretary may require.*

15 **SEC. 155. TECH-PREP EDUCATION PROGRAMS.**

16 (a) *GENERAL AUTHORITY.*—*Each consortium shall use*
17 *amounts provided through the grant to develop and operate*
18 *a tech-prep education program.*

19 (b) *CONTENTS OF PROGRAM.*—*Any such tech-prep pro-*
20 *gram shall—*

21 (1) *be carried out under an articulation agree-*
22 *ment between the participants in the consortium;*

23 (2) *consist of at least 2 years of secondary school*
24 *preceding graduation and 2 years or more of higher*
25 *education, or an apprenticeship program of at least*

1 *2 years following secondary instruction, with a com-*
2 *mon core of required proficiency in mathematics,*
3 *science, reading, writing, communications, and tech-*
4 *nologies designed to lead to an associate's degree or a*
5 *certificate in a specific career field;*

6 *(3) include the development of tech-prep edu-*
7 *cation program curricula for both secondary and*
8 *postsecondary levels that—*

9 *(A) meets academic standards developed by*
10 *the State;*

11 *(B) links secondary schools and 2-year post-*
12 *secondary institutions, and where possible and*
13 *practicable, 4-year institutions of higher edu-*
14 *cation through nonduplicative sequences of*
15 *courses in career fields;*

16 *(C) uses, where appropriate and available,*
17 *work-based or worksite learning in conjunction*
18 *with business and industry; and*

19 *(D) uses educational technology and dis-*
20 *tance learning, as appropriate, to involve all the*
21 *consortium partners more fully in the develop-*
22 *ment and operation of programs.*

23 *(4) include a professional development program*
24 *for academic, vocational, and technical teachers*
25 *that—*

1 (A) is designed to train teachers to effec-
2 tively implement tech-prep education curricula;

3 (B) provides for joint training for teachers
4 from all participants in the consortium;

5 (C) is designed to ensure that teachers stay
6 current with the needs, expectations, and meth-
7 ods of business and industry;

8 (D) focuses on training postsecondary edu-
9 cation faculty in the use of contextual and ap-
10 plied curricula and instruction; and

11 (E) provides training in the use and appli-
12 cation of technology;

13 (5) include training programs for counselors de-
14 signed to enable counselors to more effectively—

15 (A) make tech-prep education opportunities
16 known to students interested in such activities;

17 (B) ensure that such students successfully
18 complete such programs;

19 (C) ensure that such students are placed in
20 appropriate employment; and

21 (D) stay current with the needs, expecta-
22 tions, and methods of business and industry;

23 (6) provide equal access to the full range of tech-
24 nical preparation programs to individuals who are
25 members of populations described in section

1 124(c)(16), including the development of tech-prep
2 education program services appropriate to the needs
3 of such individuals; and

4 (7) provide for preparatory services that assist
5 all participants in such programs.

6 (c) *ADDITIONAL AUTHORIZED ACTIVITIES.*—Each
7 such tech-prep program may—

8 (1) provide for the acquisition of tech-prep edu-
9 cation program equipment;

10 (2) as part of the program’s planning activities,
11 acquire technical assistance from State or local enti-
12 ties that have successfully designed, established and
13 operated tech-prep programs;

14 (3) acquire technical assistance from State or
15 local entities that have designed, established, and op-
16 erated tech-prep programs that have effectively used
17 educational technology and distance learning in the
18 delivery of curricula and services and in the articula-
19 tion process; and

20 (4) establish articulation agreements with insti-
21 tutions of higher education, labor organizations, or
22 businesses located outside of the State served by the
23 consortium, especially with regard to using distance
24 learning and educational technology to provide for the
25 delivery of services and programs.

1 **SEC. 156. APPLICATIONS.**

2 (a) *IN GENERAL.*—Each consortium that desires to re-
3 ceive a grant under this subtitle shall submit an application
4 to the Secretary or the eligible agency, as appropriate, at
5 such time and in such manner as the Secretary or the eligi-
6 ble agency, as appropriate, shall prescribe.

7 (b) *THREE-YEAR PLAN.*—Each application submitted
8 under this section shall contain a 3-year plan for the devel-
9 opment and implementation of activities under this sub-
10 title.

11 (c) *APPROVAL.*—The Secretary or the eligible agency,
12 as appropriate, shall approve applications based on the po-
13 tential of the activities described in the application to create
14 an effective tech-prep education program described in sec-
15 tion 155.

16 (d) *SPECIAL CONSIDERATION.*—The Secretary or the
17 eligible agency, as appropriate, shall give special consider-
18 ation to applications that—

19 (1) provide for effective employment placement
20 activities or the transfer of students to 4-year institu-
21 tions of higher education;

22 (2) are developed in consultation with 4-year in-
23 stitutions of higher education;

24 (3) address effectively the needs of populations
25 described in section 124(c)(16);

1 (4) *provide education and training in areas or*
2 *skills where there are significant workforce shortages,*
3 *including the information technology industry; and*

4 (5) *demonstrate how tech-prep programs will*
5 *help students meet high academic and employability*
6 *competencies.*

7 (e) *EQUITABLE DISTRIBUTION OF ASSISTANCE.—In*
8 *awarding grants under this subtitle, the Secretary shall en-*
9 *sure an equitable distribution of assistance among States,*
10 *and the Secretary or the eligible agency, as appropriate,*
11 *shall ensure an equitable distribution of assistance between*
12 *urban and rural consortium participants.*

13 (f) *NOTICE.—*

14 (1) *IN GENERAL.—In the case of grants to be*
15 *awarded by the Secretary, each consortium that sub-*
16 *mits an application under this section shall provide*
17 *notice of such submission and a copy of such applica-*
18 *tion to the State educational agency and the State*
19 *agency for higher education of the State in which the*
20 *consortium is located.*

21 (2) *NOTIFICATION.—The Secretary shall notify*
22 *the State educational agency and the State agency for*
23 *higher education of a State each time a consortium*
24 *located in the State is selected to receive a grant*
25 *under this subtitle.*

1 **SEC. 157. AUTHORIZATION OF APPROPRIATIONS.**

2 *There is authorized to be appropriated to carry out*
3 *this subtitle such sums as may be necessary for fiscal year*
4 *1999 and each of the 5 succeeding fiscal years.*

5 **SEC. 158. DEMONSTRATION PROGRAM.**

6 *(a) DEMONSTRATION PROGRAM AUTHORIZED.—From*
7 *funds appropriated under subsection (e) for a fiscal year,*
8 *the Secretary shall award grants to consortia described in*
9 *section 154(a) to enable the consortia to carry out tech-prep*
10 *education programs.*

11 *(b) PROGRAM CONTENTS.—Each tech-prep program*
12 *referred to in subsection (a)—*

13 *(1) shall—*

14 *(A) involve the location of a secondary*
15 *school on the site of a community college;*

16 *(B) involve a business as a member of the*
17 *consortium; and*

18 *(C) require the voluntary participation of*
19 *secondary school students in the tech-prep edu-*
20 *cation program; and*

21 *(2) may provide summer internships at a busi-*
22 *ness for students or teachers.*

23 *(c) APPLICATION.—Each consortium desiring a grant*
24 *under this section shall submit an application to the Sec-*
25 *retary at such time, in such manner and accompanied by*
26 *such information as the Secretary may require.*

1 (d) *APPLICABILITY.*—*The provisions of sections 154,*
2 *155, 156, and 157 shall not apply to this section, except*
3 *that—*

4 (1) *the provisions of section 154(a) shall apply*
5 *for purposes of describing consortia eligible to receive*
6 *assistance under this section;*

7 (2) *each tech-prep education program assisted*
8 *under this section shall meet the requirements of*
9 *paragraphs (1), (2), (3)(A), (3)(B), (3)(C), (3)(D),*
10 *(4), (5), (6), and (7) of section 155(b), except that*
11 *such paragraph (3)(B) shall be applied by striking “,*
12 *and where possible and practicable, 4-year institu-*
13 *tions of higher education through nonduplicative se-*
14 *quences of courses in career fields”;* and

15 (3) *in awarding grants under this section, the*
16 *Secretary shall give special consideration to consortia*
17 *submitting applications under subsection (c) that*
18 *meet the requirements of paragraphs (1), (3), (4), and*
19 *(5) of section 156(d), except that such paragraph (1)*
20 *shall be applied by striking “or the transfer of stu-*
21 *dents to 4-year institutions of higher education”.*

22 (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
23 *authorized to be appropriated to carry out this section*
24 *\$25,000,000 for fiscal year 1999 and each of the 5 succeed-*
25 *ing fiscal years.*

1 **Subtitle C—General Provisions**

2 **SEC. 161. ADMINISTRATIVE PROVISIONS.**

3 (a) *SUPPLEMENT NOT SUPPLANT.*—*Funds made*
4 *available under this title for vocational education activities*
5 *shall supplement, and shall not supplant, non-Federal*
6 *funds expended to carry out vocational education and tech-*
7 *prep activities.*

8 (b) *MAINTENANCE OF EFFORT.*—

9 (1) *DETERMINATION.*—*No payments shall be*
10 *made under this title for any fiscal year to an eligible*
11 *agency for vocational education or tech-prep activities*
12 *unless the Secretary determines that the fiscal effort*
13 *per student or the aggregate expenditures of the State*
14 *for vocational education for the fiscal year preceding*
15 *the fiscal year for which the determination is made,*
16 *equaled or exceeded such effort or expenditures for vo-*
17 *cational education for the second fiscal year preceding*
18 *the fiscal year for which the determination is made.*

19 (2) *WAIVER.*—*The Secretary may waive the re-*
20 *quirements of this section, with respect to not more*
21 *than 5 percent of expenditures by any eligible agency*
22 *for 1 fiscal year only, on making a determination*
23 *that such waiver would be equitable due to excep-*
24 *tional or uncontrollable circumstances affecting the*
25 *ability of the applicant to meet such requirements,*

1 *such as a natural disaster or an unforeseen and pre-*
2 *cipitous decline in financial resources. No level of*
3 *funding permitted under such a waiver may be used*
4 *as the basis for computing the fiscal effort or aggre-*
5 *gate expenditures required under this section for years*
6 *subsequent to the year covered by such waiver. The*
7 *fiscal effort or aggregate expenditures for the subse-*
8 *quent years shall be computed on the basis of the level*
9 *of funding that would, but for such waiver, have been*
10 *required.*

11 *(c) REPRESENTATION.—The eligible agency shall pro-*
12 *vide representation to the statewide partnership.*

13 **SEC. 162. EVALUATION, IMPROVEMENT, AND ACCOUNTABIL-**
14 **ITY.**

15 *(a) LOCAL EVALUATION.—Each eligible agency shall*
16 *evaluate annually the vocational education and tech-prep*
17 *activities of each local educational agency or eligible insti-*
18 *tution receiving assistance under this title, using the per-*
19 *formance measures established under section 112.*

20 *(b) IMPROVEMENT ACTIVITIES.—If, after reviewing the*
21 *evaluation, an eligible agency determines that a local edu-*
22 *cational agency or eligible institution is not making sub-*
23 *stantial progress in achieving the purpose of this title, the*
24 *local educational agency or eligible institution, in consulta-*
25 *tion with teachers, parents, and other school staff, shall—*

1 (1) *conduct an assessment of the educational and*
2 *other problems that the local educational agency or el-*
3 *igible institution shall address to overcome local per-*
4 *formance problems;*

5 (2) *enter into an improvement plan based on the*
6 *results of the assessment, which plan shall include in-*
7 *structional and other programmatic innovations of*
8 *demonstrated effectiveness, and where necessary, strat-*
9 *egies for appropriate staffing and staff development;*
10 *and*

11 (3) *conduct regular evaluations of the progress*
12 *being made toward program improvement goals.*

13 (c) *TECHNICAL ASSISTANCE.—If the Secretary deter-*
14 *mines that an eligible agency is not properly implementing*
15 *the eligible agency’s responsibilities under section 124, or*
16 *is not making substantial progress in meeting the purpose*
17 *of this title, based on the performance measures and ex-*
18 *pected levels of performance under section 112 included in*
19 *the eligible agency’s State plan, the Secretary shall work*
20 *with the eligible agency to implement improvement activi-*
21 *ties.*

22 (d) *WITHHOLDING OF FEDERAL FUNDS.—If, after a*
23 *reasonable time, but not earlier than 1 year after imple-*
24 *menting activities described in subsection (c), the Secretary*
25 *determines that the eligible agency is not making sufficient*

1 progress, based on the eligible agency's performance meas-
2 ures and expected levels of performance, the Secretary, after
3 notice and opportunity for a hearing, shall withhold from
4 the eligible agency all, or a portion, of the eligible agency's
5 grant funds under this subtitle. The Secretary may use
6 funds withheld under the preceding sentence to provide,
7 through alternative arrangements, services, and activities
8 within the State to meet the purpose of this title.

9 **SEC. 163. NATIONAL ACTIVITIES.**

10 *The Secretary may, directly or through grants, con-*
11 *tracts, or cooperative agreements, carry out research, devel-*
12 *opment, dissemination, evaluation, capacity-building, and*
13 *technical assistance activities that carry out the purpose of*
14 *this title.*

15 **SEC. 164. NATIONAL ASSESSMENT OF VOCATIONAL EDU-**
16 **CATION PROGRAMS.**

17 *(a) IN GENERAL.—The Secretary shall conduct a na-*
18 *tional assessment of vocational education programs assisted*
19 *under this title, through studies and analyses conducted*
20 *independently through competitive awards.*

21 *(b) INDEPENDENT ADVISORY PANEL.—The Secretary*
22 *shall appoint an independent advisory panel, consisting of*
23 *vocational education administrators, educators, researchers,*
24 *and representatives of labor organizations, business, par-*
25 *ents, guidance and counseling professionals, and other rel-*

1 *evant groups, to advise the Secretary on the implementation*
2 *of such assessment, including the issues to be addressed and*
3 *the methodology of the studies involved, and the findings*
4 *and recommendations resulting from the assessment. The*
5 *panel shall submit to the Committee on Education and the*
6 *Workforce of the House of Representatives, the Committee*
7 *on Labor and Human Resources of the Senate, and the Sec-*
8 *retary an independent analysis of the findings and rec-*
9 *ommendations resulting from the assessment. The Federal*
10 *Advisory Committee Act (5 U.S.C. App.) shall not apply*
11 *to the panel established under this subsection.*

12 *(c) CONTENTS.—The assessment required under sub-*
13 *section (a) shall include descriptions and evaluations of—*

14 *(1) the effect of the vocational education pro-*
15 *grams assisted under this title on State and tribal ad-*
16 *ministration of vocational education programs and*
17 *on local vocational education practices, including the*
18 *capacity of State, tribal, and local vocational edu-*
19 *cation systems to address the purpose of this title;*

20 *(2) expenditures at the Federal, State, tribal,*
21 *and local levels to address program improvement in*
22 *vocational education, including the impact of Federal*
23 *allocation requirements (such as within-State dis-*
24 *tribution formulas) on the delivery of services;*

1 (3) *preparation and qualifications of teachers of*
2 *vocational and academic curricula in vocational edu-*
3 *cation programs, as well as shortages of such teachers;*

4 (4) *participation in vocational education pro-*
5 *grams;*

6 (5) *academic and employment outcomes of voca-*
7 *tional education, including analyses of—*

8 (A) *the number of vocational education stu-*
9 *dents and tech-prep students who meet State*
10 *academic standards;*

11 (B) *the extent and success of integration of*
12 *academic and vocational education for students*
13 *participating in vocational education programs;*
14 *and*

15 (C) *the degree to which vocational education*
16 *is relevant to subsequent employment or partici-*
17 *pation in postsecondary education;*

18 (6) *employer involvement in, and satisfaction*
19 *with, vocational education programs;*

20 (7) *the use and impact of educational technology*
21 *and distance learning with respect to vocational edu-*
22 *cation and tech-prep programs; and*

23 (8) *the effect of performance measures, and other*
24 *measures of accountability, on the delivery of voca-*
25 *tional education services.*

1 (d) *CONSULTATION.*—

2 (1) *IN GENERAL.*—*The Secretary shall consult*
3 *with the Committee on Education and the Workforce*
4 *of the House of Representatives and the Committee on*
5 *Labor and Human Resources of the Senate in the de-*
6 *sign and implementation of the assessment required*
7 *under subsection (a).*

8 (2) *REPORTS.*—*The Secretary shall submit to the*
9 *Committee on Education and the Workforce of the*
10 *House of Representatives, the Committee on Labor*
11 *and Human Resources of the Senate, and the Sec-*
12 *retary—*

13 (A) *an interim report regarding the assess-*
14 *ment on or before July 1, 2001; and*

15 (B) *a final report, summarizing all studies*
16 *and analyses that relate to the assessment and*
17 *that are completed after the assessment, on or be-*
18 *fore July 1, 2002.*

19 (3) *PROHIBITION.*—*Notwithstanding any other*
20 *provision of law or regulation, the reports required by*
21 *this subsection shall not be subject to any review out-*
22 *side of the Department of Education before their*
23 *transmittal to the Committee on Education and the*
24 *Workforce of the House of Representatives, the Com-*
25 *mittee on Labor and Human Resources of the Senate,*

1 *and the Secretary, but the President, the Secretary,*
2 *and the independent advisory panel established under*
3 *subsection (b) may make such additional rec-*
4 *ommendations to Congress with respect to the assess-*
5 *ment as the President, the Secretary, or the panel de-*
6 *termine to be appropriate.*

7 **SEC. 165. NATIONAL RESEARCH CENTER.**

8 *(a) GENERAL AUTHORITY.—*

9 *(1) IN GENERAL.—The Secretary, through*
10 *grants, contracts, or cooperative agreements, may es-*
11 *tablish 1 or more national centers in the areas of—*

12 *(A) applied research and development; and*

13 *(B) dissemination and training.*

14 *(2) CONSULTATION.—The Secretary shall consult*
15 *with the States prior to establishing 1 or more such*
16 *centers.*

17 *(3) ELIGIBLE ENTITIES.—Entities eligible to re-*
18 *ceive funds under this section are institutions of high-*
19 *er education, other public or private nonprofit orga-*
20 *nizations or agencies, and consortia of such institu-*
21 *tions, organizations, or agencies.*

22 *(b) ACTIVITIES.—*

23 *(1) IN GENERAL.—The national center or centers*
24 *shall carry out such activities as the Secretary deter-*
25 *mines to be appropriate to assist State and local re-*

1 *recipients of funds under this title to achieve the pur-*
2 *pose of this title, which may include the research and*
3 *evaluation activities in such areas as—*

4 *(A) the integration of vocational and aca-*
5 *demically instruction, secondary and postsecondary*
6 *instruction;*

7 *(B) effective inservice and preservice teacher*
8 *education that assists vocational education sys-*
9 *tems;*

10 *(C) education technology and distance*
11 *learning approaches and strategies that are effec-*
12 *tive with respect to vocational education;*

13 *(D) performance measures and expected lev-*
14 *els of performance that serve to improve voca-*
15 *tional education programs and student achieve-*
16 *ment;*

17 *(E) effects of economic changes on the kinds*
18 *of knowledge and skills required for employment*
19 *or participation in postsecondary education;*

20 *(F) longitudinal studies of student achieve-*
21 *ment; and*

22 *(G) dissemination and training activities*
23 *related to the applied research and demonstra-*
24 *tion activities described in this subsection, which*
25 *may also include—*

1 (i) *serving as a repository for informa-*
2 *tion on vocational and technological skills,*
3 *State academic standards, and related ma-*
4 *terials; and*

5 (ii) *developing and maintaining na-*
6 *tional networks of educators who facilitate*
7 *the development of vocational education sys-*
8 *tems.*

9 (2) *REPORT.—The center or centers conducting*
10 *the activities described in paragraph (1) annually*
11 *shall prepare a report of key research findings of such*
12 *center or centers and shall submit copies of the report*
13 *to the Secretary, the Secretary of Labor, and the Sec-*
14 *retary of Health and Human Services. The Secretary*
15 *shall submit that report to the Committee on Edu-*
16 *cation and the Workforce of the House of Representa-*
17 *tives, the Committee on Labor and Human Resources*
18 *of the Senate, the Library of Congress, and each eligi-*
19 *ble agency.*

20 (c) *REVIEW.—The Secretary shall—*

21 (1) *consult at least annually with the national*
22 *center or centers and with experts in education to en-*
23 *sure that the activities of the national center or cen-*
24 *ters meet the needs of vocational education programs;*
25 *and*

1 (2) *undertake an independent review of each*
2 *award recipient under this section prior to extending*
3 *an award to such recipient beyond a 5-year period.*

4 **SEC. 166. DATA SYSTEMS.**

5 (a) *IN GENERAL.*—*The Secretary shall maintain a*
6 *data system to collect information about, and report on, the*
7 *condition of vocational education and on the effectiveness*
8 *of State and local programs, services, and activities carried*
9 *out under this title in order to provide the Secretary and*
10 *Congress, as well as Federal, State, local, and tribal agen-*
11 *cies, with information relevant to improvement in the qual-*
12 *ity and effectiveness of vocational education. The Secretary*
13 *annually shall report to Congress on the Secretary’s analy-*
14 *sis of performance data collected each year pursuant to this*
15 *title, including an analysis of performance data regarding*
16 *the populations described in section 124(c)(16).*

17 (b) *DATA SYSTEM.*—*In maintaining the data system,*
18 *the Secretary shall ensure that the data system is compat-*
19 *ible with other Federal information systems.*

20 (c) *ASSESSMENTS.*—*As a regular part of its assess-*
21 *ments, the National Center for Education Statistics shall*
22 *collect and report information on vocational education for*
23 *a nationally representative sample of students. Such assess-*
24 *ment may include international comparisons.*

1 **SEC. 167. PROMOTING SCHOLAR-ATHLETE COMPETITIONS.**

2 *Section 10104 of the Elementary and Secondary Edu-*
3 *cation Act of 1965 (20 U.S.C. 8004) is amended—*

4 *(1) in subsection (a), by striking “to be held in*
5 *1995”; and*

6 *(2) in subsection (b)—*

7 *(A) in paragraph (4), by striking “in the*
8 *summer of 1995;” and inserting “; and”;*

9 *(B) in paragraph (5), by striking “in 1996*
10 *and thereafter, as well as replicate such program*
11 *internationally; and” and inserting “and inter-*
12 *nationally.”; and*

13 *(C) by striking paragraph (6).*

14 **SEC. 168. DEFINITION.**

15 *In this title, the term “gender equity”, used with re-*
16 *spect to a program, service, or activity, means a program,*
17 *service, or activity that is designed to ensure that men and*
18 *women (including single parents and displaced home-*
19 *makers) have access to opportunities to participate in voca-*
20 *tional education that prepares the men and women to enter*
21 *high-skill, high-wage careers.*

22 ***Subtitle D—Authorization of***
23 ***Appropriations***

24 **SEC. 171. AUTHORIZATION OF APPROPRIATIONS.**

25 *There is authorized to be appropriated to carry out*
26 *subtitle (A), and sections 163, 164, 165, and 166, such sums*

1 *as may be necessary for fiscal year 1999 and each of the*
2 *5 succeeding fiscal years.*

3 ***Subtitle E—Repeal***

4 ***SEC. 181. REPEAL.***

5 *(a) REPEAL.—The Carl D. Perkins Vocational and*
6 *Applied Technology Education Act (20 U.S.C. 2301 et seq.)*
7 *is repealed.*

8 *(b) REFERENCES TO CARL D. PERKINS VOCATIONAL*
9 *AND APPLIED TECHNOLOGY EDUCATION ACT.—*

10 *(1) IMMIGRATION AND NATIONALITY ACT.—Sec-*
11 *tion 245A(h)(4)(C) of the Immigration and National-*
12 *ity Act (8 U.S.C. 1255a(h)(4)(C)) is amended by*
13 *striking “Vocational Education Act of 1963” and in-*
14 *serting “Carl D. Perkins Vocational and Applied*
15 *Technology Education Act of 1998”.*

16 *(2) NATIONAL DEFENSE AUTHORIZATION ACT.—*
17 *Section 4461 of the National Defense Authorization*
18 *Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is*
19 *amended—*

20 *(A) by striking paragraph (4); and*

21 *(B) by redesignating paragraphs (5) and*
22 *(6) as paragraphs (4) and (5), respectively.*

23 *(3) ELEMENTARY AND SECONDARY EDUCATION*
24 *ACT OF 1965.—The Elementary and Secondary Edu-*

1 *tion Act of 1965 (20 U.S.C. 6301 et seq.) is amend-*
2 *ed—*

3 *(A) in section 1114(b)(2)(C)(v) (20 U.S.C.*
4 *6314(b)(2)(C)(v)), by striking “Carl D. Perkins*
5 *Vocational and Applied Technology Education*
6 *Act,” and inserting “Carl D. Perkins Vocational*
7 *and Applied Technology Education Act of 1998”;*

8 *(B) in section 9115(b)(5) (20 U.S.C.*
9 *7815(b)(5)), by striking “Carl D. Perkins Voca-*
10 *tional and Applied Technology Education Act”*
11 *and inserting “Carl D. Perkins Vocational and*
12 *Applied Technology Education Act of 1998”;*

13 *(C) in section 14302(a)(2) (20 U.S.C.*
14 *8852(a)(2))—*

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

16 *(ii) by redesignating subparagraphs*
17 *(D), (E), and (F) as subparagraphs (C),*
18 *(D), and (E), respectively; and*

19 *(D) in the matter preceding subparagraph*
20 *(A) of section 14307(a)(1) (20 U.S.C.*
21 *8857(a)(1)), by striking “Carl D. Perkins Voca-*
22 *tional and Applied Technology Education Act”*
23 *and inserting “Carl D. Perkins Vocational and*
24 *Applied Technology Education Act of 1998”.*

1 (4) *EQUITY IN EDUCATIONAL LAND-GRANT STA-*
2 *TUS ACT OF 1994.*—Section 533(c)(4)(A) of the *Equity*
3 *in Educational Land-Grant Status Act of 1994* (7
4 *U.S.C. 301 note)* is amended by striking “(20 U.S.C.
5 *2397h(3))”* and inserting “, as such section was in ef-
6 *fect on the day preceding the date of enactment of the*
7 *Carl D. Perkins Vocational and Applied Technology*
8 *Education Act of 1998”.*

9 (5) *IMPROVING AMERICA’S SCHOOLS ACT OF*
10 *1994.*—Section 563 of the *Improving America’s*
11 *Schools Act of 1994* (20 U.S.C. 6301 note) is amended
12 by striking “the date of enactment of an Act reauthor-
13 izing the *Carl D. Perkins Vocational and Applied*
14 *Technology Education Act* (20 U.S.C. 2301 *et seq.*)”
15 and inserting “July 1, 1999”.

16 (6) *INTERNAL REVENUE CODE OF 1986.*—Section
17 135(c)(3)(B) of the *Internal Revenue Code of 1986* (26
18 U.S.C. 135(c)(3)(B)) is amended—

19 (A) by striking “subparagraph (C) or (D) of
20 section 521(3) of the *Carl D. Perkins Vocational*
21 *Education Act”* and inserting “subparagraph
22 (C) or (D) of section 2(3) of the *Workforce In-*
23 *vestment Partnership Act of 1998”*; and

24 (B) by striking “any State (as defined in
25 section 521(27) of such Act)” and inserting “any

1 *State or outlying area (as the terms ‘State’ and*
2 *‘outlying area’ are defined in section 2 of such*
3 *Act)’.*

4 (7) *APPALACHIAN REGIONAL DEVELOPMENT ACT*
5 *OF 1965.—Section 214(c) of the Appalachian Regional*
6 *Development Act of 1965 (40 U.S.C. App. 214(c)) (as*
7 *amended by subsection (c)(5)) is further amended by*
8 *striking “Carl D. Perkins Vocational Education Act”*
9 *and inserting “Carl D. Perkins Vocational and Ap-*
10 *plied Technology Education Act of 1998”.*

11 (8) *VOCATIONAL EDUCATION AMENDMENTS OF*
12 *1968.—Section 104 of the Vocational Education*
13 *Amendments of 1968 (82 Stat. 1091) is amended by*
14 *striking “section 3 of the Carl D. Perkins Vocational*
15 *Education Act” and inserting “the Carl D. Perkins*
16 *Vocational and Applied Technology Education Act of*
17 *1998”.*

18 (9) *OLDER AMERICANS ACT OF 1965.—The Older*
19 *Americans Act of 1965 (42 U.S.C. 3001 et seq.) is*
20 *amended—*

21 (A) *in section 502(b)(1)(N)(i) (42 U.S.C.*
22 *3056(b)(1)(N)(i)), by striking “or the Carl D.*
23 *Perkins Vocational and Applied Technology*
24 *Education Act (20 U.S.C. 2301 et seq.)”;* and

1 (B) in section 505(d)(2) (42 U.S.C.
2 3056c(d)(2))—

3 (i) by striking “employment and train-
4 ing programs” and inserting “workforce in-
5 vestment activities”; and

6 (ii) by striking “the Carl D. Perkins
7 Vocational and Applied Technology Edu-
8 cation Act (20 U.S.C. 2301 et seq.)” and in-
9 serting “the Carl D. Perkins Vocational and
10 Applied Technology Education Act of
11 1998”.

12 **TITLE II—ADULT EDUCATION**
13 **AND LITERACY**

14 **SEC. 201. SHORT TITLE.**

15 This title may be cited as the “Adult Education and
16 Literacy Act”.

17 **SEC. 202. FINDINGS AND PURPOSE.**

18 (a) *FINDINGS.*—Congress finds that—

19 (1) the National Adult Literacy Survey and
20 other studies have found that more than one-fifth of
21 American adults demonstrate very low literacy skills
22 that make it difficult for the adults to be economically
23 self-sufficient, much less enter high-skill, high-wage
24 jobs;

1 (2) *data from the National Adult Literacy Sur-*
 2 *vey show that adults with very low levels of literacy*
 3 *are 10 times as likely to be poor as adults with high*
 4 *levels of literacy; and*

5 (3) *our Nation's well-being is dependent on the*
 6 *knowledge and skills of all of our Nation's citizens.*

7 (b) *PURPOSE.—It is the purpose of this title to create*
 8 *a partnership among the Federal Government, States, and*
 9 *localities to help provide for adult education and literacy*
 10 *services so that adults who need such services, will, as ap-*
 11 *propriate, be able to—*

12 (1) *become literate and obtain the knowledge and*
 13 *skills needed to compete in a global economy;*

14 (2) *complete a secondary school education; and*

15 (3) *have the education skills necessary to support*
 16 *the educational development of their children.*

17 ***Subtitle A—Adult Education and***
 18 ***Literacy Programs***

19 ***CHAPTER 1—FEDERAL PROVISIONS***

20 ***SEC. 211. RESERVATION; GRANTS TO STATES; ALLOTMENTS.***

21 (a) *RESERVATION OF FUNDS FOR NATIONAL LEADER-*
 22 *SHIP ACTIVITIES.—From the amount appropriated for any*
 23 *fiscal year under section 246, the Secretary shall reserve—*

24 (1) *1.5 percent to carry out section 213;*

25 (2) *2 percent to carry out section 243; and*

1 (3) 1.5 percent to carry out section 245.

2 (b) *GRANTS TO STATES.*—From the sum appropriated
3 under section 246 and not reserved under subsection (a) for
4 a fiscal year, the Secretary shall award a grant to each
5 eligible agency having a State plan approved under section
6 224 in an amount equal to the sum of the initial allotment
7 under subsection (c)(1) and the additional allotment under
8 subsection (c)(2) for the eligible agency for the fiscal year
9 to enable the eligible agency to carry out the activities as-
10 sisted under this subtitle.

11 (c) *ALLOTMENTS.*—

12 (1) *INITIAL ALLOTMENTS.*—From the sum ap-
13 propriated under section 246 and not reserved under
14 subsection (a) for a fiscal year, the Secretary first
15 shall allot to each eligible agency having a State plan
16 approved under section 224 the following amounts:

17 (A) \$100,000 in the case of an eligible agen-
18 cy serving the United States Virgin Islands,
19 Guam, American Samoa, the Commonwealth of
20 the Northern Mariana Islands, the Republic of
21 the Marshall Islands, the Federated States of Mi-
22 cronnesia, and the Republic of Palau.

23 (B) \$250,000, in the case of any other eligi-
24 ble agency.

1 (2) *ADDITIONAL ALLOTMENTS.*—*From the sum*
2 *appropriated under section 246, not reserved under*
3 *subsection (a), and not allotted under paragraph (1),*
4 *for any fiscal year, the Secretary shall allot to each*
5 *eligible agency an amount that bears the same rela-*
6 *tionship to such sum as the number of qualifying*
7 *adults in the State or outlying area served by the eli-*
8 *gible agency bears to the number of such adults in all*
9 *States and outlying areas.*

10 (d) *QUALIFYING ADULT.*—*For the purposes of this sub-*
11 *section, the term “qualifying adult” means an adult who—*

12 (1) *is at least 16 years of age;*

13 (2) *is beyond the age of compulsory school at-*
14 *tendance under the law of the State or outlying area;*

15 (3) *does not possess a secondary school diploma*
16 *or its recognized equivalent; and*

17 (4) *is not enrolled in secondary school.*

18 (e) *SPECIAL RULE.*—

19 (1) *IN GENERAL.*—*From amounts made avail-*
20 *able under subsection (c) for the Republic of the Mar-*
21 *shall Islands, the Federated States of Micronesia, and*
22 *the Republic of Palau, the Secretary shall award*
23 *grants to Guam, American Samoa, the Common-*
24 *wealth of the Northern Mariana Islands, the Republic*
25 *of the Marshall Islands, the Federated States of Mi-*

1 *cronesia, or the Republic of Palau to carry out activi-*
2 *ties described in this part in accordance with the pro-*
3 *visions of this subtitle that the Secretary determines*
4 *are not inconsistent with this subsection.*

5 (2) *AWARD BASIS.*—*The Secretary shall award*
6 *grants pursuant to paragraph (1) on a competitive*
7 *basis and pursuant to recommendations from the Pa-*
8 *cific Region Educational Laboratory in Honolulu,*
9 *Hawaii.*

10 (3) *TERMINATION OF ELIGIBILITY.*—*Notwith-*
11 *standing any other provision of law, the Republic of*
12 *the Marshall Islands, the Federated States of Microne-*
13 *sia, and the Republic of Palau shall not receive any*
14 *funds under this part for any fiscal year that begins*
15 *after September 30, 2004.*

16 (4) *ADMINISTRATIVE COSTS.*—*The Secretary*
17 *may provide not more than 5 percent of the funds*
18 *made available for grants under this subsection to*
19 *pay the administrative costs of the Pacific Region*
20 *Educational Laboratory regarding activities assisted*
21 *under this subsection.*

22 (f) *MAINTENANCE OF EFFORT.*—

23 (1) *IN GENERAL.*—*An eligible agency may re-*
24 *ceive a grant under this subtitle for any fiscal year*
25 *only if the Secretary finds that the amount expended*

1 *by the State for adult education and literacy, in the*
2 *second fiscal year preceding the fiscal year for which*
3 *the determination is made, was not less than 90 per-*
4 *cent of the amount expended for adult education and*
5 *literacy in the third fiscal year preceding the fiscal*
6 *year for which the determination is made.*

7 (2) *WAIVER.—The Secretary may waive the re-*
8 *quirements of this subsection for 1 fiscal year only if*
9 *the Secretary determines that such a waiver is equi-*
10 *table due to exceptional or uncontrollable cir-*
11 *cumstances, such as a natural disaster or an unfore-*
12 *seen and precipitous decline in the financial resources*
13 *of the State.*

14 (g) *REALLOTMENT.—If the Secretary determines that*
15 *any amount of a State’s allotment under this section for*
16 *any fiscal year will not be required for carrying out the*
17 *program for which such amount has been allotted, the Sec-*
18 *retary shall make such amount available for reallocation to*
19 *1 or more States on the basis that the Secretary determines*
20 *would best serve the purpose of this title.*

21 **SEC. 212. PERFORMANCE MEASURES AND EXPECTED**
22 **LEVELS OF PERFORMANCE.**

23 (a) *PERFORMANCE MEASURES.—The Secretary shall*
24 *publish the following performance measures to assess the*
25 *progress of each eligible agency:*

1 (1) *Demonstrated improvements in literacy skill*
2 *levels in reading, writing and speaking the English*
3 *language, numeracy, and problem-solving.*

4 (2) *Attainment of secondary school diplomas or*
5 *their recognized equivalent.*

6 (3) *Placement in, retention in, or completion of,*
7 *postsecondary education, training, or unsubsidized*
8 *employment.*

9 (b) *EXPECTED LEVELS OF PERFORMANCE.—In devel-*
10 *oping a State plan, each eligible agency shall negotiate with*
11 *the Secretary the expected levels of performance for the per-*
12 *formance measures described in subsection (a).*

13 **SEC. 213. NATIONAL LEADERSHIP ACTIVITIES.**

14 (a) *AUTHORITY.—From the amount reserved under*
15 *section 211(a)(1) for any fiscal year, the Secretary may es-*
16 *tablish a program of national leadership and evaluation ac-*
17 *tivities to enhance the quality of adult education and lit-*
18 *eracy nationwide.*

19 (b) *METHOD OF FUNDING.—The Secretary may carry*
20 *out national leadership and evaluation activities directly*
21 *or through grants, contracts, or cooperative agreements.*

22 (c) *USES OF FUNDS.—Funds made available to carry*
23 *out this section shall be used for—*

1 (1) *research, such as estimating the number of*
2 *adults functioning at the lowest levels of literacy pro-*
3 *ficiency;*

4 (2) *demonstration of model and innovative pro-*
5 *grams, such as the development of models for basic*
6 *skill certificates, identification of effective strategies*
7 *for working with adults with learning disabilities and*
8 *with individuals with limited English proficiency*
9 *who are adults, and workplace literacy programs;*

10 (3) *dissemination, such as dissemination of in-*
11 *formation regarding promising practices resulting*
12 *from federally funded demonstration programs;*

13 (4) *evaluations and assessments, such as periodic*
14 *independent evaluations of activities assisted under*
15 *this subtitle and assessments of the condition and*
16 *progress of literacy in the United States;*

17 (5) *efforts to support capacity building at the*
18 *State and local levels, such as technical assistance in*
19 *program planning, assessment, evaluation, and mon-*
20 *itoring of activities under this subtitle;*

21 (6) *data collection, such as improvement of both*
22 *local and State data systems through technical assist-*
23 *ance and development of model performance data col-*
24 *lection systems;*

1 (7) professional development, such as technical
2 assistance activities to advance effective training
3 practices, identify exemplary professional develop-
4 ment projects, and disseminate new findings in adult
5 education training;

6 (8) technical assistance, such as endeavors that
7 aid distance learning, and promote and improve the
8 use of technology in the classroom; or

9 (9) other activities designed to enhance the qual-
10 ity of adult education and literacy nationwide.

11 **CHAPTER 2—STATE PROVISIONS**

12 **SEC. 221. STATE ADMINISTRATION.**

13 (a) *IN GENERAL.*—Each eligible agency shall be re-
14 sponsible for the State administration of activities under
15 this subtitle, including—

16 (1) the development, submission, and implemen-
17 tation of the State plan;

18 (2) consultation with other appropriate agencies,
19 groups, and individuals that are involved in, or in-
20 terested in, the development and implementation of
21 activities assisted under this subtitle; and

22 (3) coordination and nonduplication with other
23 Federal and State education, training, corrections,
24 public housing, and social service programs.

1 (b) *STATE-IMPOSED REQUIREMENTS.*—Whenever a
2 State imposes any rule or policy relating to the administra-
3 tion and operation of activities funded under this subtitle
4 (including any rule or policy based on State interpretation
5 of any Federal law, regulation, or guideline), the State shall
6 identify the rule or policy as a State-imposed requirement.

7 **SEC. 222. STATE DISTRIBUTION OF FUNDS; STATE SHARE.**

8 (a) *STATE DISTRIBUTION OF FUNDS.*—Each eligible
9 agency receiving a grant under this subtitle for a fiscal
10 year—

11 (1) shall use not less than 80 percent of the grant
12 funds to carry out section 225 and to award grants
13 and contracts under section 231, of which not more
14 than 10 percent of the 80 percent shall be available
15 to carry out section 225;

16 (2) shall use not more than 15 percent of the
17 grant funds to carry out State leadership activities
18 under section 223; and

19 (3) shall use not more than 5 percent of the
20 grant funds, or \$80,000, whichever is greater, for ad-
21 ministrative expenses of the eligible agency.

22 (b) *STATE SHARE REQUIREMENT.*—

23 (1) *IN GENERAL.*—In order to receive a grant
24 from the Secretary under section 211(b) each eligible
25 agency shall provide an amount equal to 25 percent

1 of the total amount of funds expended for adult edu-
2 cation in the State or outlying area, except that the
3 Secretary may decrease the amount of funds required
4 under this subsection for an eligible agency serving an
5 outlying area.

6 (2) *STATE'S SHARE.*—An eligible agency's funds
7 required under paragraph (1) may be in cash or in
8 kind, fairly evaluated, and shall include only non-
9 Federal funds that are used for adult education and
10 literacy activities in a manner that is consistent with
11 the purpose of this subtitle.

12 **SEC. 223. STATE LEADERSHIP ACTIVITIES.**

13 (a) *IN GENERAL.*—Each eligible agency shall use funds
14 made available under section 222(a)(2) for 1 or more of
15 the following activities:

16 (1) *Professional development and training, in-*
17 *cluding training in the use of software and*
18 *technology.*

19 (2) *Developing and disseminating curricula for*
20 *adult education and literacy activities.*

21 (3) *Monitoring and evaluating the quality of,*
22 *and improvement in, services and activities conducted*
23 *with assistance under this subtitle.*

1 (4) *Establishing challenging performance meas-*
2 *ures and levels of performance for literacy proficiency*
3 *in order to assess program quality and improvement.*

4 (5) *Integration of literacy instruction and occu-*
5 *pational skill training, and promoting linkages with*
6 *employers.*

7 (6) *Linkages with postsecondary institutions.*

8 (7) *Supporting State or regional networks of lit-*
9 *eracy resource centers.*

10 (8) *Other activities of statewide significance that*
11 *promote the purpose of this subtitle.*

12 (b) *COLLABORATION.—In carrying out this section, el-*
13 *igible agencies shall collaborate where possible and avoid*
14 *duplicating efforts in order to maximize the impact of the*
15 *activities described in subsection (a).*

16 **SEC. 224. STATE PLAN.**

17 (a) *3-YEAR PLANS.—*

18 (1) *IN GENERAL.—Each eligible agency desiring*
19 *a grant under this subtitle for any fiscal year shall*
20 *submit to, or have on file with, the Secretary a 3-year*
21 *State plan.*

22 (2) *COMPREHENSIVE PLAN OR APPLICATION.—*
23 *The eligible agency may submit the State plan as*
24 *part of a comprehensive plan or application for Fed-*
25 *eral education assistance.*

1 (b) *PLAN CONTENTS.*—*In developing the State plan,*
2 *and any revisions to the State plan, the eligible agency shall*
3 *include in the State plan or revisions—*

4 (1) *an objective assessment of the needs of indi-*
5 *viduals in the State for adult education and literacy*
6 *activities, including individuals most in need or*
7 *hardest to serve, such as educationally disadvantaged*
8 *adults, immigrants, individuals with limited English*
9 *proficiency, incarcerated individuals, homeless indi-*
10 *viduals, recipients of public assistance, and individ-*
11 *uals with disabilities;*

12 (2) *a description of the adult education and lit-*
13 *eracy activities that will be carried out with any*
14 *funds received under this subtitle;*

15 (3) *a description of how the eligible agency will*
16 *evaluate annually the effectiveness of the adult edu-*
17 *cation and literacy activities based on the perform-*
18 *ance measures described in section 212;*

19 (4) *a description of how the eligible agency will*
20 *ensure that the data reported to the eligible agency*
21 *from eligible providers under this subtitle and the*
22 *data the eligible agency reports to the Secretary are*
23 *complete, accurate, and reliable;*

24 (5) *a description of the performance measures re-*
25 *quired under section 212(a) and how such perform-*

1 *ance measures and the expected levels of performance*
2 *will ensure improvement of adult education and lit-*
3 *eracy activities in the State or outlying area;*

4 (6) *an assurance that the funds received under*
5 *this subtitle will not be expended for any purpose*
6 *other than for activities under this subtitle;*

7 (7) *a description of how the eligible agency will*
8 *fund local activities in accordance with the priorities*
9 *described in section 242(a);*

10 (8) *a description of how the eligible agency will*
11 *determine which eligible providers are eligible for*
12 *funding in accordance with the preferences described*
13 *in section 242(b);*

14 (9) *a description of how funds will be used for*
15 *State leadership activities, which activities may in-*
16 *clude professional development and training, instruc-*
17 *tional technology, and management technology;*

18 (10) *an assurance that the eligible agency will*
19 *expend the funds under this subtitle only in a manner*
20 *consistent with fiscal requirement in section 241;*

21 (11) *a description of the process that will be used*
22 *for public participation and comment with respect to*
23 *the State plan;*

1 (12) a description of how the eligible agency will
2 develop program strategies for populations that in-
3 clude, at a minimum—

4 (A) low-income students;

5 (B) individuals with disabilities;

6 (C) single parents and displaced home-
7 makers; and

8 (D) individuals with multiple barriers to
9 educational enhancement, including individuals
10 with limited English proficiency;

11 (13) a description of the measures that will be
12 taken by the eligible agency to assure coordination of
13 and avoid duplication among—

14 (A) adult education activities authorized
15 under this subtitle;

16 (B) activities authorized under title III;

17 (C) programs authorized under the Wagner-
18 Peyster Act (29 U.S.C. 49 et seq.), title I of the
19 Rehabilitation Act of 1973 (29 U.S.C. 720 et
20 seq.), part A of title IV of the Social Security
21 Act (42 U.S.C. 601 et seq.), section 6(d) of the
22 Food Stamp Act of 1977 (7 U.S.C. 2015(d)), and
23 title V of the Older Americans Act of 1965 (42
24 U.S.C. 3056 et seq.);

1 (D) a work program authorized under sec-
2 tion 6(o) of the Food Stamp Act of 1977 (7
3 U.S.C. 2015(o));

4 (E) activities authorized under chapter 2 of
5 title II of the Trade Act of 1974 (19 U.S.C. 2271
6 et seq.);

7 (F) activities authorized under chapter 41
8 of title 38, United States Code;

9 (G) training activities carried out by the
10 Department of Housing and Urban Develop-
11 ment; and

12 (H) programs authorized under State un-
13 employment compensation laws in accordance
14 with applicable Federal law; and

15 (14) the description and information specified in
16 paragraphs (9) and (17) of section 304(b).

17 (c) *PLAN REVISIONS.*—When changes in conditions or
18 other factors require substantial revisions to an approved
19 State plan, the eligible agency shall submit a revision to
20 the State plan to the Secretary.

21 (d) *CONSULTATION.*—The eligible agency shall—

22 (1) submit the State plan, and any revisions to
23 the State plan, to the Governor of the State for review
24 and comment; and

1 (2) *ensure that any comments by the Governor*
2 *regarding the State plan, and any revision to the*
3 *State plan, are submitted to the Secretary.*

4 *(e) PLAN APPROVAL.—*

5 (1) *IN GENERAL.—The Secretary shall approve a*
6 *State plan, or a revision to an approved State plan,*
7 *only if the Secretary determines that—*

8 (A) *the State plan, or revision, respectively,*
9 *meets the requirements of this section; and*

10 (B) *the State’s performance measures and*
11 *expected levels of performance under section 212*
12 *are sufficiently rigorous to meet the purpose of*
13 *this title.*

14 (2) *DISAPPROVAL.—The Secretary shall not fi-*
15 *nally disapprove a State plan, except after giving the*
16 *eligible agency notice and an opportunity for a*
17 *hearing.*

18 (3) *PEER REVIEW.—The Secretary shall establish*
19 *a peer review process to make recommendations re-*
20 *garding the approval of State plans.*

21 **SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
22 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

23 (a) *PROGRAM AUTHORIZED.—From funds made avail-*
24 *able under section 222(a)(1) for a fiscal year, each eligible*

1 *agency shall carry out corrections education or education*
2 *for other institutionalized individuals.*

3 **(b) USES OF FUNDS.**—*The funds described in sub-*
4 *section (a) shall be used for the cost of educational programs*
5 *for criminal offenders in corrections institutions and for*
6 *other institutionalized individuals, including academic*
7 *programs for—*

8 (1) *basic education;*

9 (2) *special education programs as determined by*
10 *the State;*

11 (3) *bilingual programs, or English as a second*
12 *language programs; and*

13 (4) *secondary school credit programs.*

14 **(c) DEFINITION OF CRIMINAL OFFENDER.**—

15 (1) **CRIMINAL OFFENDER.**—*The term “criminal*
16 *offender” means any individual who is charged with*
17 *or convicted of any criminal offense.*

18 (2) **CORRECTIONAL INSTITUTION.**—*The term*
19 *“correctional institution” means any—*

20 (A) *prison;*

21 (B) *jail;*

22 (C) *reformatory;*

23 (D) *work farm;*

24 (E) *detention center; or*

1 (F) halfway house, community-based reha-
2 bilitation center, or any other similar institution
3 designed for the confinement or rehabilitation of
4 criminal offenders.

5 **CHAPTER 3—LOCAL PROVISIONS**

6 **SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE**
7 **PROVIDERS.**

8 (a) *GRANTS.*—From funds made available under sec-
9 tion 222(a)(1), each eligible agency shall award multiyear
10 grants or contracts to eligible providers within the State
11 to enable the eligible providers to develop, implement, and
12 improve adult education and literacy activities within the
13 State.

14 (b) *SPECIAL RULE.*—Each eligible agency receiving
15 funds under this subtitle shall ensure that all eligible pro-
16 viders have direct and equitable access to apply for grants
17 or contracts under this section.

18 (c) *REQUIRED LOCAL ACTIVITIES.*—Each eligible pro-
19 vider receiving a grant or contract under this subtitle shall
20 establish programs that provide instruction or services that
21 meet the purpose described in section 202(b), such as—

- 22 (1) adult education and literacy services; or
23 (2) English literacy programs.

1 **SEC. 232. LOCAL APPLICATION.**

2 *Each eligible provider desiring a grant or contract*
3 *under this subtitle shall submit an application to the eligi-*
4 *ble agency containing such information and assurances as*
5 *the eligible agency may require, including—*

6 (1) *a description of how funds awarded under*
7 *this subtitle will be spent;*

8 (2) *how the expected levels of performance of the*
9 *eligible provider with respect to participant recruit-*
10 *ment, retention, and performance measures described*
11 *in section 212, will be met and reported to the eligible*
12 *agency; and*

13 (3) *a description of any cooperative arrange-*
14 *ments the eligible provider has with other agencies,*
15 *institutions, or organizations for the delivery of adult*
16 *education and literacy programs.*

17 **SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

18 (a) *IN GENERAL.*—*Subject to subsection (b), of the sum*
19 *that is made available under this subtitle to an eligible*
20 *provider—*

21 (1) *not less than 95 percent shall be expended for*
22 *carrying out adult education and literacy activities;*
23 *and*

24 (2) *the remaining amount, not to exceed 5 per-*
25 *cent, shall be used for planning, administration, per-*
26 *sonnel development, and interagency coordination.*

1 **(b) SPECIAL RULE.**—*In cases where the cost limits de-*
2 *scribed in subsection (a) are too restrictive to allow for ade-*
3 *quate planning, administration, personnel development,*
4 *and interagency coordination, the eligible provider shall ne-*
5 *gotiate with the eligible agency in order to determine an*
6 *adequate level of funds to be used for noninstructional pur-*
7 *poses.*

8 **CHAPTER 4—GENERAL PROVISIONS**

9 **SEC. 241. ADMINISTRATIVE PROVISIONS.**

10 **(a) SUPPLEMENT NOT SUPPLANT.**—*Funds made*
11 *available for adult education and literacy activities under*
12 *this subtitle shall supplement and not supplant other State*
13 *or local public funds expended for adult education and lit-*
14 *eracy activities.*

15 **(b) REPRESENTATION.**—*The eligible agency shall pro-*
16 *vide representation to the statewide partnership.*

17 **SEC. 242. PRIORITIES AND PREFERENCES.**

18 **(a) PRIORITIES.**—*Each eligible agency and eligible*
19 *provider receiving assistance under this subtitle shall give*
20 *priority in using the assistance to adult education and lit-*
21 *eracy activities that—*

22 **(1)** *are built on a strong foundation of research*
23 *and effective educational practice;*

24 **(2)** *effectively employ advances in technology, as*
25 *appropriate, including the use of computers;*

1 (3) provide learning in real life contexts to en-
2 sure that an individual has the skills needed to com-
3 pete in a global economy and exercise the rights and
4 responsibilities of citizenship;

5 (4) are staffed by well-trained instructors, coun-
6 selors, and administrators;

7 (5) are of sufficient intensity and duration for
8 participants to achieve substantial learning gains,
9 such as by earning a basic skills certificate that re-
10 flects skills acquisition and has meaning to
11 employers;

12 (6) establish measurable performance levels for
13 participant outcomes, such as levels of literacy
14 achieved and attainment of a secondary school di-
15 ploma or its recognized equivalent, that are tied to
16 challenging State performance levels for literacy
17 proficiency;

18 (7) coordinate with other available resources in
19 the community, such as by establishing strong links
20 with elementary schools and secondary schools, post-
21 secondary institutions, 1-stop customer service cen-
22 ters, job training programs, and social service
23 agencies;

24 (8) offer flexible schedules and support services
25 (such as child care and transportation) that are nec-

1 *essary to enable individuals, including individuals*
2 *with disabilities or other special needs, to attend and*
3 *complete programs; and*

4 *(9) maintain a high-quality information man-*
5 *agement system that has the capacity to report client*
6 *outcomes and to monitor program performance*
7 *against the State performance measures.*

8 *(b) PREFERENCES.—In determining which eligible*
9 *providers will receive funds under this subtitle for a fiscal*
10 *year, each eligible agency receiving a grant under this sub-*
11 *title, in addition to addressing the priorities described in*
12 *subsection (a), shall—*

13 *(1) give preference to eligible providers that the*
14 *eligible agency determines serve—*

15 *(A) local areas with high concentrations of*
16 *individuals in poverty or with low levels of lit-*
17 *eracy (including English language proficiency);*
18 *or*

19 *(B) local communities that have a dem-*
20 *onstrated need for additional English as a sec-*
21 *ond language programs; and*

22 *(2) consider—*

23 *(A) the results, if any, of the evaluations re-*
24 *quired under section 244(a); and*

1 (B) the degree to which the eligible provider
2 will coordinate with and utilize other literacy
3 and social services available in the community.

4 **SEC. 243. INCENTIVE GRANTS.**

5 (a) *IN GENERAL.*—The Secretary may make grants to
6 States that exceed the expected levels of performance for per-
7 formance measures established under this Act.

8 (b) *USE OF FUNDS.*—A State that receives an incen-
9 tive grant under this section shall use the funds made avail-
10 able through the grant to carry out innovative vocational
11 education, adult education and literacy, or workforce in-
12 vestment programs as determined by the State.

13 **SEC. 244. EVALUATION, IMPROVEMENT, AND ACCOUNT-**
14 **ABILITY.**

15 (a) *LOCAL EVALUATION.*—Each eligible agency shall
16 biennially evaluate the adult education and literacy activi-
17 ties of each eligible provider that receives a grant or con-
18 tract under this subtitle, using the performance measures
19 established under section 212.

20 (b) *IMPROVEMENT ACTIVITIES.*—If, after reviewing the
21 evaluation, an eligible agency determines that an eligible
22 provider is not making substantial progress in achieving
23 the purpose of this subtitle, the eligible agency may work
24 jointly with the eligible provider to develop an improvement
25 plan. If, after not more than 2 years of implementation of

1 *the improvement plan, the eligible agency determines that*
2 *the eligible provider is not making substantial progress, the*
3 *eligible agency shall take whatever corrective action the eli-*
4 *gible agency deems necessary, which may include termi-*
5 *nation of funding or the implementation of alternative serv-*
6 *ice arrangements, consistent with State law. The eligible*
7 *agency shall take corrective action under the preceding sen-*
8 *tence only after the eligible agency has provided technical*
9 *assistance to the eligible provider and shall ensure, to the*
10 *extent practicable, that any corrective action the eligible*
11 *agency takes allows for continued services to and activities*
12 *for the individuals served by the eligible provider.*

13 *(c) STATE REPORT.—*

14 *(1) IN GENERAL.—The eligible agency shall re-*
15 *port annually to the Secretary regarding the quality*
16 *and effectiveness of the adult education and literacy*
17 *activities funded through the eligible agency's grants*
18 *or contracts under this subtitle, based on the perform-*
19 *ance measures and expected levels of performance in-*
20 *cluded in the State plan.*

21 *(2) INFORMATION.—The eligible agency shall in-*
22 *clude in the reports such information, in such form,*
23 *as the Secretary may require in order to ensure the*
24 *collection of uniform national data.*

1 (3) *AVAILABILITY.*—*The eligible agency shall*
2 *make available to the public the annual report under*
3 *this subsection.*

4 (d) *TECHNICAL ASSISTANCE.*—*If the Secretary deter-*
5 *mines that the eligible agency is not properly implementing*
6 *the eligible agency’s responsibilities under subsection (b), or*
7 *is not making substantial progress in meeting the purpose*
8 *of this subtitle, based on the performance measures and ex-*
9 *pected levels of performance included in the eligible agency’s*
10 *State plan, the Secretary shall work with the eligible agency*
11 *to implement improvement activities.*

12 (e) *WITHHOLDING OF FEDERAL FUNDS.*—*If, not ear-*
13 *lier than 2 years after implementing activities described in*
14 *subsection (d), the Secretary determines that the eligible*
15 *agency is not making sufficient progress, based on the eligi-*
16 *ble agency’s performance measures and expected levels of*
17 *performance, the Secretary, after notice and opportunity for*
18 *a hearing, shall withhold from the eligible agency all, or*
19 *a portion, of the eligible agency’s grant under this subtitle.*
20 *The Secretary may use funds withheld under the preceding*
21 *sentence to provide, through alternative arrangements, serv-*
22 *ices and activities within the State to meet the purpose of*
23 *this title.*

1 **SEC. 245. NATIONAL INSTITUTE FOR LITERACY.**

2 (a) *PURPOSE.*—*The purpose of this section is to estab-*
3 *lish a National Institute for Literacy that—*

4 (1) *provides national leadership regarding*
5 *literacy;*

6 (2) *coordinates literacy services and policy; and*

7 (3) *is a national resource for adult education*
8 *and literacy, by providing the best and most current*
9 *information available and supporting the creation of*
10 *new ways to offer improved literacy services.*

11 (b) *ESTABLISHMENT.*—

12 (1) *IN GENERAL.*—*There shall be a National In-*
13 *stitute for Literacy (in this section referred to as the*
14 *“Institute”). The Institute shall be administered*
15 *under the terms of an interagency agreement entered*
16 *into by the Secretary with the Secretary of Labor and*
17 *the Secretary of Health and Human Services (in this*
18 *section referred to as the “Interagency Group”). The*
19 *Secretary may include in the Institute any research*
20 *and development center, institute, or clearinghouse es-*
21 *tablished within the Department of Education the*
22 *purpose of which is determined by the Secretary to be*
23 *related to the purpose of the Institute.*

24 (2) *RECOMMENDATIONS.*—*The Interagency*
25 *Group shall consider the recommendations of the Na-*
26 *tional Institute for Literacy Advisory Board (in this*

1 *section referred to as the “Board”)* established under
2 *subsection (e) in planning the goals of the Institute*
3 *and in the implementation of any programs to*
4 *achieve the goals. If the Board’s recommendations are*
5 *not followed, the Interagency Group shall provide a*
6 *written explanation to the Board concerning actions*
7 *the Interagency Group takes that are inconsistent*
8 *with the Board’s recommendations, including the rea-*
9 *sons for not following the Board’s recommendations*
10 *with respect to the actions. The Board may also re-*
11 *quest a meeting of the Interagency Group to discuss*
12 *the Board’s recommendations.*

13 *(3) DAILY OPERATIONS.—The daily operations of*
14 *the Institute shall be administered by the Director of*
15 *the Institute.*

16 *(c) DUTIES.—*

17 *(1) IN GENERAL.—In order to provide leadership*
18 *for the improvement and expansion of the system for*
19 *delivery of literacy services, the Institute is authorized*
20 *to—*

21 *(A) establish a national electronic data base*
22 *of information that disseminates information to*
23 *the broadest possible audience within the literacy*
24 *and basic skills field, and that includes—*

1 (i) *effective practices in the provision*
2 *of literacy and basic skills instruction, in-*
3 *cluding the integration of such instruction*
4 *with occupational skills training;*

5 (ii) *public and private literacy and*
6 *basic skills programs and Federal, State,*
7 *and local policies affecting the provision of*
8 *literacy services at the national, State, and*
9 *local levels;*

10 (iii) *opportunities for technical assist-*
11 *ance, meetings, conferences, and other op-*
12 *portunities that lead to the improvement of*
13 *literacy and basic skills services; and*

14 (iv) *a communication network for lit-*
15 *eracy programs, providers, social service*
16 *agencies, and students;*

17 (B) *coordinate support for the provision of*
18 *literacy and basic skills services across Federal*
19 *agencies and at the State and local levels;*

20 (C) *coordinate the support of research and*
21 *development on literacy and basic skills for*
22 *adults across Federal agencies, especially with*
23 *the Office of Educational Research and Improve-*
24 *ment in the Department of Education, and carry*
25 *out basic and applied research and development*

1 *on topics that are not being investigated by other*
2 *organizations or agencies;*

3 *(D) collect and disseminate information on*
4 *methods of advancing literacy;*

5 *(E) provide policy and technical assistance*
6 *to Federal, State, and local entities for the im-*
7 *provement of policy and programs relating to*
8 *literacy;*

9 *(F) fund a network of State or regional*
10 *adult literacy resource centers to assist State and*
11 *local public and private nonprofit efforts to im-*
12 *prove literacy by—*

13 *(i) encouraging the coordination of lit-*
14 *eracy services; and*

15 *(ii) serving as a link between the Insti-*
16 *tute and providers of adult education and*
17 *literacy activities for the purpose of sharing*
18 *information, data, research, expertise, and*
19 *literacy resources; and*

20 *(G) undertake other activities that lead to*
21 *the improvement of the Nation's literacy delivery*
22 *system and that complement other such efforts*
23 *being undertaken by public and private agencies*
24 *and organizations.*

1 (2) *GRANTS, CONTRACTS, AND COOPERATIVE*
2 *AGREEMENTS.*—*The Institute may award grants to,*
3 *or enter into contracts or cooperative agreements*
4 *with, individuals, public or private institutions,*
5 *agencies, organizations, or consortia of such institu-*
6 *tions, agencies, or organizations to carry out the ac-*
7 *tivities of the Institute. Such grants, contracts, or*
8 *agreements shall be subject to the laws and regula-*
9 *tions that generally apply to grants, contracts, or*
10 *agreements entered into by Federal agencies.*

11 *(d) LITERACY LEADERSHIP.*—

12 (1) *IN GENERAL.*—*The Institute may, in con-*
13 *sultation with the Board, award fellowships, with*
14 *such stipends and allowances that the Director con-*
15 *siders necessary, to outstanding individuals pursuing*
16 *careers in adult education or literacy in the areas of*
17 *instruction, management, research, or innovation.*

18 (2) *FELLOWSHIPS.*—*Fellowships awarded under*
19 *this subsection shall be used, under the auspices of the*
20 *Institute, to engage in research, education, training,*
21 *technical assistance, or other activities to advance the*
22 *field of adult education or literacy, including the*
23 *training of volunteer literacy providers at the na-*
24 *tional, State, or local level.*

1 (3) *INTERNSHIPS.*—*The Institute, in consulta-*
2 *tion with the Board, is authorized to award paid and*
3 *unpaid internships to individuals seeking to assist in*
4 *carrying out the Institute’s purpose and to accept as-*
5 *sistance from volunteers.*

6 (e) *NATIONAL INSTITUTE FOR LITERACY ADVISORY*
7 *BOARD.*—

8 (1) *ESTABLISHMENT.*—

9 (A) *IN GENERAL.*—*There shall be a Na-*
10 *tional Institute for Literacy Advisory Board,*
11 *which shall consist of 10 individuals appointed*
12 *by the President with the advice and consent of*
13 *the Senate.*

14 (B) *COMPOSITION.*—*The Board shall com-*
15 *prise individuals who are not otherwise officers*
16 *or employees of the Federal Government and who*
17 *are representative of such entities as—*

18 (i) *literacy organizations and provid-*
19 *ers of literacy services, including nonprofit*
20 *providers, providers of English as a second*
21 *language programs and services, social serv-*
22 *ice organizations, and eligible providers re-*
23 *ceiving assistance under this subtitle;*

24 (ii) *businesses that have demonstrated*
25 *interest in literacy programs;*

1 (iii) *literacy students, including lit-*
2 *eracy students with disabilities;*

3 (iv) *experts in the area of literacy*
4 *research;*

5 (v) *State and local governments;*

6 (vi) *State Directors of adult education;*

7 *and*

8 (vii) *labor organizations.*

9 (2) *DUTIES.—The Board shall—*

10 (A) *make recommendations concerning the*
11 *appointment of the Director and staff of the In-*
12 *stitute; and*

13 (B) *provide independent advice on the oper-*
14 *ation of the Institute.*

15 (3) *APPOINTMENTS.—*

16 (A) *IN GENERAL.—Appointments to the*
17 *Board made after the date of enactment of the*
18 *Workforce Investment Partnership Act shall be*
19 *for 3-year terms, except that the initial terms for*
20 *members may be established at 1, 2, or 3 years*
21 *in order to establish a rotation in which $\frac{1}{3}$ of*
22 *the members are selected each year.*

23 (B) *VACANCIES.—Any member appointed to*
24 *fill a vacancy occurring before the expiration of*
25 *the term for which the member's predecessor was*

1 *appointed shall be appointed only for the re-*
2 *mainder of that term. A member may serve after*
3 *the expiration of that member's term until a suc-*
4 *cessor has taken office.*

5 (4) *OFFICERS.—The Chairperson and Vice*
6 *Chairperson of the Board shall be elected by the mem-*
7 *bers.*

8 (5) *MEETINGS.—The Board shall meet at the call*
9 *of the Chairperson or a majority of its members.*

10 (f) *GIFTS, BEQUESTS, AND DEVISES.—*

11 (1) *IN GENERAL.—The Institute may accept, ad-*
12 *minister, and use gifts or donations of services,*
13 *money, or property, whether real or personal, tangible*
14 *or intangible.*

15 (2) *RULES.—The Board shall establish written*
16 *rules setting forth the criteria to be used by the Insti-*
17 *tute in determining whether the acceptance of con-*
18 *tributions of services, money, or property whether real*
19 *or personal, tangible or intangible, would reflect unfa-*
20 *vorably upon the ability of the Institute or any em-*
21 *ployee to carry out its responsibilities or official du-*
22 *ties in a fair and objective manner, or would com-*
23 *promise the integrity or the appearance of the integ-*
24 *egrity of its programs or any official involved in those*
25 *programs.*

1 (g) *MAILS.*—*The Board and the Institute may use the*
2 *United States mails in the same manner and under the*
3 *same conditions as other departments and agencies of the*
4 *United States.*

5 (h) *STAFF.*—*The Interagency Group, after considering*
6 *recommendations made by the Board, shall appoint and fix*
7 *the pay of a Director.*

8 (i) *APPLICABILITY OF CERTAIN CIVIL SERVICE*
9 *LAWS.*—*The Director and staff of the Institute may be ap-*
10 *pointed without regard to the provisions of title 5, United*
11 *States Code, governing appointments in the competitive*
12 *service, and may be paid without regard to the provisions*
13 *of chapter 51 and subchapter III of chapter 53 of that title*
14 *relating to classification and General Schedule pay rates,*
15 *except that an individual so appointed may not receive pay*
16 *in excess of the annual rate of basic pay payable for level*
17 *IV of the Executive Schedule.*

18 (j) *EXPERTS AND CONSULTANTS.*—*The Institute may*
19 *procure temporary and intermittent services under section*
20 *3109(b) of title 5, United States Code.*

21 (k) *REPORT.*—*The Institute shall submit a biennial re-*
22 *port to the Interagency Group and Congress.*

23 (l) *NONDUPLICATION.*—*The Institute shall not dupli-*
24 *cate any functions carried out by the Secretary, the Sec-*
25 *retary of Labor, or the Secretary of Health and Human*

1 *Services under this subtitle. This subsection shall not be*
2 *construed to prohibit the Secretaries from delegating such*
3 *functions to the Institute.*

4 (m) *FUNDING.*—*Any amounts appropriated to the Sec-*
5 *retary, the Secretary of Labor, the Secretary of Health and*
6 *Human Services, or any other department that participates*
7 *in the Institute for purposes that the Institute is authorized*
8 *to perform under this section may be provided to the Insti-*
9 *tute for such purposes.*

10 **SEC. 246. AUTHORIZATION OF APPROPRIATIONS.**

11 *There is authorized to be appropriated to carry out*
12 *this title such sums as may be necessary for fiscal year 1999*
13 *and each of the 5 succeeding fiscal years.*

14 ***Subtitle B—Repeal***

15 **SEC. 251. REPEAL.**

16 (a) *REPEAL.*—*The Adult Education Act (20 U.S.C.*
17 *1201 et. seq.) is repealed.*

18 (b) *CONFORMING AMENDMENTS.*—

19 (1) *REFUGEE EDUCATION ASSISTANCE ACT.*—
20 *Subsection (b) of section 402 of the Refugee Education*
21 *Assistance Act of 1980 (8 U.S.C. 1522 note) is re-*
22 *pealed.*

23 (2) *ELEMENTARY AND SECONDARY EDUCATION*
24 *ACT OF 1965.*—

1 (A) SECTION 1202 OF ESEA.—Section
2 1202(c)(1) of the Elementary and Secondary
3 Education Act of 1965 (20 U.S.C. 6362(c)(1)) is
4 amended by striking “Adult Education Act” and
5 inserting “Workforce Investment Partnership Act
6 of 1998”.

7 (B) SECTION 1205 OF ESEA.—Section
8 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is
9 amended by striking “Adult Education Act” and
10 inserting “Workforce Investment Partnership Act
11 of 1998”.

12 (C) SECTION 1206 OF ESEA.—Section
13 1206(a)(1)(A) of such Act (20 U.S.C.
14 6366(a)(1)(A)) is amended by striking “an adult
15 basic education program under the Adult Edu-
16 cation Act” and inserting “adult education and
17 literacy activities under the Workforce Invest-
18 ment Partnership Act of 1998”.

19 (D) SECTION 3113 OF ESEA.—Section
20 3113(1) of such Act (20 U.S.C. 6813(1)) is
21 amended by striking “section 312 of the Adult
22 Education Act” and inserting “section 2 of the
23 Workforce Investment Partnership Act of 1998”.

24 (E) SECTION 9161 OF ESEA.—Section
25 9161(2) of such Act (20 U.S.C. 7881(2)) is

1 *amended by striking “section 312(2) of the Adult*
 2 *Education Act” and inserting “section 2 of the*
 3 *Workforce Investment Partnership Act of 1998”.*

4 (3) *OLDER AMERICANS ACT OF 1965.—Section*
 5 *203(b)(8) of the Older Americans Act of 1965 (42*
 6 *U.S.C. 3013(b)(8)) is amended by striking “Adult*
 7 *Education Act” and inserting “Workforce Investment*
 8 *Partnership Act of 1998”.*

9 (4) *NATIONAL LITERACY ACT OF 1991.—The Na-*
 10 *tional Literacy Act of 1991 (20 U.S.C. 1201 note) is*
 11 *repealed.*

12 ***TITLE III—WORKFORCE INVEST-***
 13 ***MENT AND RELATED ACTIVI-***
 14 ***TIES***

15 ***Subtitle A—Workforce Investment***
 16 ***Activities***

17 ***CHAPTER 1—ALLOTMENTS TO STATES***
 18 ***FOR ADULT EMPLOYMENT AND TRAIN-***
 19 ***ING ACTIVITIES, DISLOCATED WORK-***
 20 ***ER EMPLOYMENT AND TRAINING AC-***
 21 ***TIVITIES, AND YOUTH ACTIVITIES***

22 ***SEC. 301. GENERAL AUTHORIZATION.***

23 *The Secretary of Labor shall make an allotment to*
 24 *each State that has a State plan approved under section*
 25 *304 and a grant to each outlying area that complies with*

1 *the requirements of this title, to enable the State or outlying*
2 *area to assist local areas in providing, through a statewide*
3 *workforce investment system—*

4 *(1) adult employment and training activities;*

5 *(2) dislocated worker employment and training*
6 *activities; and*

7 *(3) youth activities, including summer employ-*
8 *ment opportunities, tutoring, activities to promote*
9 *study skills, alternative secondary school services, em-*
10 *ployment skill training, adult mentoring, and sup-*
11 *portive services.*

12 **SEC. 302. STATE ALLOTMENTS.**

13 *(a) IN GENERAL.—The Secretary shall—*

14 *(1) make allotments and grants from the total*
15 *amount appropriated under section 322(a) for a fis-*
16 *cal year in accordance with subsection (b)(1);*

17 *(2)(A) reserve 20 percent of the amount appro-*
18 *priated under section 322(b) for a fiscal year for use*
19 *under subsection (b)(2)(A), and under sections*
20 *366(b)(2), 367(f), and 369; and*

21 *(B) make allotments from 80 percent of the*
22 *amount appropriated under section 322(b) for a fiscal*
23 *year in accordance with subsection (b)(2)(B); and*

24 *(3)(A) for each fiscal year in which the amount*
25 *appropriated under section 322(c) exceeds*

1 \$1,000,000,000, reserve a portion determined under
2 subsection (b)(3)(A) of the amount appropriated
3 under section 322(c) for use under sections 362 and
4 364; and

5 (B) use the remainder of the amount appro-
6 priated under section 322(c) for a fiscal year to make
7 allotments and grants in accordance with subpara-
8 graphs (B) and (C) of subsection (b)(3) and make
9 funds available for use under section 361.

10 (b) ALLOTMENT AMONG STATES.—

11 (1) ADULT EMPLOYMENT AND TRAINING ACTIVI-
12 TIES.—

13 (A) OUTLYING AREAS.—

14 (i) IN GENERAL.—From the amount
15 made available under subsection (a)(1) for a
16 fiscal year, the Secretary shall reserve not
17 more than $\frac{1}{4}$ of 1 percent—

18 (I) to provide assistance to the
19 United States Virgin Islands, Guam,
20 American Samoa, and the Common-
21 wealth of the Northern Mariana Is-
22 lands to carry out adult employment
23 and training activities; and

24 (II) for each of the fiscal years
25 1999 through 2004, to carry out the

1 *competition described in clause (iii),*
2 *except that the amount reserved to*
3 *carry out such clause for any such fis-*
4 *cal year shall not exceed the amount*
5 *reserved for the Freely Associated*
6 *States for fiscal year 1998, from*
7 *amounts reserved under section*
8 *202(a)(1) of the Job Training Partner-*
9 *ship Act (29 U.S.C. 1602(a)(1)) (as in*
10 *effect on the day before the date of en-*
11 *actment of this Act).*

12 *(ii) APPLICATION.—To be eligible to*
13 *receive a grant under this subparagraph, an*
14 *outlying area shall submit an application*
15 *to the Secretary at such time, in such man-*
16 *ner, and containing such information and*
17 *assurances as the Secretary may require.*

18 *(iii) COMPETITIVE GRANTS.—The Sec-*
19 *retary shall use funds described in clause*
20 *(i)(II) to make grants to Guam, American*
21 *Samoa, the Commonwealth of the Northern*
22 *Mariana Islands, the Republic of the Mar-*
23 *shall Islands, the Federated States of Micro-*
24 *nesia, or the Republic of Palau to carry out*
25 *adult employment and training activities.*

1 (iv) *BASIS.*—*The Secretary shall make*
2 *grants pursuant to clause (iii) on a com-*
3 *petitive basis and pursuant to the rec-*
4 *ommendations of experts in the field of em-*
5 *ployment and training, working through the*
6 *Pacific Region Educational Laboratory in*
7 *Honolulu, Hawaii.*

8 (v) *ASSISTANCE REQUIREMENTS.*—*Any*
9 *Freely Associated State that desires to re-*
10 *ceive a grant made under clause (iii) shall*
11 *include in the application of the State for*
12 *assistance—*

13 (I) *information demonstrating*
14 *that the State will meet all conditions*
15 *of the regulations described in clause*
16 *(ix); and*

17 (II) *an assurance that, notwith-*
18 *standing any other provision of this*
19 *title, the State will use the amounts*
20 *made available through such grants*
21 *only for the direct provision of services.*

22 (vi) *TERMINATION OF ELIGIBILITY.*—
23 *Notwithstanding any other provision of law,*
24 *the Freely Associated States shall not re-*
25 *ceive any funds under clause (iii) for any*

1 *program year that begins after September*
2 *30, 2004.*

3 *(vii) ADMINISTRATIVE COSTS.—The*
4 *Secretary may provide not more than 5*
5 *percent of the amount made available for*
6 *grants under clause (iii) to pay the admin-*
7 *istrative costs of the Pacific Region Edu-*
8 *cational Laboratory in Honolulu, Hawaii,*
9 *regarding activities assisted under this sub-*
10 *paragraph.*

11 *(viii) ADDITIONAL REQUIREMENT.—*
12 *The provisions of Public Law 95–134, per-*
13 *mitting the consolidation of grants by the*
14 *outlying areas, shall not apply to funds*
15 *provided to those areas, including the Free-*
16 *ly Associated States, under this subpara-*
17 *graph.*

18 *(ix) REGULATIONS.—The Secretary*
19 *shall issue regulations specifying require-*
20 *ments of this title that apply to outlying*
21 *areas receiving funds under this subpara-*
22 *graph.*

23 *(B) STATES.—*

24 *(i) IN GENERAL.—After determining*
25 *the amount to be reserved under subpara-*

1 *graph (A), the Secretary shall allot the re-*
2 *mainder of the amount referred to in sub-*
3 *section (a)(1) for a fiscal year to the States*
4 *pursuant to clause (ii) for adult employ-*
5 *ment and training activities.*

6 *(ii) FORMULA.—Subject to clauses (iii)*
7 *and (iv), of the remainder—*

8 *(I) 33¹/₃ percent shall be allotted*
9 *on the basis of the relative number of*
10 *unemployed individuals in areas of*
11 *substantial unemployment in each*
12 *State, compared to the total number of*
13 *unemployed individuals in areas of*
14 *substantial unemployment in all*
15 *States;*

16 *(II) 33¹/₃ percent shall be allotted*
17 *on the basis of the relative excess num-*
18 *ber of unemployed individuals in each*
19 *State, compared to the total excess*
20 *number of unemployed individuals in*
21 *all States; and*

22 *(III) 33¹/₃ percent shall be allotted*
23 *on the basis of the relative number of*
24 *disadvantaged adults in each State,*
25 *compared to the total number of dis-*

1 *advantaged adults in all States, except*
2 *as described in clause (iii).*

3 (iii) *CALCULATION.—In determining*
4 *an allotment under clause (ii)(III) for any*
5 *State in which there is a local area des-*
6 *ignated under section 307(a)(2)(A)(ii), the*
7 *allotment shall be based on the higher of—*

8 (i) *the number of adults in fami-*
9 *lies with an income below the low-in-*
10 *come level in such area; or*

11 (ii) *the number of disadvantaged*
12 *adults in such area.*

13 (iv) *MINIMUM AND MAXIMUM PERCENT-*
14 *AGES AND MINIMUM ALLOTMENTS.—In*
15 *making allotments under this subpara-*
16 *graph, the Secretary shall ensure the follow-*
17 *ing:*

18 (i) *MINIMUM PERCENTAGE.—The*
19 *Secretary shall ensure that no State*
20 *shall receive an allotment percentage*
21 *for a fiscal year that is less than 90*
22 *percent of the allotment percentage of*
23 *the State for the preceding fiscal year.*

24 (ii) *SMALL STATE MINIMUM AL-*
25 *LOTMENT.—Subject to subclauses (I)*

1 and (III), the Secretary shall ensure
2 that no State shall receive an allotment
3 under this subparagraph that is less
4 than $\frac{2}{5}$ of 1 percent of the remainder
5 described in clause (i) for a fiscal year.

6 (III) *MAXIMUM PERCENTAGE.*—

7 Subject to subclause (I), the Secretary
8 shall ensure that no State shall receive
9 an allotment percentage for a fiscal
10 year that is more than 130 percent of
11 the allotment percentage of the State
12 for the preceding fiscal year.

13 (v) *DEFINITIONS.*—In this subpara-
14 graph:

15 (I) *ADULT.*—The term “adult”
16 means an individual who is not less
17 than age 22 and not more than age 72.

18 (II) *ALLOTMENT PERCENTAGE.*—

19 The term “allotment percentage”, used
20 with respect to fiscal year 1999 or a
21 subsequent fiscal year, means a per-
22 centage of the remainder described in
23 clause (i), received through an allot-
24 ment made under this subparagraph,
25 for the fiscal year. The term, used with

1 *respect to fiscal year 1998, means the*
2 *percentage of the amounts allotted to*
3 *States under section 202(a) of the Job*
4 *Training Partnership Act (29 U.S.C.*
5 *1602(a)) (as in effect on the day before*
6 *the date of enactment of this Act) re-*
7 *ceived under such section by the State*
8 *involved for fiscal year 1998.*

9 (III) *AREA OF SUBSTANTIAL UN-*
10 *EMPLOYMENT.—The term “area of sub-*
11 *stantial unemployment” means any*
12 *area that is of sufficient size and scope*
13 *to sustain a program of workforce in-*
14 *vestment activities carried out under*
15 *this subtitle and that has an average*
16 *rate of unemployment of at least 6.5*
17 *percent for the most recent 12 months,*
18 *as determined by the Secretary. For*
19 *purposes of this subclause, determina-*
20 *tions of areas of substantial unemploy-*
21 *ment shall be made once each fiscal*
22 *year.*

23 (IV) *DISADVANTAGED ADULT.—*
24 *Subject to subclause (V), the term “dis-*
25 *advantaged adult” means an adult*

1 *who received an income, or is a mem-*
2 *ber of a family that received a total*
3 *family income, that, in relation to*
4 *family size, does not exceed the higher*
5 *of—*

6 *(aa) the poverty line; or*

7 *(bb) 70 percent of the lower*
8 *living standard income level.*

9 (V) *DISADVANTAGED ADULT SPE-*
10 *CIAL RULE.—The Secretary shall, as*
11 *appropriate and to the extent prac-*
12 *ticable, exclude students at an institu-*
13 *tion of higher education and members*
14 *of the Armed Forces from the deter-*
15 *mination of the number of disadvan-*
16 *taged adults.*

17 (VI) *EXCESS NUMBER.—The term*
18 *“excess number” means, used with re-*
19 *spect to the excess number of unem-*
20 *ployed individuals within a State, the*
21 *higher of—*

22 *(aa) the number that rep-*
23 *resents the number of unemployed*
24 *individuals in excess of 4.5 per-*

1 cent of the civilian labor force in
2 the State; or

3 (bb) the number that rep-
4 represents the number of unemployed
5 individuals in excess of 4.5 per-
6 cent of the civilian labor force in
7 areas of substantial unemploy-
8 ment in such State.

9 (2) *DISLOCATED WORKER EMPLOYMENT AND*
10 *TRAINING.*—

11 (A) *OUTLYING AREAS.*—

12 (i) *IN GENERAL.*—*From the amount*
13 *made available under subsection (a)(2)(A)*
14 *for a fiscal year, the Secretary shall reserve*
15 *not more than 1/4 of 1 percent of the amount*
16 *made available under subsection (a)(2)—*

17 (I) *to provide assistance to the*
18 *United States Virgin Islands, Guam,*
19 *American Samoa, and the Common-*
20 *wealth of the Northern Mariana Is-*
21 *lands to carry out dislocated worker*
22 *employment and training activities;*
23 *and*

24 (II) *for each of the fiscal years*
25 *1999 through 2004, to carry out the*

1 *competition described in clause (iii),*
2 *except that the amount reserved to*
3 *carry out such clause for any such fis-*
4 *cal year shall not exceed the amount*
5 *reserved for the Freely Associated*
6 *States for fiscal year 1998, from*
7 *amounts reserved under section 302(e)*
8 *of the Job Training Partnership Act*
9 *(29 U.S.C. 1652(e)) (as in effect on the*
10 *day before the date of enactment of this*
11 *Act).*

12 *(ii) APPLICATION.—To be eligible to*
13 *receive a grant under this subparagraph, an*
14 *outlying area shall submit an application*
15 *to the Secretary at such time, in such man-*
16 *ner, and containing such information and*
17 *assurances as the Secretary may require.*

18 *(iii) COMPETITIVE GRANTS.—The Sec-*
19 *retary shall use funds described in clause*
20 *(i)(II) to make grants to Guam, American*
21 *Samoa, the Commonwealth of the Northern*
22 *Mariana Islands, the Republic of the Mar-*
23 *shall Islands, the Federated States of Micro-*
24 *nesia, or the Republic of Palau to carry out*

1 *dislocated worker employment and training*
2 *activities.*

3 *(iv) BASIS.—The Secretary shall make*
4 *grants pursuant to clause (iii) on a com-*
5 *petitive basis and pursuant to the rec-*
6 *ommendations of experts in the field of em-*
7 *ployment and training, working through the*
8 *Pacific Region Educational Laboratory in*
9 *Honolulu, Hawaii.*

10 *(v) ASSISTANCE REQUIREMENTS.—Any*
11 *Freely Associated State that desires to re-*
12 *ceive a grant made under clause (iii) shall*
13 *include in the application of the State for*
14 *assistance—*

15 *(I) information demonstrating*
16 *that the State will meet all conditions*
17 *of the regulations described in clause*
18 *(ix); and*

19 *(II) an assurance that, notwith-*
20 *standing any other provision of this*
21 *title, the State will use the amounts*
22 *made available through such grants*
23 *only for the direct provision of services.*

24 *(vi) TERMINATION OF ELIGIBILITY.—*
25 *Notwithstanding any other provision of law,*

1 *the Freely Associated States shall not re-*
2 *ceive any funds under clause (iii) for any*
3 *program year that begins after September*
4 *30, 2004.*

5 *(vii) ADMINISTRATIVE COSTS.—The*
6 *Secretary may provide not more than 5*
7 *percent of the amount made available for*
8 *grants under clause (iii) to pay the admin-*
9 *istrative costs of the Pacific Region Edu-*
10 *cational Laboratory in Honolulu, Hawaii,*
11 *regarding activities assisted under this sub-*
12 *paragraph.*

13 *(viii) ADDITIONAL REQUIREMENT.—*
14 *The provisions of Public Law 95–134, per-*
15 *mitting the consolidation of grants by the*
16 *outlying areas, shall not apply to funds*
17 *provided to those areas, including the Free-*
18 *ly Associated States, under this subpara-*
19 *graph.*

20 *(ix) REGULATIONS.—The Secretary*
21 *shall issue regulations specifying require-*
22 *ments of this title that apply to outlying*
23 *areas receiving funds under this subpara-*
24 *graph.*

25 *(B) STATES.—*

1 (i) *IN GENERAL.*—*The Secretary shall*
2 *allot the amount referred to in subsection*
3 *(a)(2)(B) for a fiscal year to the States pur-*
4 *suant to clause (ii) for dislocated worker*
5 *employment and training activities.*

6 (ii) *FORMULA.*—*Of the amount—*

7 (I) *33¹/₃ percent shall be allotted*
8 *on the basis of the relative number of*
9 *unemployed individuals in each State,*
10 *compared to the total number of unem-*
11 *ployed individuals in all States;*

12 (II) *33¹/₃ percent shall be allotted*
13 *on the basis of the relative excess num-*
14 *ber of unemployed individuals in each*
15 *State, compared to the total excess*
16 *number of unemployed individuals in*
17 *all States; and*

18 (III) *33¹/₃ percent shall be allotted*
19 *on the basis of the relative number of*
20 *individuals in each State who have*
21 *been unemployed for 15 weeks or more,*
22 *compared to the total number of indi-*
23 *viduals in all States who have been un-*
24 *employed for 15 weeks or more.*

1 (iii) *DEFINITION.*—*In this subpara-*
2 *graph, the term “excess number” means,*
3 *used with respect to the excess number of*
4 *unemployed individuals within a State, the*
5 *number that represents the number of un-*
6 *employed individuals in excess of 4.5 per-*
7 *cent of the civilian labor force in the State.*

8 (3) *YOUTH ACTIVITIES.*—

9 (A) *YOUTH OPPORTUNITY GRANTS.*—

10 (i) *IN GENERAL.*—*For each fiscal year*
11 *in which the amount appropriated under*
12 *section 322(c) exceeds \$1,000,000,000, the*
13 *Secretary shall reserve a portion of the*
14 *amount to provide youth opportunity*
15 *grants and other activities under section*
16 *364 and provide youth activities under sec-*
17 *tion 362.*

18 (ii) *PORTION.*—*The portion referred to*
19 *in clause (i) shall equal, for a fiscal year—*

20 (I) *except as provided in sub-*
21 *clause (II), the difference obtained by*
22 *subtracting \$1,000,000,000 from the*
23 *amount described in clause (i); and*

1 (ii) for any fiscal year in which
2 the amount is \$1,250,000,000 or great-
3 er, \$250,000,000.

4 (iii) *YOUTH ACTIVITIES FOR FARM-*
5 *WORKERS.*—From the portion described in
6 clause (i) for a fiscal year, the Secretary
7 shall make available \$10,000,000 to provide
8 youth activities under section 362.

9 (iv) *ROLE MODEL ACADEMY*
10 *PROJECT.*—From the portion described in
11 clause (i) for fiscal year 1999, the Secretary
12 shall make available not more than
13 \$10,000,000 to carry out section 364(g).

14 (B) *OUTLYING AREAS.*—

15 (i) *IN GENERAL.*—From the amount
16 made available under subsection (a)(3)(B)
17 for a fiscal year, the Secretary shall reserve
18 not more than $\frac{1}{4}$ of 1 percent—

19 (I) to provide assistance to the
20 United States Virgin Islands, Guam,
21 American Samoa, and the Common-
22 wealth of the Northern Mariana Is-
23 lands to carry out youth activities; and

24 (II) for each of the fiscal years
25 1999 through 2004, to carry out the

1 *competition described in clause (iii),*
2 *except that the amount reserved to*
3 *carry out such clause for any such fis-*
4 *cal year shall not exceed the amount*
5 *reserved for the Freely Associated*
6 *States for fiscal year 1998, from*
7 *amounts reserved under sections 252(a)*
8 *and 262(a)(1) of the Job Training*
9 *Partnership Act (29 U.S.C. and*
10 *1631(a) and 1642(a)(1)) (as in effect*
11 *on the day before the date of enactment*
12 *of this Act).*

13 *(ii) APPLICATION.—To be eligible to*
14 *receive a grant under this subparagraph, an*
15 *outlying area shall submit an application*
16 *to the Secretary at such time, in such man-*
17 *ner, and containing such information and*
18 *assurances as the Secretary may require.*

19 *(iii) COMPETITIVE GRANTS.—The Sec-*
20 *retary shall use funds described in clause*
21 *(i)(II) to make grants to Guam, American*
22 *Samoa, the Commonwealth of the Northern*
23 *Mariana Islands, the Republic of the Mar-*
24 *shall Islands, the Federated States of Micro-*

1 nesia, or the Republic of Palau to carry out
2 youth activities.

3 (iv) *BASIS.*—*The Secretary shall make*
4 *grants pursuant to clause (iii) on a com-*
5 *petitive basis and pursuant to the rec-*
6 *ommendations of experts in the field of em-*
7 *ployment and training, working through the*
8 *Pacific Region Educational Laboratory in*
9 *Honolulu, Hawaii.*

10 (v) *ASSISTANCE REQUIREMENTS.*—*Any*
11 *Freely Associated State that desires to re-*
12 *ceive a grant made under clause (iii) shall*
13 *include in the application of the State for*
14 *assistance—*

15 (I) *information demonstrating*
16 *that the State will meet all conditions*
17 *of the regulations described in clause*
18 *(ix); and*

19 (II) *an assurance that, notwith-*
20 *standing any other provision of this*
21 *title, the State will use the amounts*
22 *made available through such grants*
23 *only for the direct provision of services.*

24 (vi) *TERMINATION OF ELIGIBILITY.*—
25 *Notwithstanding any other provision of law,*

1 *the Freely Associated States shall not re-*
2 *ceive any funds under clause (iii) for any*
3 *program year that begins after September*
4 *30, 2004.*

5 *(vii) ADMINISTRATIVE COSTS.—The*
6 *Secretary may provide not more than 5*
7 *percent of the amount made available for*
8 *grants under clause (iii) to pay the admin-*
9 *istrative costs of the Pacific Region Edu-*
10 *cational Laboratory in Honolulu, Hawaii,*
11 *regarding activities assisted under this sub-*
12 *paragraph.*

13 *(viii) ADDITIONAL REQUIREMENT.—*
14 *The provisions of Public Law 95–134, per-*
15 *mitting the consolidation of grants by the*
16 *outlying areas, shall not apply to funds*
17 *provided to those areas, including the Free-*
18 *ly Associated States, under this subpara-*
19 *graph.*

20 *(ix) REGULATIONS.—The Secretary*
21 *shall issue regulations specifying require-*
22 *ments of this title that apply to outlying*
23 *areas receiving funds under this subpara-*
24 *graph.*

25 *(C) STATES.—*

1 (i) *IN GENERAL.*—After determining
2 the amounts to be reserved under subpara-
3 graph (A) (if any) and subparagraph (B),
4 the Secretary shall—

5 (I) from the amount referred to in
6 subsection (a)(3)(B) for a fiscal year,
7 make available \$15,000,000 to provide
8 youth activities under section 361; and

9 (II) allot the remainder of the
10 amount referred to in subsection
11 (a)(3)(B) for a fiscal year to the States
12 pursuant to clause (i) for youth ac-
13 tivities.

14 (ii) *FORMULA.*—Subject to clauses (iii)
15 and (iv), of the remainder—

16 (I) $33\frac{1}{3}$ percent shall be allotted
17 on the basis described in paragraph
18 (1)(B)(i)(I);

19 (II) $33\frac{1}{3}$ percent shall be allotted
20 on the basis described in paragraph
21 (1)(B)(i)(II); and

22 (III) $33\frac{1}{3}$ percent shall be allotted
23 on the basis of the relative number of
24 disadvantaged youth in each State,
25 compared to the total number of dis-

1 *advantaged youth in all States, except*
2 *as described in clause (iii).*

3 *(iii) CALCULATION.—In determining*
4 *an allotment under clause (ii)(III) for any*
5 *State in which there is a local area des-*
6 *ignated under section 307(a)(2)(A)(ii), the*
7 *allotment shall be based on the higher of—*

8 *(I) the number of youth in fami-*
9 *lies with an income below the low-in-*
10 *come level in such area; or*

11 *(II) the number of disadvantaged*
12 *youth in such area.*

13 *(iv) MINIMUM PERCENTAGE; MAXIMUM*
14 *PERCENTAGE; SMALL STATE MINIMUM AL-*
15 *LOTMENT.—*

16 *(I) IN GENERAL.—Except as pro-*
17 *vided in subclause (II), the require-*
18 *ments of clauses (iv) and (v) of para-*
19 *graph (1)(B) shall apply to allotments*
20 *made under this subparagraph in the*
21 *same manner and to the same extent*
22 *as the requirements apply to allot-*
23 *ments made under paragraph (1)(B).*

1 (II) *EXCEPTIONS.*—*For purposes*
2 *of applying the requirements of those*
3 *clauses under this subparagraph—*

4 (aa) *references in those*
5 *clauses to the remainder described*
6 *in clause (i) of paragraph (1)(B)*
7 *shall be considered to be references*
8 *to the remainder described in*
9 *clause (i)(II) of this subpara-*
10 *graph; and*

11 (bb) *the term “allotment per-*
12 *centage”, used with respect to fis-*
13 *cal year 1998, means the percent-*
14 *age of the amounts allotted to*
15 *States under sections 252(b) and*
16 *262(a) of the Job Training Part-*
17 *nership Act (29 U.S.C. 1631(b)*
18 *and 1642(a)) (as in effect on the*
19 *day before the date of enactment*
20 *of this Act) received under such*
21 *sections by the State involved for*
22 *fiscal year 1998.*

23 (v) *DEFINITIONS.*—*In this subpara-*
24 *graph:*

1 (I) *DISADVANTAGED YOUTH.*—The
2 term “disadvantaged youth” means a
3 youth who received an income, or is a
4 member of a family that received a
5 total family income, that, in relation
6 to family size, does not exceed the high-
7 er of—

8 (aa) the poverty line; or

9 (bb) 70 percent of the lower
10 living standard income level.

11 (II) *DISADVANTAGED YOUTH SPE-*
12 *CIAL RULE.*—The Secretary shall, as
13 appropriate and to the extent prac-
14 ticable, exclude students at an institu-
15 tion of higher education and members
16 of the Armed Forces from the deter-
17 mination of the number of disadvan-
18 taged youth.

19 (III) *YOUTH.*—The term “youth”
20 means an individual who is not less
21 than age 16 and not more than age 21.

22 (4) *DEFINITIONS.*—In this subsection:

23 (A) *FREELY ASSOCIATED STATES.*—The
24 term “Freely Associated States” means the Re-

1 *public of the Marshall Islands, the Federated*
2 *States of Micronesia, and the Republic of Palau.*

3 (B) *LOW-INCOME LEVEL.*—*The term “low-*
4 *income level”, used with respect to a year, means*
5 *that amount that bears the same relationship to*
6 *\$7,000 as the Consumer Price Index for that*
7 *year bears to the Consumer Price Index for 1969,*
8 *rounded to the nearest \$1,000.*

9 **SEC. 303. STATEWIDE PARTNERSHIP.**

10 (a) *IN GENERAL.*—*The Governor of a State shall estab-*
11 *lish and appoint the members of a statewide partnership*
12 *to assist in the development of the State plan described in*
13 *section 304 and carry out the functions described in sub-*
14 *section (d).*

15 (b) *MEMBERSHIP.*—

16 (1) *IN GENERAL.*—*The statewide partnership*
17 *shall include—*

18 (A) *the Governor;*

19 (B) *representatives, appointed by the Gov-*
20 *ernor, who—*

21 (i) *are representatives of business in*
22 *the State;*

23 (ii) *are owners of businesses, chief ex-*
24 *ecutives or operating officers of private*
25 *businesses, and other business executives or*

1 *employers with optimum policymaking or*
2 *hiring authority, including members of*
3 *local partnerships described in section*
4 *308(c)(2)(A)(i);*

5 *(iii) represent businesses with employ-*
6 *ment opportunities that reflect the employ-*
7 *ment opportunities of the State; and*

8 *(iv) are appointed from among indi-*
9 *viduals nominated by State business orga-*
10 *nizations and business trade associations;*

11 *(C) representatives, appointed by the Gov-*
12 *ernor, who are individuals who have optimum*
13 *policymaking authority, including—*

14 *(i) representatives of—*

15 *(I) chief elected officials (rep-*
16 *resenting both cities and counties,*
17 *where appropriate);*

18 *(II) labor organizations, who have*
19 *been nominated by State labor federa-*
20 *tions; and*

21 *(III) individuals, and organiza-*
22 *tions, that have experience relating to*
23 *youth activities;*

24 *(ii) the eligible agency officials respon-*
25 *sible for vocational education, including*

1 *postsecondary vocational education, and for*
2 *adult education and literacy, and the State*
3 *officials responsible for postsecondary edu-*
4 *cation (including education in community*
5 *colleges); and*

6 *(iii) the State agency official respon-*
7 *sible for vocational rehabilitation and,*
8 *where applicable, the State agency official*
9 *responsible for providing vocational reha-*
10 *ilitation program activities for the blind;*

11 *(D) such other State agency officials as the*
12 *Governor may designate, such as State agency*
13 *officials carrying out activities relating to em-*
14 *ployment and training, economic development,*
15 *public assistance, veterans, youth, juvenile justice*
16 *and the employment service established under the*
17 *Wagner-Peyser Act (29 U.S.C. 49 et seq.); and*

18 *(E) two members of each chamber of the*
19 *State legislature, appointed by the appropriate*
20 *presiding officer of the chamber.*

21 *(2) MAJORITY.—A majority of the members of*
22 *the statewide partnership shall be representatives de-*
23 *scribed in paragraph (1)(B).*

1 (c) *CHAIRMAN.*—*The Governor shall select a chair-*
2 *person for the statewide partnership from among the rep-*
3 *resentatives described in subsection (b)(1)(B).*

4 (d) *FUNCTIONS.*—*In addition to developing the State*
5 *plan, the statewide partnership shall—*

6 (1) *advise the Governor on the development of a*
7 *comprehensive statewide workforce investment system;*

8 (2) *assist the Governor in preparing the annual*
9 *report to the Secretaries described in section 321(d);*

10 (3) *assist the Governor in developing the state-*
11 *wide labor market information system described in*
12 *section 15(e) of the Wagner-Peyser Act; and*

13 (4) *assist in the monitoring and continuous im-*
14 *provement of the performance of the statewide work-*
15 *force investment system, including the evaluation of*
16 *the effectiveness of workforce investment activities car-*
17 *ried out under this subtitle in serving the needs of*
18 *employers seeking skilled employees and individuals*
19 *seeking services.*

20 (e) *AUTHORITY OF GOVERNOR.*—

21 (1) *AUTHORITY.*—*The Governor shall have the*
22 *final authority to determine the contents of and sub-*
23 *mit the State plan described in section 304.*

1 (2) *PROCESS.*—*Prior to the date on which the*
2 *Governor submits a State plan under section 304, the*
3 *Governor shall—*

4 (A) *make available copies of a proposed*
5 *State plan to the public;*

6 (B) *allow members of the statewide partner-*
7 *ship and members of the public, including rep-*
8 *resentatives of labor organizations and busi-*
9 *nesses, to submit comments on the proposed State*
10 *plan to the Governor, not later than the end of*
11 *the 30-day period beginning on the date on*
12 *which the proposed State plan is made available;*
13 *and*

14 (C) *include with the State plan submitted*
15 *to the Secretary under section 304 any such com-*
16 *ments that represent disagreement with the plan.*

17 (f) *ALTERNATIVE ENTITY.*—

18 (1) *IN GENERAL.*—*For purposes of complying*
19 *with subsections (a), (b), and (c), a State may use*
20 *any State entity (including a State council, State*
21 *workforce development board, combination of regional*
22 *workforce development boards, or similar entity)*
23 *that—*

24 (A) *is in existence on December 31, 1997;*

1 (B)(i) is established pursuant to section 122
2 or title VII of the Job Training Partnership Act
3 (29 U.S.C. 1532 or 1792 et seq.), as in effect on
4 December 31, 1997; or

5 (ii) is substantially similar to the statewide
6 partnership described in subsections (a), (b), and
7 (c); and

8 (C) includes representatives of business in
9 the State and representatives of labor organiza-
10 tions in the State.

11 (2) REFERENCES.—References in this Act to a
12 statewide partnership shall be considered to include
13 such an entity.

14 **SEC. 304. STATE PLAN.**

15 (a) IN GENERAL.—For a State to be eligible to receive
16 an allotment under section 302, the Governor of the State
17 shall submit to the Secretary for approval a single com-
18 prehensive State plan (referred to in this title as the “State
19 plan”) that outlines a 3-year strategy for the statewide
20 workforce investment system of the State and that meets the
21 requirements of section 303 and this section.

22 (b) CONTENTS.—The State plan shall include—

23 (1) a description of the statewide partnership de-
24 scribed in section 303 used in developing the plan;

1 (2) a description of State-imposed requirements
2 for the statewide workforce investment system;

3 (3) a description of the State performance meas-
4 ures developed for the workforce investment activities
5 to be carried out through the system, that includes in-
6 formation identifying the State performance meas-
7 ures, established in accordance with section 321(b);

8 (4) information describing—

9 (A) the needs of the State with regard to
10 current and projected employment opportunities;

11 (B) the job skills necessary to obtain the
12 needed employment opportunities;

13 (C) the economic development needs of the
14 State; and

15 (D) the type and availability of workforce
16 investment activities in the State;

17 (5) an identification of local areas designated in
18 the State, including a description of the process used
19 for the designation of such areas, which shall—

20 (A) ensure a linkage between participants
21 in workforce investment activities funded under
22 this subtitle, and local employment opportuni-
23 ties;

1 (B) ensure that a significant portion of the
2 population that lives in the local area also works
3 in the same local area;

4 (C) ensure cooperation and coordination of
5 activities between neighboring local areas; and

6 (D) take into consideration State economic
7 development areas;

8 (6) an identification of the criteria for recogni-
9 tion of chief elected officials who will carry out the
10 policy, planning, and other responsibilities authorized
11 for the officials in this title in the local areas identi-
12 fied under paragraph (5);

13 (7) an identification of criteria for the appoint-
14 ment of members of local partnerships based on the
15 requirements of section 308;

16 (8) the detailed plans required under section 8 of
17 the Wagner-Peyser Act;

18 (9) a description of the measures that will be
19 taken by the State to assure coordination of and
20 avoid duplication among—

21 (A) workforce investment activities author-
22 ized under this subtitle;

23 (B) other activities authorized under this
24 title;

25 (C) activities authorized under title I or II;

1 (D) programs authorized under the Wagner-
2 Peyster Act (29 U.S.C. 49 et seq.), title I of the
3 Rehabilitation Act of 1973 (29 U.S.C. 720 et
4 seq.), part A of title IV of the Social Security
5 Act (42 U.S.C. 601 et seq.), and section 6(d) of
6 the Food Stamp Act of 1977 (7 U.S.C. 2015(d)),
7 and activities authorized under title V of the
8 Older Americans Act of 1965 (42 U.S.C. 3056 et
9 seq.);

10 (E) work programs authorized under section
11 6(o) of the Food Stamp Act of 1977 (7 U.S.C.
12 2015(o));

13 (F) activities authorized under chapter 2 of
14 title II of the Trade Act of 1974 (19 U.S.C. 2271
15 et seq.);

16 (G) activities authorized under chapter 41
17 of title 38, United States Code;

18 (H) training activities carried out by the
19 Department of Housing and Urban Develop-
20 ment; and

21 (I) programs authorized under State unem-
22 ployment compensation laws (in accordance with
23 applicable Federal law);

24 (10) a description of the process used by the
25 State, consistent with section 303(e)(2), to provide an

1 *opportunity for public comment, including comment*
2 *by representatives of labor organizations and busi-*
3 *nesses, and input into the development of the State*
4 *plan, prior to submission of the plan;*

5 *(11) a description of the process for the public to*
6 *comment on members of the local partnerships;*

7 *(12) a description of the length of terms and ap-*
8 *pointment processes for members of the statewide*
9 *partnership and local partnerships in the State;*

10 *(13) information identifying how the State will*
11 *leverage any funds the State receives under this sub-*
12 *title with other private and Federal resources;*

13 *(14) assurances that the State will provide, in*
14 *accordance with section 374, for fiscal control and*
15 *fund accounting procedures that may be necessary to*
16 *ensure the proper disbursement of, and accounting*
17 *for, funds paid to the State through the allotment*
18 *made under section 302;*

19 *(15) if appropriate, a description of a within-*
20 *State allocation formula—*

21 *(A) that is based on factors relating to ex-*
22 *cess poverty in local areas or excess unemploy-*
23 *ment above the State average in local areas; and*

24 *(B) through which the State may distribute*
25 *the funds the State receives under this subtitle*

1 *for adult employment and training activities or*
2 *youth activities to local areas;*

3 (16) *an assurance that the funds made available*
4 *to the State through the allotment made under section*
5 *302 will supplement and not supplant other public*
6 *funds expended to provide activities described in this*
7 *subtitle;*

8 (17) *information indicating—*

9 (A) *how the services of one-stop partners in*
10 *the State will be provided through the one-stop*
11 *customer service system;*

12 (B) *how the costs of such services and the*
13 *operating costs of the system will be funded; and*

14 (C) *how the State will assist in the develop-*
15 *ment and implementation of the operating agree-*
16 *ment described in section 311(c);*

17 (18) *information specifying the actions that con-*
18 *stitute a conflict of interest prohibited in the State for*
19 *purposes of section 308(g)(2)(B);*

20 (19) *a description of a core set of consistently de-*
21 *finied data elements for reporting on the activities car-*
22 *ried out through the one-stop customer service system*
23 *in the State;*

24 (20) *with respect to employment and training*
25 *activities funded under this subtitle—*

1 (A) information describing the employment
2 and training activities that will be carried out
3 with the funds the State receives under this sub-
4 title, describing how the State will provide rapid
5 response activities to dislocated workers, and des-
6 ignating an identifiable State rapid response
7 dislocated worker unit, to be funded under sec-
8 tion 306(a)(2) to carry out statewide rapid re-
9 sponse activities, and an assurance that veterans
10 will be afforded services under this subtitle to the
11 extent practicable;

12 (B) information describing the State strat-
13 egy for development of a fully operational state-
14 wide one-stop customer service system as de-
15 scribed in section 315(b), including—

16 (i) criteria for use by chief elected offi-
17 cials and local partnerships, for designating
18 or certifying one-stop customer service cen-
19 ter operators, appointing one-stop partners,
20 and conducting oversight with respect to the
21 one-stop customer service system, for each
22 local area; and

23 (ii) the steps that the State will take
24 over the 3 years covered by the plan to en-
25 sure that all publicly funded labor exchange

1 *services described in section 315(c)(2) or the*
2 *Wagner-Peyser Act (29 U.S.C. 49 et seq.),*
3 *will be available through the one-stop cus-*
4 *tomers service system of the State;*

5 *(C) information describing the criteria used*
6 *by the local partnership in the development of*
7 *the local plan described in section 309; and*

8 *(D) information describing the procedures*
9 *the State will use to identify eligible providers of*
10 *training services, as required under this subtitle;*
11 *and*

12 *(21) with respect to youth activities funded*
13 *under this subtitle, information—*

14 *(A) describing the youth activities that will*
15 *be carried out with the funds the State receives*
16 *under this subtitle;*

17 *(B) identifying the criteria to be used by*
18 *the local partnership in awarding grants and*
19 *contracts under section 313 for youth activities;*

20 *(C) identifying the types of criteria the*
21 *Governor and local partnerships will use to iden-*
22 *tify effective and ineffective youth activities and*
23 *eligible providers of such activities; and*

24 *(D) describing how the State will coordinate*
25 *the youth activities carried out in the State*

1 *under this subtitle with the services provided by*
2 *Job Corps centers in the State.*

3 (c) *PLAN SUBMISSION AND APPROVAL.*—*A State plan*
4 *submitted to the Secretary under this section by a Governor*
5 *shall be considered to be approved by the Secretary at the*
6 *end of the 60-day period beginning on the day the Secretary*
7 *receives the plan, unless the Secretary makes a written de-*
8 *termination, during the 60-day period, that—*

9 (1) *the plan is inconsistent with the provisions*
10 *of this title;*

11 (2) *in the case of the portion of the plan de-*
12 *scribed in section 8(a) of the Wagner-Peyser Act (29*
13 *U.S.C. 49g(a)), the portion does not satisfy the cri-*
14 *teria for approval provided in section 8(d) of such*
15 *Act); or*

16 (3) *the levels of performance have not been*
17 *agreed to pursuant to section 321(b)(4).*

18 (d) *MODIFICATIONS TO INITIAL PLAN.*—*A State may*
19 *submit, for approval by the Secretary, substantial modifica-*
20 *tions to the State plan in accordance with the requirements*
21 *of this section and section 303, as necessary, during the 3-*
22 *year period of the plan.*

1 **CHAPTER 2—ALLOCATIONS TO LOCAL**
2 **WORKFORCE INVESTMENT AREAS**

3 **SEC. 306. WITHIN STATE ALLOCATIONS.**

4 *(a) RESERVATIONS FOR STATE ACTIVITIES.—*

5 *(1) ADULT EMPLOYMENT AND TRAINING ACTIVI-*
6 *TIES, DISLOCATED WORKER EMPLOYMENT AND TRAIN-*
7 *ING ACTIVITIES, AND YOUTH ACTIVITIES.—The Gov-*
8 *ernor of a State shall reserve not more than 15 per-*
9 *cent of each of the amounts allotted to the State under*
10 *paragraphs (1)(B), (2)(B), and (3)(C)(ii) of section*
11 *302(b) for a fiscal year for statewide workforce invest-*
12 *ment activities described in subsections (b)(2) and (c)*
13 *of section 314.*

14 *(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—*

15 *The Governor of the State shall reserve not more than*
16 *25 percent of the total amount allotted to the State*
17 *under section 302(b)(2)(B) for a fiscal year for state-*
18 *wide rapid response activities described in section*
19 *314(b)(1).*

20 *(b) WITHIN STATE ALLOCATION.—*

21 *(1) ALLOCATION.—The Governor of the State*
22 *shall allocate to the local areas the funds that are al-*
23 *lotted to the State under section 302(b) and are not*
24 *reserved under subsection (a) for the purpose of pro-*
25 *viding employment and training activities to eligible*

1 *participants pursuant to section 315 and youth ac-*
2 *tivities to eligible participants pursuant to section*
3 *316.*

4 (2) *METHODS.—The State, acting in accordance*
5 *with the State plan, and after consulting with chief*
6 *elected officials in the local areas, shall allocate—*

7 (A) *the funds that are allotted to the State*
8 *for adult employment and training activities*
9 *under section 302(b)(1)(B) and are not reserved*
10 *under subsection (a)(1), in accordance with*
11 *paragraph (3) or (4);*

12 (B) *the funds that are allotted to the State*
13 *for dislocated worker employment and training*
14 *activities under section 302(b)(2)(B) and are not*
15 *reserved under paragraph (1) or (2) of subsection*
16 *(a), in accordance with paragraph (3); and*

17 (C) *the funds that are allotted to the State*
18 *for youth activities under section*
19 *302(b)(3)(C)(ii) and are not reserved under sub-*
20 *section (a)(1), in accordance with paragraph (3)*
21 *or (4).*

22 (3) *ADULT EMPLOYMENT AND TRAINING ACTIVI-*
23 *TIES, DISLOCATED WORKER EMPLOYMENT AND TRAIN-*
24 *ING ACTIVITIES, AND YOUTH ACTIVITIES FORMULA AL-*
25 *LOCATIONS.—*

1 (A) *ADULT EMPLOYMENT AND TRAINING AC-*
2 *TIVITIES.—*

3 (i) *ALLOCATION.—In allocating the*
4 *funds described in paragraph (2)(A) to local*
5 *areas, a State may allocate—*

6 (I) *33¹/₃ percent of the funds on*
7 *the basis described in section*
8 *302(b)(1)(B)(ii)(I);*

9 (II) *33¹/₃ percent of the funds on*
10 *the basis described in section*
11 *302(b)(1)(B)(ii)(II); and*

12 (III) *33¹/₃ percent of the funds on*
13 *the basis described in clauses (ii)(III)*
14 *and (iii) of section 302(b)(1)(B).*

15 (ii) *MINIMUM PERCENTAGE.—No local*
16 *area shall receive an allocation percentage*
17 *for a fiscal year that is less than 90 percent*
18 *of the average allocation percentage of the*
19 *local area (or the service delivery area that*
20 *most closely corresponds to the local area)*
21 *for the 2 preceding fiscal years. Amounts*
22 *necessary for increasing such allocations to*
23 *local areas to comply with the preceding*
24 *sentence shall be obtained by ratably reduc-*

1 *ing the allocations to be made to other local*
2 *areas under this subparagraph.*

3 *(iii) DEFINITION.—The term “alloca-*
4 *tion percentage”, used with respect to fiscal*
5 *year 1999 or a subsequent fiscal year,*
6 *means a percentage of the funds referred to*
7 *in clause (i), received through an allocation*
8 *made under this subparagraph, for the fis-*
9 *cal year. The term, used with respect to fis-*
10 *cal year 1998, means the percentage of the*
11 *amounts allocated to service delivery areas*
12 *under section 202(b) of the Job Training*
13 *Partnership Act (29 U.S.C. 1602(b)) (as in*
14 *effect on the day before the date of enact-*
15 *ment of this Act) received under such sec-*
16 *tion by the service delivery area that most*
17 *closely corresponds to the local area in-*
18 *volved for fiscal year 1998.*

19 *(B) DISLOCATED WORKER EMPLOYMENT*
20 *AND TRAINING ACTIVITIES.—*

21 *(i) FORMULA.—In allocating the funds*
22 *described in paragraph (2)(B) to local*
23 *areas, a State shall allocate the funds based*
24 *on an allocation formula prescribed by the*
25 *Governor of the State. Such formula may be*

1 *amended by the Governor not more than*
2 *once for each program year. Such formula*
3 *shall utilize the most appropriate informa-*
4 *tion available to the Governor to distribute*
5 *amounts to address the State's worker read-*
6 *justment assistance needs.*

7 *(ii) INFORMATION.—The information*
8 *described in clause (i) shall include—*

9 *(I) insured unemployment data;*

10 *(II) unemployment concentra-*
11 *tions;*

12 *(III) plant closing and mass lay-*
13 *off data;*

14 *(IV) declining industries data;*

15 *(V) farmer-rancher economic*
16 *hardship data; and*

17 *(VI) long-term unemployment*
18 *data.*

19 *(C) YOUTH ACTIVITIES.—*

20 *(i) ALLOCATION.—In allocating the*
21 *funds described in paragraph (2)(C) to local*
22 *areas, a State may allocate—*

23 *(I) 33¹/₃ percent of the funds on*
24 *the basis described in section*
25 *302(b)(3)(C)(ii)(I);*

1 (II) $33\frac{1}{3}$ percent of the funds on
2 the basis described in section
3 302(b)(3)(C)(i)(II); and

4 (III) $33\frac{1}{3}$ percent of the funds on
5 the basis described in clauses (i)(III)
6 and (ii) of section 302(b)(3)(C).

7 (ii) *MINIMUM PERCENTAGE.*—No local
8 area shall receive an allocation percentage
9 for a fiscal year that is less than 90 percent
10 of the average allocation percentage of the
11 local area (or the service delivery area that
12 most closely corresponds to the local area)
13 for the 2 preceding fiscal years. Amounts
14 necessary for increasing such allocations to
15 local areas to comply with the preceding
16 sentence shall be obtained by ratably reduc-
17 ing the allocations to be made to other local
18 areas under this subparagraph.

19 (iii) *DEFINITION.*—The term “alloca-
20 tion percentage”, used with respect to fiscal
21 year 1999 or a subsequent fiscal year,
22 means a percentage of the funds referred to
23 in clause (i), received through an allocation
24 made under this subparagraph, for the fis-
25 cal year. The term, used with respect to fis-

1 *cal year 1998, means the percentage of the*
2 *amounts allocated to service delivery areas*
3 *under sections 252(b) and 262(b) of the Job*
4 *Training Partnership Act (29 U.S.C. (29*
5 *U.S.C. 1631(b), 1642(b)) (as in effect on the*
6 *day before the date of enactment of this Act)*
7 *received under such section by the service*
8 *delivery area that most closely corresponds*
9 *to the local area involved for fiscal year*
10 *1998.*

11 *(D) APPLICATION.—For purposes of carry-*
12 *ing out subparagraphs (A), (B), and (C), and*
13 *subparagraphs (A) and (B) of paragraph (4)—*

14 *(i) references in section 302(b) to a*
15 *State shall be deemed to be references to a*
16 *local area;*

17 *(ii) references in section 302(b) to all*
18 *States shall be deemed to be references to all*
19 *local areas in the State involved;*

20 *(iii) except as described in clauses (i)*
21 *and (ii), references in paragraphs (1) and*
22 *(3) of section 302(b) to the term “excess*
23 *number” shall be considered to be references*
24 *to the term as defined in section 302(b)(1);*
25 *and*

1 *(iv) except as described in clause (i), a*
2 *reference in section 302(b)(2) to the term*
3 *“excess number” shall be considered to be a*
4 *reference to the term as defined in such sec-*
5 *tion.*

6 (4) *ADULT EMPLOYMENT AND TRAINING AND*
7 *YOUTH DISCRETIONARY ALLOCATIONS.—*

8 (A) *ADULT EMPLOYMENT AND TRAINING AC-*
9 *TIVITIES.—In lieu of making the allocation de-*
10 *scribed in paragraph (3)(A), in allocating the*
11 *funds described in paragraph (2)(A) to local*
12 *areas, a State may distribute—*

13 (i) *a portion equal to not less than 70*
14 *percent of the funds in accordance with*
15 *paragraph (3)(A); and*

16 (ii) *the remaining portion of the funds*
17 *on the basis of a formula that—*

18 (I) *incorporates additional factors*
19 *(other than the factors described in*
20 *paragraph (3)(A)) relating to excess*
21 *poverty in local areas or excess unem-*
22 *ployment above the State average in*
23 *local areas; and*

1 (ii) was developed by the state-
2 wide partnership and approved by the
3 Secretary as part of the State plan.

4 (B) *YOUTH ACTIVITIES*.—In lieu of making
5 the allocation described in paragraph (3)(C), in
6 allocating the funds described in paragraph
7 (2)(C) to local areas, a State may distribute—

8 (i) a portion equal to not less than 70
9 percent of the funds in accordance with
10 paragraph (3)(C); and

11 (ii) the remaining portion of the funds
12 on the basis of a formula that—

13 (I) incorporates additional factors
14 (other than the factors described in
15 paragraph (3)(C)) relating to excess
16 youth poverty in local areas or excess
17 unemployment above the State average
18 in local areas; and

19 (II) was developed by the state-
20 wide partnership and approved by the
21 Secretary as part of the State plan.

22 (5) *LIMITATION*.—

23 (A) *IN GENERAL*.—Of the amount allocated
24 to a local area under this subsection for a fiscal
25 year—

1 (i) not more than 15 percent of the
2 amount allocated under paragraph (3)(A)
3 or (4)(A);

4 (ii) not more than 15 percent of the
5 amount allocated under paragraph (3)(B);
6 and

7 (iii) not more than 15 percent of the
8 amount allocated under paragraph (3)(C)
9 or (4)(B),

10 may be used by the local partnership for the ad-
11 ministrative cost of carrying out local workforce
12 investment activities described in section 315 or
13 316.

14 (B) *USE OF FUNDS.*—Funds made available
15 for administrative costs under subparagraph (A)
16 may be used for the administrative cost of any
17 of the local workforce investment activities de-
18 scribed in sections 315 and 316, regardless of
19 whether the funds were allocated under the provi-
20 sions described in clause (i), (ii), or (iii) of sub-
21 paragraph (A).

22 (C) *REGULATIONS.*—The Secretary, after
23 consulting with the Governors, shall develop and
24 issue regulations that define the term “adminis-
25 trative cost” for purposes of this title.

1 (6) *TRANSFER AUTHORITY.*—*A local partnership*
2 *may transfer, if such a transfer is approved by the*
3 *Governor, not more than 20 percent of the funds allo-*
4 *cated to the local area under paragraph (3)(A) or*
5 *(4)(A), and 20 percent of the funds allocated to the*
6 *local area under paragraph (3)(B), for a fiscal year*
7 *between—*

8 (A) *adult employment and training activi-*
9 *ties; and*

10 (B) *dislocated worker employment and*
11 *training activities.*

12 (7) *FISCAL AUTHORITY.*—

13 (A) *FISCAL AGENT.*—*The chief elected offi-*
14 *cial in a local area shall serve as the fiscal agent*
15 *for, and shall be liable for any misuse of, the*
16 *funds allocated to the local area under this sec-*
17 *tion, unless the chief elected official reaches an*
18 *agreement with the Governor for the Governor to*
19 *act as the fiscal agent and bear such liability.*

20 (B) *DISBURSAL.*—*The fiscal agent shall dis-*
21 *burse such funds for workforce investment activi-*
22 *ties at the direction of the local partnership, pur-*
23 *suant to the requirements of this title, if the di-*
24 *rection does not violate a provision of this Act.*
25 *The fiscal agent shall disburse funds immediately*

1 *on receiving such direction from the local part-*
2 *nership.*

3 **SEC. 307. LOCAL WORKFORCE INVESTMENT AREAS.**

4 *(a) DESIGNATION OF AREAS.—*

5 *(1) IN GENERAL.—Except as provided in sub-*
6 *section (b) and paragraph (2), the Governor shall des-*
7 *ignate local workforce investment areas in the State,*
8 *in accordance with the State plan requirements de-*
9 *scribed in section 304(b)(5).*

10 *(2) AUTOMATIC DESIGNATION.—*

11 *(A) IN GENERAL.—The Governor of the*
12 *State shall approve a request for designation as*
13 *a local area—*

14 *(i) from any unit of general local gov-*
15 *ernment with a population of 500,000 or*
16 *more, if the designation meets the State*
17 *plan requirements described in section*
18 *304(b)(5);*

19 *(ii) of the area served by a rural con-*
20 *centrated employment program grant recip-*
21 *ient of demonstrated effectiveness that served*
22 *as a service delivery area under the Job*
23 *Training Partnership Act, if the grant re-*
24 *cipient has submitted the request and if the*

1 *designation meets the State plan require-*
2 *ments described in section 304(b)(5); and*

3 *(iii) of an area that served as a service*
4 *delivery area under section 101(a)(4)(A)(ii)*
5 *of the Job Training Partnership Act (as in*
6 *effect on the day before the date of enact-*
7 *ment of this Act) in a State that has a popu-*
8 *lation of 1,100,000 or less and a popu-*
9 *lation density greater than 900 persons per*
10 *square mile, if the designation meets the*
11 *State plan requirements described in section*
12 *304(b)(5).*

13 *(B) LARGE COUNTIES.—A county with a*
14 *population of 500,000 or more may request such*
15 *designation only with the agreement of the polit-*
16 *ical subdivisions within the county with popu-*
17 *lations of 200,000 or more.*

18 *(C) LARGE POLITICAL SUBDIVISIONS.—A*
19 *single unit of general local government with a*
20 *population of 200,000 or more that is a service*
21 *delivery area under the Job Training Partner-*
22 *ship Act on the date of enactment of this Act,*
23 *and that is not designated as a local area by the*
24 *Governor under paragraph (1), shall have an*
25 *automatic right to submit an appeal regarding*

1 *designation to the Secretary. In conducting the*
2 *appeal, the Secretary may determine that the*
3 *unit of general local government shall be des-*
4 *ignated as a local area under paragraph (1), on*
5 *determining that the programs of the service de-*
6 *livery area have demonstrated effectiveness, if the*
7 *designation of the unit meets the State plan re-*
8 *quirements described in section 304(b)(5).*

9 (3) *PERMANENT DESIGNATION.*—*Once the bound-*
10 *aries for a local area are determined under this sec-*
11 *tion in accordance with the State plan, the bound-*
12 *aries shall not change except with the approval of the*
13 *Governor.*

14 (b) *SMALL STATES.*—*The Governor of any State deter-*
15 *mined to be eligible to receive a minimum allotment under*
16 *paragraph (1) or (3) of section 302(b), in accordance with*
17 *section 302(b)(1)(B)(iv)(II), for the first year covered by the*
18 *State plan, or of a State that is a single State service deliv-*
19 *ery area under the Job Training Partnership Act (29*
20 *U.S.C. 1501 et seq.) as of July 1, 1998, may designate the*
21 *State as a single State local area for the purposes of this*
22 *title. The Governor shall identify the State as a local area*
23 *under section 304(b)(5), in lieu of designating local areas*
24 *as described in subparagraphs (A), (B), and (C) of section*
25 *304(b)(5).*

1 **SEC. 308. LOCAL WORKFORCE INVESTMENT PARTNERSHIPS**
2 **AND YOUTH PARTNERSHIPS.**

3 (a) *ESTABLISHMENT OF LOCAL PARTNERSHIP.*—There
4 shall be established in each local area of a State, and cer-
5 tified by the Governor of the State, a local workforce invest-
6 ment partnership.

7 (b) *ROLE OF LOCAL PARTNERSHIP.*—The primary role
8 of the local partnership shall be to set policy for the portion
9 of the statewide workforce investment system within the
10 local area, including—

11 (1) *ensuring that the activities authorized under*
12 *this subtitle and carried out in the local area meet*
13 *local performance measures;*

14 (2) *ensuring that the activities meet the needs of*
15 *employers and jobseekers; and*

16 (3) *ensuring the continuous improvement of the*
17 *system.*

18 (c) *MEMBERSHIP OF LOCAL PARTNERSHIP.*—

19 (1) *STATE CRITERIA.*—The Governor of the State
20 shall establish criteria for the appointment of mem-
21 bers of the local partnerships for local areas in the
22 State in accordance with the requirements of para-
23 graph (2). Information identifying such criteria shall
24 be included in the State plan, as described in section
25 304(b)(7).

1 (2) *COMPOSITION.*—*Such criteria shall require,*
2 *at a minimum, that the membership of each local*
3 *partnership—*

4 (A) *shall include—*

5 (i) *a majority of members who—*

6 (I) *are representatives of business*
7 *in the local area;*

8 (II) *are owners of businesses, chief*
9 *executives or operating officers of pri-*
10 *vate businesses, and other business ex-*
11 *ecutives or employers with optimum*
12 *policymaking or hiring authority;*

13 (III) *represent businesses with*
14 *employment opportunities that reflect*
15 *the employment opportunities of the*
16 *local area; and*

17 (IV) *are appointed from among*
18 *individuals nominated by local busi-*
19 *ness organizations and business trade*
20 *associations;*

21 (ii) *chief officers representing local*
22 *postsecondary educational institutions, rep-*
23 *resentatives of vocational education provid-*
24 *ers, and representatives of adult education*
25 *providers;*

1 (iii) chief officers representing labor
2 organizations (for a local area in which
3 such representatives reside), nominated by
4 local labor federations, or (for a local area
5 in which such representatives do not reside)
6 other representatives of employees; and

7 (iv) chief officers representing economic
8 development agencies, including private sec-
9 tor economic development entities;

10 (B) may include chief officers who have pol-
11 icymaking authority, from one-stop partners who
12 have entered into an operating agreement de-
13 scribed in section 311(c) to participate in the
14 one-stop customer service system in the local
15 area; and

16 (C) may include such other individuals or
17 representatives of entities as the chief elected offi-
18 cial in the local area may determine to be appro-
19 priate.

20 (3) CHAIRPERSON.—The local partnership shall
21 elect a chairperson from among the members of the
22 partnership described in paragraph (2)(A)(i).

23 (d) APPOINTMENT AND CERTIFICATION OF LOCAL
24 PARTNERSHIP.—

1 (1) *APPOINTMENT OF LOCAL PARTNERSHIP MEM-*
2 *BERS AND ASSIGNMENT OF RESPONSIBILITIES.—*

3 (A) *IN GENERAL.—The chief elected official*
4 *in a local area is authorized to appoint the*
5 *members of the local partnership for such area,*
6 *in accordance with the State criteria established*
7 *under subsection (c).*

8 (B) *MULTIPLE UNITS OF LOCAL GOVERN-*
9 *MENT IN AREA.—*

10 (i) *IN GENERAL.—In a case in which*
11 *a local area includes more than 1 unit of*
12 *general local government, the chief elected*
13 *officials of such units may execute an agree-*
14 *ment that specifies the respective roles of the*
15 *individual chief elected officials—*

16 (I) *in the appointment of the*
17 *members of the local partnership from*
18 *the individuals nominated or rec-*
19 *ommended to be such members in ac-*
20 *cordance with the criteria established*
21 *under subsection (c); and*

22 (II) *in carrying out any other re-*
23 *sponsibilities assigned to such officials*
24 *under this subtitle.*

1 (ii) *LACK OF AGREEMENT.*—If, after a
2 reasonable effort, the chief elected officials
3 are unable to reach agreement as provided
4 under clause (i), the Governor may appoint
5 the members of the local partnership from
6 individuals so nominated or recommended.

7 (C) *CONCENTRATED EMPLOYMENT PRO-*
8 *GRAMS.*—In the case of a local area designated
9 in accordance with section 307(a)(2)(A)(ii), the
10 governing body of the concentrated employment
11 program involved shall act in consultation with
12 the chief elected official in the local area to ap-
13 point members of the local partnership, in ac-
14 cordance with the State criteria established
15 under subsection (c), and to carry out any other
16 responsibility relating to workforce investment
17 activities assigned to such official under this Act.

18 (2) *CERTIFICATION.*—

19 (A) *IN GENERAL.*—The Governor shall an-
20 nually certify 1 local partnership for each local
21 area in the State.

22 (B) *CRITERIA.*—Such certification shall be
23 based on criteria established under subsection (c)
24 and, for a second or subsequent certification, the
25 extent to which the local partnership has ensured

1 *that workforce investment activities carried out*
2 *in the local area have enabled the local area to*
3 *meet the local performance measures required*
4 *under section 321(c).*

5 (C) *FAILURE TO ACHIEVE CERTIFI-*
6 *CATION.—Failure of a local partnership to*
7 *achieve certification shall result in reappoint-*
8 *ment and certification of another local partner-*
9 *ship for the local area pursuant to the process*
10 *described in paragraph (1) and this paragraph.*

11 (3) *DECERTIFICATION.—*

12 (A) *IN GENERAL.—Notwithstanding para-*
13 *graph (2), the Governor may decertify a local*
14 *partnership, at any time after providing notice*
15 *and an opportunity for comment, for—*

16 (i) *fraud or abuse; or*

17 (ii) *failure to carry out the functions*
18 *specified for the local partnership in any of*
19 *paragraphs (1), (2), (4), (5), and (6) of sub-*
20 *section (e).*

21 (B) *PLAN.—If the Governor decertifies a*
22 *local partnership for a local area, the Governor*
23 *may require that a local partnership be ap-*
24 *pointed and certified for the local area pursuant*
25 *to a plan developed by the Governor in consulta-*

1 *tion with the chief elected official in the local*
2 *area and in accordance with the criteria estab-*
3 *lished under subsection (c).*

4 (4) *EXCEPTION.—Notwithstanding subsection (c)*
5 *and paragraphs (1) and (2), if a State described in*
6 *section 307(b) designates the State as a local area in*
7 *the State plan, the Governor may designate the state-*
8 *wide partnership described in section 303 to carry*
9 *out any of the functions described in subsection (e).*
10 (e) *FUNCTIONS OF LOCAL PARTNERSHIP.—The func-*
11 *tions of the local partnership shall include—*

12 (1) *developing and submitting a local plan as*
13 *described in section 309 in partnership with the ap-*
14 *propriate chief elected official;*

15 (2) *appointing, certifying, or designating one-*
16 *stop partners and one-stop customer service center op-*
17 *erators, pursuant to the criteria specified in the local*
18 *plan;*

19 (3) *promoting the participation of private sector*
20 *employers in the statewide workforce investment sys-*
21 *tem, and ensuring the effective provision through the*
22 *system of connecting, brokering, and coaching activi-*
23 *ties, through intermediaries such as the entities oper-*
24 *ating the one-stop customer service center in the local*

1 *area or through other organizations, to assist such*
2 *employers in meeting hiring needs;*

3 *(4) conducting oversight with respect to the one-*
4 *stop customer service system;*

5 *(5) modifying the list of eligible providers of*
6 *training services pursuant to subsections (b)(3)(B)*
7 *and (c)(2)(B) of section 312;*

8 *(6) setting local performance measures pursuant*
9 *to section 312(b)(2)(D)(ii);*

10 *(7) analyzing and identifying—*

11 *(A) current and projected local employment*
12 *opportunities; and*

13 *(B) the skills necessary to obtain such local*
14 *employment opportunities;*

15 *(8) coordinating the workforce investment activi-*
16 *ties carried out in the local area with economic devel-*
17 *opment strategies and developing other employer link-*
18 *ages with such activities; and*

19 *(9) assisting the Governor in developing the*
20 *statewide labor market information system described*
21 *in section 15(e) of the Wagner-Peyser Act.*

22 *(f) SUNSHINE PROVISION.—The local partnership*
23 *shall make available to the public, on a regular basis*
24 *through open meetings, information regarding the activities*
25 *of the local partnership, including information regarding*

1 membership, the appointment of one-stop partners, the des-
2 ignation and certification of one-stop customer service cen-
3 ter operators, and the award of grants and contracts to eli-
4 gible providers of youth activities.

5 (g) OTHER ACTIVITIES OF LOCAL PARTNERSHIP.—

6 (1) LIMITATION.—

7 (A) IN GENERAL.—Except as provided in
8 subparagraph (B), no local partnership may di-
9 rectly carry out or enter into a contract for a
10 training service described in section 315(c)(3).

11 (B) WAIVERS.—The Governor of the State
12 in which the local partnership is located may
13 grant to the local partnership a written waiver
14 of the prohibition set forth in subparagraph (A),
15 if the local partnership provides sufficient evi-
16 dence that a private or public entity is not
17 available to provide the training service and that
18 the activity is necessary to provide an employ-
19 ment opportunity described in the local plan de-
20 scribed in section 309.

21 (2) CONFLICT OF INTEREST.—No member of a
22 local partnership may—

23 (A) vote on a matter under consideration by
24 the local partnership—

1 (i) regarding the provision of services
2 by such member (or by an organization that
3 such member represents); or

4 (ii) that would provide direct financial
5 benefit to such member or the immediate
6 family of such member; or

7 (B) engage in any other activity determined
8 by the Governor to constitute a conflict of inter-
9 est as specified in the State plan.

10 (h) *TECHNICAL ASSISTANCE.*—If a local area fails to
11 meet established State or local performance measures, the
12 Governor shall provide technical assistance to the local
13 partnership involved to improve the performance of the
14 local area.

15 (i) *YOUTH PARTNERSHIP.*—

16 (1) *ESTABLISHMENT.*—There shall be established
17 in each local area of a State, a youth partnership ap-
18 pointed by the local partnership, in cooperation with
19 the chief elected official, in the local area.

20 (2) *MEMBERSHIP.*—The membership of each
21 youth partnership—

22 (A) shall include—

23 (i) 1 or more members of the local
24 partnership;

1 (ii) representatives of youth service
2 agencies, including juvenile justice agencies;

3 (iii) representatives of local public
4 housing authorities;

5 (iv) parents of youth seeking assistance
6 under this subtitle;

7 (v) individuals, including former par-
8 ticipants, and representatives of organiza-
9 tions, that have experience relating to youth
10 activities;

11 (vi) representatives of businesses in the
12 local area that employ youth; and

13 (vii) representatives of the Job Corps,
14 as appropriate; and

15 (B) may include such other individuals as
16 the chairperson of the local partnership, in co-
17 operation with the chief elected official, deter-
18 mines to be appropriate.

19 (3) DUTIES.—The duties of the youth partner-
20 ship include—

21 (A) the development of the portions of the
22 local plan relating to youth, as determined by
23 the chairperson of the local partnership;

24 (B) subject to the approval of the local part-
25 nership, awarding grants and contracts to, and

1 *conducting oversight with respect to, eligible pro-*
2 *viders of youth activities, as described in section*
3 *313, in the local area;*

4 (C) *coordinating youth activities in the*
5 *local area; and*

6 (D) *other duties determined to be appro-*
7 *priate by the chairperson of the local partner-*
8 *ship.*

9 (j) *ALTERNATIVE ENTITY.—*

10 (1) *IN GENERAL.—For purposes of complying*
11 *with subsections (a), (c), and (d), and paragraphs (1)*
12 *and (2) of subsection (i), a State may use any local*
13 *entity (including a local council, regional workforce*
14 *development board, or similar entity) that—*

15 (A) *is established to serve the local area (or*
16 *the service delivery area that most closely cor-*
17 *responds to the local area);*

18 (B) *is in existence on December 31, 1997;*

19 (C) (i) *is established pursuant to section*
20 *102 of the Job Training Partnership Act (29*
21 *U.S.C. 1512), as in effect on December 31, 1997;*
22 *or*

23 (ii) *is substantially similar to the local and*
24 *youth partnerships described in subsections (a),*

1 (c), and (d), and paragraphs (1) and (2) of sub-
2 section (i); and

3 (D) includes—

4 (i) representatives of business in the
5 local area; and

6 (ii)(I) representatives of labor organi-
7 zations in the local area, for a local area in
8 which such representatives reside; or

9 (II) for a local area in which such rep-
10 resentatives do not reside, other representa-
11 tives of employees in the local area.

12 (2) *REFERENCES.*—References in this Act to a
13 local partnership or a youth partnership shall be con-
14 sidered to include such an entity.

15 **SEC. 309. LOCAL PLAN.**

16 (a) *IN GENERAL.*—Each local partnership shall de-
17 velop and submit to the Governor a comprehensive 3-year
18 local plan (referred to in this title as the “local plan”), in
19 partnership with the appropriate chief elected official. The
20 local plan shall be consistent with the State plan.

21 (b) *CONTENTS.*—The local plan shall include—

22 (1) an identification of the needs of the local
23 area with regard to current and projected employ-
24 ment opportunities;

1 (2) *an identification of the job skills necessary to*
2 *obtain such employment opportunities;*

3 (3) *a description of the activities to be used*
4 *under this subtitle to link local employers and local*
5 *jobseekers;*

6 (4) *an identification and assessment of the type*
7 *and availability of adult and dislocated worker em-*
8 *ployment and training activities in the local area;*

9 (5) *an identification of successful eligible provid-*
10 *ers of youth activities in the local area;*

11 (6) *a description of the measures that will be*
12 *taken by the local area to assure coordination of and*
13 *avoid duplication among the programs and activities*
14 *described in section 304(b)(9);*

15 (7) *a description of the manner in which the*
16 *local partnership will coordinate activities carried*
17 *out under this subtitle in the local area with such ac-*
18 *tivities carried out in neighboring local areas;*

19 (8) *a description of the competitive process to be*
20 *used to award grants and contracts in the local area*
21 *for activities carried out under this subtitle;*

22 (9) *information describing local performance*
23 *measures for the local area that are based on the per-*
24 *formance measures in the State plan;*

1 (10) *in accordance with the State plan, a de-*
2 *scription of the criteria that the chief elected official*
3 *in the local area and the local partnership will use*
4 *to appoint, designate, or certify, and to conduct over-*
5 *sight with respect to, one-stop customer service center*
6 *systems in the local area;*

7 (11) *a description of the process used by the local*
8 *partnership, consistent with subsection (c), to provide*
9 *an opportunity for public comment, including com-*
10 *ment by representatives of labor organizations and*
11 *businesses, and input into the development of the local*
12 *plan, prior to submission of the plan; and*

13 (12) *such other information as the Governor may*
14 *require.*

15 (c) *PROCESS.—Prior to the date on which the local*
16 *partnership submits a local plan under this section, the*
17 *local partnership shall—*

18 (1) *make available copies of a proposed local*
19 *plan to the public;*

20 (2) *allow members of the local partnership and*
21 *members of the public, including representatives of*
22 *labor organizations and businesses, to submit com-*
23 *ments on the proposed local plan to the local partner-*
24 *ship, not later than the end of the 30-day period be-*

1 *ginning on the date on which the proposed local plan*
2 *is made available; and*

3 *(3) include with the local plan submitted to the*
4 *Governor under this section any such comments that*
5 *represent disagreement with the plan.*

6 *(d) PLAN SUBMISSION AND APPROVAL.—A local plan*
7 *submitted to the Governor under this section shall be consid-*
8 *ered to be approved by the Governor at the end of the 60-*
9 *9 day period beginning on the day the Governor receives the*
10 *plan, unless the Governor makes a written determination*
11 *during the 60-day period that—*

12 *(1) deficiencies in activities carried out under*
13 *this subtitle have been identified, through audits con-*
14 *ducted under section 374 or otherwise, and the local*
15 *area has not made acceptable progress in implement-*
16 *ing corrective measures to address the deficiencies; or*

17 *(2) the plan does not comply with this title.*

18 *(e) LACK OF AGREEMENT.—If the local partnership*
19 *and the appropriate chief elected official in the local area*
20 *cannot agree on the local plan after making a reasonable*
21 *effort, the Governor may develop the local plan.*

1 **CHAPTER 3—WORKFORCE INVESTMENT**
2 **ACTIVITIES AND PROVIDERS**

3 **SEC. 311. IDENTIFICATION AND OVERSIGHT OF ONE-STOP**
4 **PARTNERS AND ONE-STOP CUSTOMER SERV-**
5 **ICE CENTER OPERATORS.**

6 (a) *IN GENERAL.*—Consistent with the State plan, the
7 chief elected official and the local partnership shall develop
8 and implement operating agreements described in sub-
9 section (c) to appoint one-stop partners, shall designate or
10 certify one-stop customer service center operators, and shall
11 conduct oversight with respect to the one-stop customer serv-
12 ice system, in the local area.

13 (b) *ONE-STOP PARTNERS.*—

14 (1) *DESIGNATED PARTNERS.*—

15 (A) *IN GENERAL.*—Each entity that carries
16 out a program, services, or activities described in
17 subparagraph (B) shall make available to par-
18 ticipants, through a one-stop customer service
19 center, the services described in section 315(c)(2)
20 that are applicable to such program, and shall
21 participate in the operation of such center as a
22 party to the agreement described in subsection
23 (c), consistent with the requirements of the Fed-
24 eral law in which the program, services, or ac-
25 tivities are authorized.

1 (B) PROGRAMS; SERVICES; ACTIVITIES.—

2 The programs, services, and activities referred to
3 in subparagraph (A) consist of—

4 (i) core services authorized under this
5 subtitle;

6 (ii) other activities authorized under
7 this title;

8 (iii) activities authorized under title I
9 and title II;

10 (iv) programs authorized under the
11 Wagner-Peyser Act (29 U.S.C. 49 et seq.);

12 (v) programs authorized under title I
13 of the Rehabilitation Act of 1973 (29 U.S.C.
14 729 et seq.);

15 (vi) programs authorized under section
16 403(a)(5) of the Social Security Act (42
17 U.S.C. 603(a)(5)) (as added by section 5001
18 of the Balanced Budget Act of 1997);

19 (vii) programs authorized under title V
20 of the Older Americans Act of 1965 (42
21 U.S.C. 3056 et seq.);

22 (viii) activities authorized under chap-
23 ter 2 of title II of the Trade Act of 1974 (19
24 U.S.C. 2271 et seq.);

1 *(ix) activities authorized under chapter*
2 *41 of title 38, United States Code;*

3 *(x) training activities carried out by*
4 *the Department of Housing and Urban De-*
5 *velopment; and*

6 *(xi) programs authorized under State*
7 *unemployment compensation laws (in ac-*
8 *cordance with applicable Federal law).*

9 (2) *ADDITIONAL PARTNERS.—*

10 (A) *IN GENERAL.—In addition to the enti-*
11 *ties described in paragraph (1), other entities*
12 *that carry out human resource programs may*
13 *make available to participants through a one-*
14 *stop customer service center the services described*
15 *in section 315(c)(2) that are applicable to such*
16 *program, and participate in the operation of*
17 *such centers as a party to the agreement de-*
18 *scribed in subsection (c), if the local partnership*
19 *and chief elected official involved approve such*
20 *participation.*

21 (B) *PROGRAMS.—The programs referred to*
22 *in subparagraph (A) include—*

23 (i) *programs authorized under part A*
24 *of title IV of the Social Security Act;*

1 (ii) programs authorized under section
2 6(d)(4) of the Food Stamp Act of 1977 (7
3 U.S.C. 2015(d)(4));

4 (iii) work programs authorized under
5 section 6(o) of the Food Stamp Act of 1977
6 (7 U.S.C. 2015(o)); and

7 (iv) other appropriate Federal, State,
8 or local programs, including programs in
9 the private sector.

10 (c) OPERATING AGREEMENTS.—

11 (1) IN GENERAL.—The one-stop customer service
12 center operator selected pursuant to subsection (d) for
13 a one-stop customer service center shall enter into a
14 written agreement with the local partnership and one-
15 stop partners described in subsection (b) concerning
16 the operation of the center. Such agreement shall be
17 subject to the approval of the chief elected official and
18 the local partnership.

19 (2) CONTENTS.—The written agreement required
20 under paragraph (1) shall contain—

21 (A) provisions describing—

22 (i) the services to be provided through
23 the center;

1 (ii) how the costs of such services and
2 the operating costs of the system will be
3 funded,

4 (iii) methods for referral of individuals
5 between the one-stop customer service center
6 operators and the one-stop partners, for the
7 appropriate services and activities;

8 (iv) the monitoring and oversight of
9 activities carried out under the agreement;
10 and

11 (v) the duration of the agreement and
12 the procedures for amending the agreement
13 during the term of the agreement; and

14 (B) such other provisions, consistent with
15 the requirements of this title, as the parties to
16 the agreement determine to be appropriate.

17 (d) ONE-STOP CUSTOMER SERVICE CENTER OPERA-
18 TORS.—

19 (1) IN GENERAL.—To be eligible to receive funds
20 made available under this subtitle to operate a one-
21 stop customer service center, an entity shall—

22 (A) be designated or certified as a one-stop
23 customer service center operator, as described in
24 subsection (a); and

1 (B) be a public or private entity, or consor-
2 tium of entities, of demonstrated effectiveness lo-
3 cated in the local area, which entity or consor-
4 tium may include an institution of higher edu-
5 cation (as defined in section 481 of the Higher
6 Education Act of 1965 (20 U.S.C. 1088), a local
7 employment service office established under the
8 Wagner-Peyser Act (29 U.S.C. 49 et seq.), a local
9 government agency, a private for-profit entity, a
10 private nonprofit entity, or other interested en-
11 tity, of demonstrated effectiveness.

12 (2) *EXCEPTION.*—Elementary schools and sec-
13 ondary schools shall not be eligible for designation or
14 certification as one-stop customer service center oper-
15 ators, except that nontraditional public secondary
16 schools and area vocational education schools shall be
17 eligible for such designation or certification.

18 (e) *ESTABLISHED ONE-STOP CUSTOMER SERVICE*
19 *SYSTEMS.*—For a local area in which a one-stop customer
20 service system has been established prior to the date of en-
21 actment of this Act, the local partnership, the chief elected
22 official, and the Governor may agree to appoint, designate,
23 or certify the one-stop partners and one-stop customer serv-
24 ice center operators of such system, for purposes of this sec-
25 tion.

1 (f) *OVERSIGHT.*—*The local partnership shall conduct*
2 *oversight with respect to the one-stop customer service center*
3 *system and may terminate for cause the eligibility of such*
4 *a partner or operator to provide activities through or oper-*
5 *ate a one-stop customer service center.*

6 **SEC. 312. DETERMINATION AND IDENTIFICATION OF ELIGI-**
7 **BLE PROVIDERS OF TRAINING SERVICES BY**
8 **PROGRAM.**

9 (a) *GENERAL ELIGIBILITY REQUIREMENTS.*—

10 (1) *IN GENERAL.*—*Except as provided in sub-*
11 *section (e), to be eligible to receive funds made avail-*
12 *able under section 306 to provide training services de-*
13 *scribed in section 315(c)(3) (referred to in this title*
14 *as “training services”) and be identified as an eligible*
15 *provider of such services, a provider of such services*
16 *shall meet the requirements of this section.*

17 (2) *PROVIDERS.*—*To be eligible to receive the*
18 *funds, the provider shall be—*

19 (A) *a postsecondary educational institution*
20 *that—*

21 (i) *is eligible to receive Federal funds*
22 *under title IV of the Higher Education Act*
23 *of 1965 (20 U.S.C. 1070 et seq.); and*

1 (ii) provides a program that leads to
2 an associate degree, baccalaureate degree, or
3 certificate; or

4 (B) another public or private provider of a
5 program.

6 (b) *INITIAL DETERMINATION AND IDENTIFICATION.*—

7 (1) *POSTSECONDARY EDUCATIONAL INSTITU-*
8 *TIONS.*—To be eligible to receive funds as described in
9 subsection (a), an institution described in subsection
10 (a)(2)(A) shall submit an application at such time,
11 in such manner, and containing such information as
12 the designated State agency described in subsection (f)
13 may require, after consultation with the local part-
14 nerships in the State. On submission of the applica-
15 tion, the institution shall automatically be initially
16 eligible to receive such funds for the program de-
17 scribed in subsection (a)(2)(A).

18 (2) *OTHER PROVIDERS.*—

19 (A) *PROCEDURE.*—The Governor, in con-
20 sultation with the local partnerships in the
21 State, shall establish a procedure for determining
22 the initial eligibility of providers described in
23 subsection (a)(2)(B) to receive such funds for
24 specified programs. The procedure shall require a

1 provider of a program to meet minimum accept-
2 able levels of performance based on—

3 (i) performance criteria relating to the
4 rates, percentages, increases, and costs de-
5 scribed in subparagraph (C) for the pro-
6 gram, as demonstrated using verifiable pro-
7 gram-specific performance information de-
8 scribed in subparagraph (C) and submitted
9 to the designated State agency, as required
10 under subparagraph (C); and

11 (ii) performance criteria relating to
12 any characteristics for which local partner-
13 ships request the submission of information
14 under subparagraph (D) for the program,
15 as demonstrated using the information sub-
16 mitted.

17 (B) *MINIMUM LEVELS.*—The Governor
18 shall—

19 (i) consider, in determining such mini-
20 mum levels—

21 (I) criteria relating to the eco-
22 nomic, geographic, and demographic
23 factors in the local areas in which the
24 provider provides the program; and

1 (ii) the characteristics of the pop-
2 ulation served by such provider
3 through the program; and

4 (iii) verify the minimum levels of per-
5 formance by using quarterly records de-
6 scribed in section 321.

7 (C) APPLICATION.—To be initially eligible
8 to receive funds as described in subsection (a), a
9 provider described in subsection (a)(2)(B) shall
10 submit an application at such time, in such
11 manner, and containing such information as the
12 designated State agency may require, including
13 performance information on—

14 (i) program completion rates for par-
15 ticipants in the applicable program con-
16 ducted by the provider;

17 (ii) the percentage of the graduates of
18 the program placed in unsubsidized employ-
19 ment in an occupation related to the pro-
20 gram conducted;

21 (iii) retention rates of the graduates in
22 unsubsidized employment—

23 (I) 6 months after the first day of
24 the employment; and

1 (II) 12 months after the first day
2 of the employment;

3 (iv) the wages received by the grad-
4 uates placed in unsubsidized employment
5 after the completion of participation in the
6 program—

7 (I) on the first day of the employ-
8 ment;

9 (II) 6 months after the first day
10 of the employment; and

11 (III) 12 months after the first day
12 of the employment;

13 (v) where appropriate, the rates of li-
14 censure or certification of the graduates, at-
15 tainment of academic degrees or equiva-
16 lents, or attainment of other measures of
17 skill; and

18 (vi) program cost per participant in
19 the program.

20 (D) *ADDITIONAL INFORMATION.*—

21 (i) *IN GENERAL.*—In addition to the
22 performance information described in sub-
23 paragraph (C), the local partnerships in the
24 State involved may require that a provider
25 submit, to the local partnerships and to the

1 *designated State agency, other performance*
2 *information relating to the program to be*
3 *initially identified as an eligible provider of*
4 *training services, including information re-*
5 *garding the ability of the provider to pro-*
6 *vide continued counseling and support re-*
7 *garding the workplace to the graduates, for*
8 *not less than 12 months after the gradua-*
9 *tion involved.*

10 *(ii) HIGHER LEVELS OF PERFORMANCE*
11 *ELIGIBILITY.—The local partnership may*
12 *require higher levels of performance than*
13 *the minimum levels established under sub-*
14 *paragraph (A)(i) for initial eligibility to re-*
15 *ceive funds as described in subsection (a).*

16 *(3) LIST OF ELIGIBLE PROVIDERS BY PRO-*
17 *GRAM.—*

18 *(A) IN GENERAL.—The designated State*
19 *agency, after reviewing the performance informa-*
20 *tion described in paragraph (2)(C) and any in-*
21 *formation required to be submitted under para-*
22 *graph (2)(D) and using the procedure described*
23 *in paragraph (2)(B), shall—*

24 *(i) identify eligible providers of train-*
25 *ing services described in subparagraphs (A)*

1 and (B) of subsection (a)(2), including
2 identifying the programs of the providers
3 through which the providers may offer the
4 training services; and

5 (ii) compile a list of the eligible pro-
6 viders, and the programs, accompanied by
7 the performance information described in
8 paragraph (2)(C) and any information re-
9 quired to be submitted under paragraph
10 (2)(D) for each such provider described in
11 subsection (a)(2)(B).

12 (B) LOCAL MODIFICATION.—The local part-
13 nership may modify such list by reducing the
14 number of eligible providers listed, to ensure that
15 the eligible providers carry out programs that
16 provide skills that enable participants to obtain
17 local employment opportunities.

18 (c) SUBSEQUENT ELIGIBILITY.—

19 (1) INFORMATION AND CRITERIA.—To be eligible
20 to continue to receive funds as described in subsection
21 (a) for a program, a provider shall—

22 (A) submit the performance information de-
23 scribed in subsection (b)(2)(C) and any informa-
24 tion required to be submitted under subsection
25 (b)(2)(D) annually to the designated State agen-

1 *cy at such time and in such manner as the des-*
2 *ignated State agency may require for the pro-*
3 *gram; and*

4 *(B) annually meet the performance criteria*
5 *described in subsection (b)(2)(A) for the pro-*
6 *gram, as demonstrated utilizing quarterly*
7 *records described in section 321.*

8 (2) *LIST OF ELIGIBLE PROVIDERS BY PRO-*
9 *GRAM.—*

10 (A) *IN GENERAL.—The designated State*
11 *agency, after reviewing the performance informa-*
12 *tion and any other information submitted under*
13 *paragraph (1) and using the procedure described*
14 *in subsection (b)(2)(A), shall identify eligible*
15 *providers and programs, and compile a list of*
16 *the providers and programs, as described in sub-*
17 *section (b)(3), accompanied by the performance*
18 *information and other information for each such*
19 *provider.*

20 (B) *LOCAL MODIFICATION.—The local part-*
21 *nership may modify such list by reducing the*
22 *number of eligible providers listed, to ensure that*
23 *the eligible providers carry out programs that*
24 *provide skills that enable participants to obtain*
25 *local employment opportunities.*

1 (3) *AVAILABILITY.*—*Such list and information*
2 *shall be made widely available to participants in em-*
3 *ployment and training activities funded under this*
4 *subtitle, and to others, through the one-stop customer*
5 *service system described in section 315(b).*

6 (d) *ENFORCEMENT.*—

7 (1) *ACCURACY OF INFORMATION.*—*If the des-*
8 *ignated State agency, after consultation with the local*
9 *partnership involved, determines that a provider or*
10 *individual supplying information on behalf of a pro-*
11 *vider intentionally supplies inaccurate information*
12 *under this section, the agency shall terminate the eli-*
13 *gibility of the provider to receive funds described in*
14 *subsection (a) for a period of time, but not less than*
15 *2 years.*

16 (2) *COMPLIANCE WITH CRITERIA OR REQUIRE-*
17 *MENTS.*—*If the designated State agency, after con-*
18 *sultation with the local partnership, determines that*
19 *a provider described in this section or a program of*
20 *training services carried out by such a provider fails*
21 *to meet the required performance criteria described in*
22 *subsection (c)(1)(B) or subsection (e)(2), as appro-*
23 *priate, or materially violates any provision of this*
24 *title, including the regulations promulgated to imple-*
25 *ment this title, the agency may terminate the eligi-*

1 *bility of the provider to receive funds described in*
2 *subsection (a) for such program or take such other ac-*
3 *tion as the agency determines to be appropriate.*

4 (3) *REPAYMENT.*—*Any provider whose eligibility*
5 *is terminated under paragraph (1) or (2) for a pro-*
6 *gram shall be liable for repayment of funds described*
7 *in subsection (a) received for the program during any*
8 *period of noncompliance described in such paragraph.*

9 (4) *APPEAL.*—*The Governor shall establish a*
10 *procedure for a provider to appeal a determination*
11 *by the designated State agency that results in termi-*
12 *nation of eligibility under this subsection. Such proce-*
13 *dure shall provide an opportunity for a hearing and*
14 *prescribe appropriate time limits to ensure prompt*
15 *resolution of the appeal.*

16 (e) *ON-THE-JOB TRAINING EXCEPTION.*—

17 (1) *IN GENERAL.*—*Providers of on-the-job train-*
18 *ing shall not be subject to the requirements of sub-*
19 *sections (a) through (c).*

20 (2) *COLLECTION AND DISSEMINATION OF INFOR-*
21 *MATION.*—*A one-stop customer service center operator*
22 *in a local area shall collect such performance infor-*
23 *mation from on-the-job training providers as the Gov-*
24 *ernor may require, determine whether the providers*
25 *meet such performance criteria as the Governor may*

1 *require, and disseminate such information through*
2 *the one-stop customer service system.*

3 *(f) ADMINISTRATION.—The Governor shall designate a*
4 *State agency to collect and disseminate the performance in-*
5 *formation described in subsection (b)(2)(C) and any infor-*
6 *mation required to be submitted under subsection (b)(2)(D)*
7 *and carry out other duties described in this section.*

8 **SEC. 313. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
9 **YOUTH ACTIVITIES.**

10 *The youth partnership is authorized to award grants*
11 *and contracts on a competitive basis, based on the criteria*
12 *contained in the State plan and local plan, to providers*
13 *of youth activities, and conduct oversight with respect to*
14 *such providers, in the local area.*

15 **SEC. 314. STATEWIDE WORKFORCE INVESTMENT ACTIVI-**
16 **TIES.**

17 *(a) IN GENERAL.—Funds reserved by a Governor for*
18 *a State—*

19 *(1) under section 306(a)(2) shall be used to carry*
20 *out the statewide rapid response activities described*
21 *in subsection (b)(1); and*

22 *(2) under section 306(a)(1)—*

23 *(A) shall be used to carry out the statewide*
24 *workforce investment activities described in sub-*
25 *section (b)(2); and*

1 (B) may be used to carry out any of the
2 statewide workforce investment activities de-
3 scribed in subsection (c),
4 regardless of whether the funds were allotted to the
5 State under paragraph (1), (2), or (3) of section
6 302(b).

7 (b) *REQUIRED STATEWIDE WORKFORCE INVESTMENT*
8 *ACTIVITIES.*—

9 (1) *STATEWIDE RAPID RESPONSE ACTIVITIES.*—
10 A State shall use funds reserved under section
11 306(a)(2) to carry out statewide rapid response ac-
12 tivities, which shall include—

13 (A) provision of rapid response activities,
14 carried out in local areas by the State, working
15 in conjunction with the local partnership and
16 the chief elected official in the local area; and

17 (B) provision of additional assistance to
18 local areas that experience disasters, mass layoffs
19 or plant closings, or other events that precipitate
20 substantial increases in the number of unem-
21 ployed individuals, carried out in the local areas
22 by the State, working in conjunction with the
23 local partnership and the chief elected official in
24 the local areas.

1 (2) *OTHER REQUIRED STATEWIDE WORKFORCE*
2 *INVESTMENT ACTIVITIES.*—*A State shall use funds re-*
3 *served under section 306(a)(1) to carry out other*
4 *statewide workforce investment activities, which shall*
5 *include—*

6 (A) *disseminating the list of eligible provid-*
7 *ers of training services, including eligible provid-*
8 *ers of nontraditional training services, and the*
9 *performance information as described in sub-*
10 *sections (b) and (c) of section 312, and a list of*
11 *eligible providers of youth activities described in*
12 *section 313;*

13 (B) *conducting evaluations, under section*
14 *321(e), of activities authorized in this section,*
15 *section 315, and section 316, in coordination*
16 *with the activities carried out under section 368;*

17 (C) *providing incentive grants to local*
18 *areas for regional cooperation among local part-*
19 *nerships, for local coordination and nonduplica-*
20 *tion of activities carried out under this Act, and*
21 *for comparative performance by local areas on*
22 *the local performance measures described in sec-*
23 *tion 321(c);*

1 (D) providing technical assistance to local
2 areas that fail to meet local performance meas-
3 ures;

4 (E) assisting in the establishment and oper-
5 ation of a one-stop customer service system; and

6 (F) operating a fiscal and management ac-
7 countability information system under section
8 321(f).

9 (c) *ALLOWABLE STATEWIDE WORKFORCE INVESTMENT*
10 *ACTIVITIES.*—

11 (1) *IN GENERAL.*—A State may use funds re-
12 served under section 306(a)(1) to carry out additional
13 statewide workforce investment activities, which may
14 include—

15 (A) subject to paragraph (2), administra-
16 tion by the State of the workforce investment ac-
17 tivities carried out under this subtitle;

18 (B) identification and implementation of
19 incumbent worker training programs, which
20 may include the establishment and implementa-
21 tion of an employer loan program;

22 (C) carrying out other activities authorized
23 in section 315 that the State determines to be
24 necessary to assist local areas in carrying out
25 activities described in subsection (c) or (d) of sec-

1 *tion 315 through the statewide workforce invest-*
2 *ment system; and*

3 *(D) carrying out, on a statewide basis, ac-*
4 *tivities described in section 316.*

5 *(2) LIMITATION.—*

6 *(A) IN GENERAL.—Of the funds allotted to*
7 *a State under section 302(b) and reserved under*
8 *section 306(a)(1) for a fiscal year—*

9 *(i) not more than 5 percent of the*
10 *amount allotted under section 302(b)(1);*

11 *(ii) not more than 5 percent of the*
12 *amount allotted under section 302(b)(2);*

13 *and*

14 *(iii) not more than 5 percent of the*
15 *amount allotted under section 302(b)(3),*

16 *may be used by the State for the administration*
17 *of statewide workforce investment activities car-*
18 *ried out under this section.*

19 *(B) USE OF FUNDS.—Funds made available*
20 *for administrative costs under subparagraph (A)*
21 *may be used for the administrative cost of any*
22 *of the statewide workforce investment activities,*
23 *regardless of whether the funds were allotted to*
24 *the State under paragraph (1), (2), or (3) of sec-*
25 *tion 302(b).*

1 (d) *PROHIBITION.*—No funds described in subsection
2 (a) shall be used to develop or implement education curric-
3 ula for school systems in the State.

4 **SEC. 315. LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.**

5 (a) *IN GENERAL.*—Funds received by a local area
6 under paragraph (3)(A) or (4)(A), as appropriate, of sec-
7 tion 306(b), and funds received by the local area under sec-
8 tion 306(b)(3)(B)—

9 (1) shall be used to carry out employment and
10 training activities described in subsection (c) for
11 adults or dislocated workers, as appropriate; and

12 (2) may be used to carry out employment and
13 training activities described in subsection (d) for
14 adults or dislocated workers, as appropriate.

15 (b) *ESTABLISHMENT OF ONE-STOP CUSTOMER SERV-*
16 *ICE SYSTEM.*—

17 (1) *IN GENERAL.*—There shall be established in
18 a State that receives an allotment under section 302
19 a one-stop customer service system, which—

20 (A) shall provide the core services described
21 in subsection (c)(2);

22 (B) shall provide access to training services
23 as described in subsection (c)(3);

24 (C) shall provide access to the activities (if
25 any) carried out under subsection (d); and

1 (D) shall provide access to the information
2 described in section 15 of the Wagner-Peyser Act
3 and all job search, placement, recruitment, and
4 other labor exchange services authorized under
5 the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

6 (2) ONE-STOP DELIVERY.—At a minimum, the
7 one-stop customer service system—

8 (A) shall make each of the services described
9 in paragraph (1) accessible at not less than 1
10 physical customer service center in each local
11 area of the State; and

12 (B) may also make services described in
13 paragraph (1) available—

14 (i) through a network of customer serv-
15 ice centers that can provide 1 or more of the
16 services described in paragraph (1) to such
17 individuals; and

18 (ii) through a network of eligible one-
19 stop partners—

20 (I) in which each partner pro-
21 vides 1 or more of the services to such
22 individuals and is accessible at a cus-
23 tomer service center that consists of a
24 physical location or an electronically

1 or technologically linked access point;
2 and

3 (II) that assures individuals that
4 information on the availability of core
5 services will be available regardless of
6 where the individuals initially enter
7 the statewide workforce investment sys-
8 tem, including information made
9 available through an access point de-
10 scribed in subclause (I).

11 (c) *REQUIRED LOCAL ACTIVITIES.*—

12 (1) *IN GENERAL.*—Funds received by a local
13 area under paragraph (3)(A) or (4)(A), as appro-
14 priate, of section 306(b), and funds received by the
15 local area under section 306(b)(3)(B), shall be used—

16 (A) to establish a one-stop customer service
17 center described in subsection (b);

18 (B) to provide the core services described in
19 paragraph (2) to participants described in such
20 paragraph through the one-stop customer service
21 system; and

22 (C) to provide training services described in
23 paragraph (3) to participants described in such
24 paragraph.

1 (2) *CORE SERVICES*.—*Funds received by a local*
2 *area as described in paragraph (1) shall be used to*
3 *provide core services, which shall be available to all*
4 *individuals seeking assistance through a one-stop cus-*
5 *tomers service system and shall, at a minimum, in-*
6 *clude—*

7 (A) *determinations of whether the individ-*
8 *uals are eligible to receive activities under this*
9 *subtitle;*

10 (B) *outreach, intake (which may include*
11 *worker profiling), and orientation to the infor-*
12 *mation and other services available through the*
13 *one-stop customer service system;*

14 (C) *initial assessment of skill levels, apti-*
15 *tudes, abilities, and supportive service needs;*

16 (D) *case management assistance, as appro-*
17 *priate;*

18 (E) *job search and placement assistance;*

19 (F) *provision of information regarding—*

20 (i) *local, State, and, if appropriate, re-*
21 *gional or national, employment opportuni-*
22 *ties; and*

23 (ii) *job skills necessary to obtain the*
24 *employment opportunities;*

1 (G) provision of performance information
2 on eligible providers of training services as de-
3 scribed in section 312, provided by program, and
4 eligible providers of youth activities as described
5 in section 313, eligible providers of adult edu-
6 cation as described in title II, eligible providers
7 of postsecondary vocational education activities
8 and vocational education activities available to
9 school dropouts as described in title I, and eligi-
10 ble providers of vocational rehabilitation pro-
11 gram activities as described in title I of the Re-
12 habilitation Act of 1973;

13 (H) provision of performance information
14 on the activities carried out by one-stop part-
15 ners, as appropriate;

16 (I) provision of information regarding how
17 the local area is performing on the local perform-
18 ance measures described in section 321(c), and
19 any additional performance information pro-
20 vided to the one-stop customer service center by
21 the local partnership;

22 (J) provision of accurate information relat-
23 ing to the availability of supportive services, in-
24 cluding child care and transportation, available

1 *in the local area, and referral to such services,*
2 *as appropriate;*

3 *(K) provision of information regarding fil-*
4 *ing claims for unemployment compensation;*

5 *(L) assistance in establishing eligibility*
6 *for—*

7 *(i) welfare-to-work activities authorized*
8 *under section 403(a)(5) of the Social Secu-*
9 *rity Act (as added by section 5001 of the*
10 *Balanced Budget Act of 1997) available in*
11 *the local area; and*

12 *(ii) programs of financial aid assist-*
13 *ance for training and education programs*
14 *that are not funded under this Act and are*
15 *available in the local area; and*

16 *(M) followup services, including counseling*
17 *regarding the workplace, for participants in*
18 *workforce investment activities who are placed in*
19 *unsubsidized employment, for not less than 12*
20 *months after the first day of the employment, as*
21 *appropriate.*

22 *(3) REQUIRED TRAINING SERVICES.—*

23 *(A) ELIGIBLE PARTICIPANTS.—Funds re-*
24 *ceived by a local area as described in paragraph*

1 (1) shall be used to provide training services to
2 individuals—

3 (i) who are adults (including dis-
4 located workers);

5 (ii) who seek the services;

6 (iii)(I) who are unable to obtain em-
7 ployment through the core services; or

8 (II) who are employed and who are de-
9 termined by a one-stop customer service
10 center operator to be in need of such train-
11 ing services in order to gain or retain em-
12 ployment that allows for self-sufficiency;

13 (iv) who after an interview, evaluation,
14 or assessment, and case management, have
15 been determined by a one-stop customer
16 service center operator or one-stop partner,
17 as appropriate, to be in need of training
18 services and to have the skills and qualifica-
19 tions, to successfully participate in the se-
20 lected program of training services;

21 (v) who select programs of training
22 services that are directly linked to the em-
23 ployment opportunities in the local area in-
24 volved or in another area in which the

1 *adults receiving such services are willing to*
2 *relocate;*

3 *(vi) who meet the requirements of sub-*
4 *paragraph (B); and*

5 *(vii) who are determined to be eligible*
6 *in accordance with the priority system, if*
7 *any, in effect under subparagraph (D).*

8 *(B) QUALIFICATION.—*

9 *(i) REQUIREMENT.—Except as pro-*
10 *vided in clause (ii), provision of such train-*
11 *ing services shall be limited to individuals*
12 *who—*

13 *(I) are unable to obtain other*
14 *grant assistance for such services, in-*
15 *cluding Federal Pell Grants established*
16 *under title IV of the Higher Education*
17 *Act of 1965 (20 U.S.C. 1070 et seq.); or*

18 *(II) require assistance beyond the*
19 *assistance made available under other*
20 *grant assistance programs, including*
21 *Federal Pell Grants.*

22 *(ii) REIMBURSEMENTS.—Training*
23 *services may be provided under this para-*
24 *graph to an individual who otherwise meets*
25 *the requirements of this paragraph while an*

1 *application for a Federal Pell Grant is*
2 *pending, except that if such individual is*
3 *subsequently awarded a Federal Pell Grant,*
4 *appropriate reimbursement shall be made to*
5 *the local area from such Federal Pell Grant.*

6 (C) *TRAINING SERVICES.—Training services*
7 *may include—*

8 (i) *employment skill training;*

9 (ii) *on-the-job training;*

10 (iii) *job readiness training; and*

11 (iv) *adult education services when pro-*
12 *vided in combination with services described*
13 *in clause (i), (ii), or (iii).*

14 (D) *PRIORITY.—In the event that funds are*
15 *limited within a local area for adult employment*
16 *and training activities, priority shall be given to*
17 *disadvantaged adults for receipt of training serv-*
18 *ices provided under this paragraph. The appro-*
19 *priate local partnership and the Governor shall*
20 *direct the one-stop customer service center opera-*
21 *tor in the local area with regard to making de-*
22 *terminations related to such priority.*

23 (E) *DELIVERY OF SERVICES.—Training*
24 *services provided under this paragraph shall be*
25 *provided—*

1 (i) *except as provided in section*
2 *312(e), through eligible providers of such*
3 *services identified in accordance with sec-*
4 *tion 312; and*

5 (ii) *in accordance with subparagraph*
6 *(F).*

7 (F) *CONSUMER CHOICE REQUIREMENTS.—*

8 (i) *IN GENERAL.—Training services*
9 *provided under this paragraph shall be pro-*
10 *vided in a manner that maximizes con-*
11 *sumer choice in the selection of an eligible*
12 *provider of such services.*

13 (ii) *ELIGIBLE PROVIDERS.—Each local*
14 *partnership, through one-stop customer*
15 *service centers, shall make available—*

16 (I) *the list of eligible providers re-*
17 *quired under subsection (b)(3) or (c)(2)*
18 *of section 312, with a description of the*
19 *programs through which the providers*
20 *may offer the training services, and a*
21 *list of the names of on-the-job training*
22 *providers; and*

23 (II) *the performance information*
24 *on eligible providers of training serv-*
25 *ices as described in section 312.*

1 (iii) *EMPLOYMENT INFORMATION.*—
2 Each local partnership, through one-stop
3 customer service centers, shall make avail-
4 able—

5 (I) information regarding local,
6 State, and, if appropriate, regional or
7 national, employment opportunities;
8 and

9 (II) information regarding the job
10 skills necessary to obtain the employ-
11 ment opportunities.

12 (iv) *INDIVIDUAL TRAINING AC-*
13 *COUNTS.*—An individual who is eligible
14 pursuant to subparagraph (A) and seeks
15 training services may select, in consultation
16 with a case manager, an eligible provider of
17 training services from the lists of providers
18 described in clause (ii)(I). Upon such selec-
19 tion, the operator of the one-stop customer
20 service center shall, to the extent prac-
21 ticable, refer such individual to the eligible
22 provider of training services, and arrange
23 for payment for such services through an
24 individual training account.

25 (d) *PERMISSIBLE LOCAL ACTIVITIES.*—

1 (1) *DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.*—Funds received by a local area under paragraph (3)(A) or (4)(A), as appropriate, of section 306(b), and funds received by the local area under section 306(b)(3)(B) may be used to provide, through one-stop delivery described in subsection (b)(2)—

2 (A) *intensive employment-related services for adults;*

3 (B) *customized screening and referral of qualified participants in training services to employment; and*

4 (C) *customized employment-related services to employers.*

5 (2) *SUPPORTIVE SERVICES.*—Funds received by the local area as described in paragraph (1) may be used to provide supportive services to participants—

6 (A) *who are participating in activities described in this section; and*

7 (B) *who are unable to obtain such supportive services through other programs providing such services.*

8 (3) *NEEDS-RELATED PAYMENTS.*—

9 (A) *IN GENERAL.*—Funds received by the local area under section 306(b)(3)(B) may be used to provide needs-related payments to dis-

1 *located workers who do not qualify for, or have*
2 *exhausted, unemployment compensation, for the*
3 *purpose of enabling such individuals to partici-*
4 *pate in training services.*

5 (B) *ADDITIONAL ELIGIBILITY REQUIRE-*
6 *MENTS.—In addition to the requirements con-*
7 *tained in subparagraph (A), a dislocated worker*
8 *who has ceased to qualify for unemployment*
9 *compensation may be eligible to receive needs-re-*
10 *lated payments under this paragraph only if*
11 *such worker was enrolled in the training serv-*
12 *ices—*

13 *(i) by the end of the 13th week after the*
14 *most recent layoff that resulted in a deter-*
15 *mination of the worker's eligibility for em-*
16 *ployment and training activities for dis-*
17 *located workers under this subtitle; or*

18 *(ii) if later, by the end of the 8th week*
19 *after the worker is informed that a short-*
20 *term layoff will exceed 6 months.*

21 (C) *LEVEL OF PAYMENTS.—The level of a*
22 *needs-related payment made to a dislocated*
23 *worker under this paragraph shall not exceed the*
24 *greater of—*

1 (i) *the applicable level of unemploy-*
2 *ment compensation; or*

3 (ii) *if such worker did not qualify for*
4 *unemployment compensation, an amount*
5 *equal to the poverty line, for an equivalent*
6 *period, which amount shall be adjusted to*
7 *reflect changes in total family income.*

8 **SEC. 316. LOCAL YOUTH ACTIVITIES.**

9 (a) *PURPOSES.—The purposes of this section are—*

10 (1) *to provide, to youth seeking assistance in*
11 *achieving academic and employment success, effective*
12 *and comprehensive activities, which shall include a*
13 *variety of options for improving educational and skill*
14 *competencies and provide effective connections to em-*
15 *ployers;*

16 (2) *to ensure continuous contact for youth with*
17 *committed adults;*

18 (3) *to provide opportunities for training to*
19 *youth;*

20 (4) *to provide continued support services for*
21 *youth;*

22 (5) *to provide incentives for recognition and*
23 *achievement to youth; and*

1 (6) to provide opportunities for youth in activi-
2 ties related to leadership, development, decision-
3 making, citizenship, and community service.

4 (b) *REQUIRED ELEMENTS.*—Funds received by a local
5 area under paragraph (3)(C) or (4)(B) of section 306(b)
6 shall be used to carry out, for youth who seek the activities,
7 activities that—

8 (1) consist of the provision of—

9 (A) tutoring, study skills training, and in-
10 struction, leading to completion of secondary
11 school, including dropout prevention strategies;

12 (B) alternative secondary school services;

13 (C) summer employment opportunities and
14 other paid and unpaid work experiences, includ-
15 ing internships and job shadowing;

16 (D) employment skill training, as appro-
17 priate;

18 (E) community service and leadership de-
19 velopment opportunities;

20 (F) services described in section 315(c)(2);

21 (G) supportive services;

22 (H) adult mentoring for the period of par-
23 ticipation and a subsequent period, for a total of
24 not less than 12 months; and

1 (I) followup services for not less than 12
2 months after the completion of participation, as
3 appropriate;

4 (2) provide—

5 (A) preparation for postsecondary edu-
6 cational opportunities, in appropriate cases;

7 (B) strong linkages between academic and
8 occupational learning;

9 (C) preparation for unsubsidized employ-
10 ment opportunities, in appropriate cases; and

11 (D) effective connections to intermediaries
12 with strong links to—

13 (i) the job market; and

14 (ii) local and regional employers; and

15 (3) involve parents, participants, and other
16 members of the community with experience relating to
17 youth in the design and implementation of the activi-
18 ties.

19 (c) *PRIORITY.*—

20 (1) *IN GENERAL.*—At a minimum, 50 percent of
21 the funds described in subsection (b) shall be used to
22 provide youth activities to out-of-school youth.

23 (2) *EXCEPTION.*—A State that receives a mini-
24 mum allotment under paragraph (1) or (3) of section
25 302(b) in accordance with section 302(b)(1)(B)(iv)(II)

1 *may reduce the percentage described in paragraph (1)*
2 *for a local area in the State, if—*

3 *(A) after an analysis of the youth popu-*
4 *lation in the local area, the State determines*
5 *that the local area will be unable to meet the per-*
6 *centage described in paragraph (1) due to a low*
7 *number of out-of-school youth; and*

8 *(B)(i) the State submits to the Secretary,*
9 *for the local area, a request including a proposed*
10 *reduced percentage for purposes of paragraph*
11 *(1), and the summary of the youth population*
12 *analysis; and*

13 *(ii) the request is approved by the Sec-*
14 *retary.*

15 *(d) PROHIBITIONS.—*

16 *(1) NO LOCAL EDUCATION CURRICULUM.—No*
17 *funds described in subsection (b) shall be used to de-*
18 *velop or implement local school system education cur-*
19 *ricula.*

20 *(2) NONDUPLICATION.—No funds described in*
21 *subsection (b) shall be used to carry out activities that*
22 *duplicate federally funded activities available to*
23 *youth in the local area.*

24 *(3) NONINTERFERENCE AND NONREPLACEMENT*
25 *OF REGULAR ACADEMIC REQUIREMENTS.—No funds*

1 *described in subsection (b) shall be used to provide an*
2 *activity for youth who are not school dropouts if par-*
3 *ticipation in the activity would interfere with or re-*
4 *place the regular academic requirements of the youth.*

5 **CHAPTER 4—GENERAL PROVISIONS**

6 **SEC. 321. ACCOUNTABILITY.**

7 (a) *PURPOSE.*—*The purpose of this section is to estab-*
8 *lish comprehensive performance measures to assess the effec-*
9 *tiveness of States and local areas in achieving continuous*
10 *improvement of workforce investment activities funded*
11 *under this subtitle, in order to maximize the return on in-*
12 *vestment of Federal funds in State and local workforce de-*
13 *velopment activities.*

14 (b) *STATE PERFORMANCE MEASURES.*—

15 (1) *IN GENERAL.*—*To be eligible to receive an al-*
16 *lotment under section 302, a State shall establish, and*
17 *identify in the State plan, State performance meas-*
18 *ures. Each State performance measure shall consist of*
19 *an indicator of performance referred to in paragraph*
20 *(2) or (3) and a level of performance referred to in*
21 *paragraph (4).*

22 (2) *CORE INDICATORS OF PERFORMANCE.*—

23 (A) *IN GENERAL.*—*The State performance*
24 *measures shall include indicators of performance*
25 *for workforce investment activities provided*

1 *under this subtitle (except for self-service and in-*
2 *formational activities) for each of the population*
3 *groups described in subparagraph (B). Such in-*
4 *dicators, at a minimum, shall consist of—*

5 *(i) entry into unsubsidized employ-*
6 *ment;*

7 *(ii) retention in unsubsidized employ-*
8 *ment 6 months after entry into the employ-*
9 *ment;*

10 *(iii) earnings received in unsubsidized*
11 *employment 6 months after entry into the*
12 *employment; and*

13 *(iv) attainment of a recognized creden-*
14 *tial relating to achievement of educational*
15 *skills (including basic skills) or occupa-*
16 *tional skills, by participants who entered*
17 *unsubsidized employment, or by partici-*
18 *pants who are in-school youth, taking into*
19 *account attainment of more than 1 such*
20 *credential.*

21 *(B) POPULATION GROUPS.—The indicators*
22 *described in subparagraph (A) shall be applica-*
23 *ble to each of the following populations:*

24 *(i) Dislocated workers.*

1 (ii) *Economically disadvantaged*
2 *adults.*

3 (iii) *Youth.*

4 (3) *ADDITIONAL INDICATORS OF PERFORM-*
5 *ANCE.—*

6 (A) *CUSTOMER SATISFACTION INDICA-*
7 *TORS.—A State shall identify in the State plan*
8 *an indicator of performance concerning customer*
9 *satisfaction of employers and workers with re-*
10 *sults achieved from the workforce investment ac-*
11 *tivities in which the employers and workers par-*
12 *ticipated under this subtitle. The customer satis-*
13 *faction may be measured through surveys con-*
14 *ducted after the conclusion of participation in*
15 *the workforce investment activities.*

16 (B) *ADDITIONAL INDICATORS.—A State*
17 *may identify in the State plan additional indi-*
18 *cators of performance relating to State goals for*
19 *workforce investment, including goals for the eco-*
20 *nomie success of the citizens of the State or other*
21 *State goals related to the objectives of this sub-*
22 *title.*

23 (4) *STATE LEVELS OF PERFORMANCE.—*

24 (A) *IN GENERAL.—The Secretary and each*
25 *Governor shall reach agreement on the levels of*

1 *performance expected to be achieved by the State*
2 *on the State performance measures established*
3 *pursuant to this subsection. In reaching the*
4 *agreement, the Secretary and Governor shall es-*
5 *tablish a level of performance for each of the in-*
6 *dicators of performance described in paragraphs*
7 *(2) and (3). Such agreement shall take into ac-*
8 *count—*

9 *(i) how the levels compare with the lev-*
10 *els established by other States, taking into*
11 *account factors including differences in eco-*
12 *nomical conditions, the characteristics of par-*
13 *ticipants when the participants entered the*
14 *program, and the services to be provided;*

15 *(ii) the extent to which such levels pro-*
16 *mote continuous improvement in perform-*
17 *ance on the performance measures by such*
18 *State and ensure maximum return on the*
19 *investment of Federal funds; and*

20 *(iii) the extent to which the levels will*
21 *assist the State in attaining the workforce*
22 *investment goals of the State.*

23 *(B) ADJUSTMENTS.—If unanticipated cir-*
24 *cumstances arise in a State resulting in a sig-*
25 *nificant change in the factors described in sub-*

1 paragraph (A)(i), the Governor may request that
2 the levels of performance agreed to under sub-
3 paragraph (A) be adjusted. The Secretary, after
4 collaboration with the representatives described
5 in subsection (i), shall issue objective criteria
6 and methods for making such adjustments.

7 (c) LOCAL PERFORMANCE MEASURES.—

8 (1) IN GENERAL.—Each Governor shall negotiate
9 and reach agreement with the local partnership and
10 the chief elected official in each local area on local
11 performance measures, based on the State perform-
12 ance measures identified in the State plan. Each local
13 performance measure shall consist of an indicator of
14 performance referred to in paragraph (2) or (3) of
15 subsection (b) and a level of performance referred to
16 in paragraph (2).

17 (2) AGREEMENT.—

18 (A) IN GENERAL.—In reaching the agree-
19 ment, the Governor, local partnership, and chief
20 elected official shall establish an expected level of
21 performance for each of the indicators of per-
22 formance.

23 (B) CONSIDERATIONS.—Such agreement
24 shall take into account at the local level the mat-

1 *ters considered at the State level under clauses*
2 *(i), (ii), and (iii) of subsection (b)(4)(A).*

3 (C) *ADJUSTMENTS.*—*If unanticipated cir-*
4 *cumstances arise in a local area resulting in a*
5 *significant change in the factors referred to in*
6 *subsection (b)(4)(A)(i), the local partnership and*
7 *chief elected official may request that the levels*
8 *of performance agreed to under paragraph (1) be*
9 *adjusted, using criteria and methods referred to*
10 *in subsection (b)(4)(B).*

11 (d) *REPORT.*—

12 (1) *IN GENERAL.*—*Each State that receives an*
13 *allotment under section 302 shall annually prepare*
14 *and submit to the Secretary a report on the progress*
15 *of the State in achieving State performance measures.*
16 *The annual report also shall include information re-*
17 *garding the progress of local areas in achieving local*
18 *performance measures. The report also shall include*
19 *information on the status of State evaluations of*
20 *workforce investment activities described in subsection*
21 *(e).*

22 (2) *ADDITIONAL INFORMATION.*—*In preparing*
23 *such report, the State shall include, at a minimum,*
24 *information on participants in workforce investment*
25 *activities relating to—*

1 (A) entry by participants who have com-
2 pleted training services provided under section
3 315(c)(3) into unsubsidized employment related
4 to the training received;

5 (B) wages at entry into employment for
6 participants in workforce investment activities
7 who entered unsubsidized employment, including
8 the rate of wage replacement for such partici-
9 pants who are dislocated workers;

10 (C) cost of workforce investment activities
11 relative to the effect of the activities on the per-
12 formance of participants;

13 (D) retention and earnings received in un-
14 subsidized employment 12 months after entry
15 into the employment;

16 (E) performance with respect to the indica-
17 tors of performance specified in subsection (b)(2)
18 of participants in workforce investment activities
19 who received the training services compared with
20 the performance of participants in workforce in-
21 vestment activities who received only services
22 other than the training services (excluding par-
23 ticipants who received only self-service and in-
24 formational activities); and

1 (F) performance with respect to the indica-
2 tors of performance specified in subsection (b)(2)
3 of welfare recipients, out-of-school youth, veter-
4 ans, and individuals with disabilities.

5 (3) *INFORMATION DISSEMINATION.*—The Sec-
6 retary shall make the information contained in such
7 reports available to Congress, the Library of Congress,
8 and the public through publication and other appro-
9 priate methods. The Secretary shall disseminate
10 State-by-State comparisons of the information after
11 adjusting the information to take account of dif-
12 ferences in specific circumstances, including economic
13 circumstances, of the States and after consulting with
14 each Governor as to the accuracy of the information
15 after adjustment.

16 (e) *EVALUATION OF STATE PROGRAMS.*—

17 (1) *IN GENERAL.*—Using funds made available
18 under this subtitle, the State, in coordination with
19 local partnerships in the State, shall conduct ongoing
20 evaluation studies of workforce investment activities
21 carried out in the State under this subtitle in order
22 to promote, establish, implement, and utilize methods
23 for continuously improving the activities in order to
24 achieve high-level performance within, and high-level
25 outcomes from, the statewide workforce investment

1 *system. To the maximum extent practicable, the State*
2 *shall coordinate the evaluations with the evaluations*
3 *provided for by the Secretary under section 368.*

4 (2) *DESIGN.—The evaluation studies conducted*
5 *under this subsection shall be designed in conjunction*
6 *with the statewide partnership and local partnerships*
7 *and shall include analysis of customer feedback and*
8 *outcome and process measures in the statewide work-*
9 *force investment system.*

10 (3) *RESULTS.—The State shall periodically pre-*
11 *pare and submit to the statewide partnership and*
12 *local partnerships in the State reports containing the*
13 *results of evaluation studies conducted under this sub-*
14 *section, to promote the efficiency and effectiveness of*
15 *the statewide workforce investment system in improv-*
16 *ing employability for jobseekers and competitiveness*
17 *for employers.*

18 (f) *FISCAL AND MANAGEMENT ACCOUNTABILITY IN-*
19 *FORMATION SYSTEMS.—*

20 (1) *IN GENERAL.—Using funds made available*
21 *under this subtitle, the Governor, in coordination*
22 *with local partnerships and chief elected officials in*
23 *the State, shall establish and operate a fiscal and*
24 *management accountability information system based*
25 *on guidelines established by the Secretary after con-*

1 *sultation with the Governors, local elected officials,*
2 *and officers of agencies that administer workforce in-*
3 *vestment activities in local areas. Such guidelines*
4 *shall promote efficient collection and use of fiscal and*
5 *management information for reporting and monitor-*
6 *ing the use of funds made available under this subtitle*
7 *and for preparing the annual report described in sub-*
8 *section (d).*

9 (2) *WAGE RECORDS.—In measuring the progress*
10 *of the State on State and local performance measures,*
11 *a State shall utilize quarterly wage records. The Sec-*
12 *retary shall make arrangements to ensure that the*
13 *wage records of any State are available to any other*
14 *State to the extent that such wage records are re-*
15 *quired by the State in carrying out the State plan of*
16 *the State or completing the annual report described*
17 *in subsection (d).*

18 (3) *CONFIDENTIALITY.—In carrying out the re-*
19 *quirements of this Act, the State shall comply with*
20 *section 444 of the General Education Provisions Act*
21 *(20 U.S.C. 1232g) (as added by the Family Edu-*
22 *cational Rights and Privacy Act of 1974).*

23 (g) *SANCTIONS.—*

24 (1) *TECHNICAL ASSISTANCE OR REDUCTION OF*
25 *ALLOTMENTS.—The Secretary shall—*

1 (A) if a State failed to meet $\frac{1}{3}$ or more of
2 the State performance measures for any year,
3 provide technical assistance in accordance with
4 section 366(b) to the State to improve the level
5 of performance of the State; and

6 (B) if a State failed to meet $\frac{1}{2}$ or more of
7 the State performance measures for each of 2
8 consecutive years, or failed to meet the State per-
9 formance measures and the extent of the failure
10 with respect to $\frac{1}{3}$ of such measures was signifi-
11 cant for each of 2 consecutive years—

12 (i) determine whether the failure in-
13 volved is attributable to—

14 (I) adult employment and train-
15 ing activities;

16 (II) dislocated worker employment
17 and training activities; or

18 (III) youth activities; and

19 (ii) reduce, by not more than 5 per-
20 cent, the allotment of the State under sec-
21 tion 302 for 1 year for the category of ac-
22 tivities described in clause (i) to which the
23 failure is attributable.

24 (2) *CRITERIA.*—The Secretary, after collabora-
25 tion with the representatives described in subsection

1 *(i), shall issue objective criteria for determining cases*
2 *in which the extent of failure is significant for pur-*
3 *poses of paragraph (1)(B).*

4 *(3) FUNDS RESULTING FROM REDUCED ALLOT-*
5 *MENTS.—The Secretary shall use an amount retained,*
6 *as a result of a reduction in an allotment to a State*
7 *made under paragraph (1)(B), to provide technical*
8 *assistance in accordance with section 366 to such*
9 *State.*

10 *(h) INCENTIVE GRANTS.—The Secretary shall make in-*
11 *centive grants under this title in accordance with section*
12 *365 to States that exceed the levels of performance for per-*
13 *formance measures established under this Act. In awarding*
14 *incentive grants under this title, the Secretary shall give*
15 *special consideration to those States achieving the highest*
16 *levels of performance on indicators of performance related*
17 *to employment retention and earnings.*

18 *(i) OTHER MEASURES AND TERMINOLOGY.—*

19 *(1) RESPONSIBILITIES.—The Secretary, after*
20 *collaboration with representatives of appropriate Fed-*
21 *eral agencies, and representatives of States and politi-*
22 *cal subdivisions, business and industry, employees, el-*
23 *igible providers of employment and training activi-*
24 *ties, educators, and participants, with expertise re-*

1 *garding workforce investment policies and workforce*
2 *investment activities, shall issue—*

3 *(A) definitions for information required to*
4 *be reported under subsection (d)(2);*

5 *(B) terms for a menu of additional indica-*
6 *tors of performance described in subsection*
7 *(b)(3)(B) to assist States in assessing their*
8 *progress toward State workforce investment*
9 *goals;*

10 *(C) objective criteria and methods described*
11 *in subsection (b)(4)(B) for making adjustments*
12 *to levels of performance; and*

13 *(D) objective criteria described in subsection*
14 *(g)(2) for determining significant extent of fail-*
15 *ure on performance measures.*

16 *(2) DEFINITIONS FOR CORE INDICATORS.—The*
17 *Secretary and the representatives described in para-*
18 *graph (1) shall participate in the activities described*
19 *in section 502 concerning the issuance of definitions*
20 *for indicators of performance described in subsection*
21 *(b)(2).*

22 *(3) ASSISTANCE.—The Secretary shall make the*
23 *services of objective staff available to the representa-*
24 *tives to assist the representatives in participating in*

1 *the collaboration described in paragraph (1) and in*
2 *the activities described in section 502.*

3 **SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) *ADULT EMPLOYMENT AND TRAINING ACTIVI-*
5 *TIES.—There are authorized to be appropriated to carry out*
6 *the activities described in section 302(a)(1) under this sub-*
7 *title, such sums as may be necessary for each of fiscal years*
8 *1999 through 2004.*

9 (b) *DISLOCATED WORKER EMPLOYMENT AND TRAIN-*
10 *ING ACTIVITIES.—There are authorized to be appropriated*
11 *to carry out the activities described in section 302(a)(2)*
12 *under this subtitle, such sums as may be necessary for each*
13 *of fiscal years 1999 through 2004.*

14 (c) *YOUTH ACTIVITIES.—There are authorized to be*
15 *appropriated to carry out the activities described in section*
16 *302(a)(3) under this subtitle, such sums as may be nec-*
17 *essary for each of fiscal years 1999 through 2004.*

18 **Subtitle B—Job Corps**

19 **SEC. 331. PURPOSES.**

20 *The purposes of this subtitle are—*

21 (1) *to maintain a national Job Corps program,*
22 *carried out in partnership with States and commu-*
23 *nities, to assist eligible youth who need and can bene-*
24 *fit from an intensive program, operated in a group*
25 *setting in residential and nonresidential centers, to*

1 *become more responsible, employable, and productive*
2 *citizens;*

3 (2) *to set forth standards and procedures for se-*
4 *lecting individuals as enrollees in the Job Corps;*

5 (3) *to authorize the establishment of Job Corps*
6 *centers in which enrollees will participate in inten-*
7 *sive programs of activities described in this subtitle;*
8 *and*

9 (4) *to prescribe various other powers, duties, and*
10 *responsibilities incident to the operation and continu-*
11 *ing development of the Job Corps.*

12 **SEC. 332. DEFINITIONS.**

13 *In this subtitle:*

14 (1) *APPLICABLE LOCAL PARTNERSHIP.—The*
15 *term “applicable local partnership” means a local*
16 *partnership—*

17 (A) *that provides information for a Job*
18 *Corps center on local employment opportunities*
19 *and the job skills needed to obtain the opportuni-*
20 *ties; and*

21 (B) *that serves communities in which the*
22 *graduates of the Job Corps center seek employ-*
23 *ment.*

24 (2) *APPLICABLE ONE-STOP CUSTOMER SERVICE*
25 *CENTER.—The term “applicable one-stop customer*

1 *service center” means a one-stop customer service cen-*
2 *ter that provides services, such as referral, intake, re-*
3 *ruitment, and placement, to a Job Corps center.*

4 (3) *ENROLLEE.*—*The term “enrollee” means an*
5 *individual who has voluntarily applied for, been se-*
6 *lected for, and enrolled in the Job Corps program,*
7 *and remains with the program, but has not yet be-*
8 *come a graduate.*

9 (4) *FORMER ENROLLEE.*—*The term “former en-*
10 *rollee” means an individual who has voluntarily ap-*
11 *plied for, been selected for, and enrolled in the Job*
12 *Corps program, but left the program before complet-*
13 *ing the requirements of a vocational training pro-*
14 *gram, or receiving a secondary school diploma or rec-*
15 *ognized equivalent, as a result of participation in the*
16 *Job Corps program.*

17 (5) *GRADUATE.*—*The term “graduate” means an*
18 *individual who has voluntarily applied for, been se-*
19 *lected for, and enrolled in the Job Corps program and*
20 *has completed the requirements of a vocational train-*
21 *ing program, or received a secondary school diploma*
22 *or recognized equivalent, as a result of participation*
23 *in the Job Corps program.*

24 (6) *JOB CORPS.*—*The term “Job Corps” means*
25 *the Job Corps described in section 333.*

1 (7) *JOB CORPS CENTER.*—*The term “Job Corps*
2 *center” means a center described in section 333.*

3 (8) *OPERATOR.*—*The term “operator” means an*
4 *entity selected under this subtitle to operate a Job*
5 *Corps center.*

6 (9) *REGION.*—*The term “region” means an area*
7 *served by a regional office of the Employment and*
8 *Training Administration.*

9 (10) *SERVICE PROVIDER.*—*The term “service*
10 *provider” means an entity selected under this subtitle*
11 *to provide services described in this subtitle to a Job*
12 *Corps center.*

13 **SEC. 333. ESTABLISHMENT.**

14 *There shall be established in the Department of Labor*
15 *a Job Corps program, to carry out activities described in*
16 *this subtitle for individuals enrolled in a Job Corps and*
17 *assigned to a center.*

18 **SEC. 334. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.**

19 *To be eligible to become an enrollee, an individual*
20 *shall be—*

21 (1) *not less than age 16 and not more than age*
22 *21 on the date of enrollment, except that—*

23 (A) *not more than 20 percent of the indi-*
24 *viduals enrolled in the Job Corps may be not less*

1 *than age 22 and not more than age 24 on the*
2 *date of enrollment; and*

3 *(B) either such maximum age limitation*
4 *may be waived by the Secretary, in accordance*
5 *with regulations of the Secretary, in the case of*
6 *an individual with a disability;*

7 *(2) a low-income individual; and*

8 *(3) an individual who is 1 or more of the follow-*
9 *ing:*

10 *(A) Basic skills deficient.*

11 *(B) A school dropout.*

12 *(C) Homeless, a runaway, or a foster child.*

13 *(D) A parent.*

14 *(E) An individual who requires additional*
15 *education, vocational training, or intensive*
16 *counseling and related assistance, in order to*
17 *participate successfully in regular schoolwork or*
18 *to secure and hold employment.*

19 **SEC. 335. RECRUITMENT, SCREENING, SELECTION, AND AS-**
20 **SIGNMENT OF ENROLLEES.**

21 **(a) STANDARDS AND PROCEDURES.—**

22 **(1) IN GENERAL.—***The Secretary shall prescribe*
23 *specific standards and procedures for the recruitment,*
24 *screening, and selection of eligible applicants for the*
25 *Job Corps, after considering recommendations from*

1 *the Governors, local partnerships, and other interested*
2 *parties.*

3 (2) *METHODS.—In prescribing standards and*
4 *procedures under paragraph (1), the Secretary, at a*
5 *minimum, shall—*

6 (A) *prescribe procedures for informing en-*
7 *rollees that drug tests will be administered to the*
8 *enrollees and the results received within 45 days*
9 *after the enrollees enroll in the Job Corps;*

10 (B) *establish standards for recruitment of*
11 *Job Corps applicants;*

12 (C) *establish standards and procedures*
13 *for—*

14 (i) *determining, for each applicant,*
15 *whether the educational and vocational*
16 *needs of the applicant can best be met*
17 *through the Job Corps program or an alter-*
18 *native program in the community in which*
19 *the applicant resides; and*

20 (ii) *obtaining from each applicant per-*
21 *tinent data relating to background, needs,*
22 *and interests for determining eligibility and*
23 *potential assignment;*

24 (D) *where appropriate, take measures to*
25 *improve the professional capability of the indi-*

1 *viduals conducting screening of the applicants;*
2 *and*

3 *(E) assure that an appropriate number of*
4 *enrollees are from rural areas.*

5 (3) *IMPLEMENTATION.—To the extent prac-*
6 *ticable, the standards and procedures shall be imple-*
7 *mented through arrangements with—*

8 *(A) applicable one-stop customer service*
9 *centers;*

10 *(B) community action agencies, business or-*
11 *ganizations, and labor organizations; and*

12 *(C) agencies and individuals that have con-*
13 *tact with youth over substantial periods of time*
14 *and are able to offer reliable information about*
15 *the needs and problems of youth.*

16 (4) *CONSULTATION.—The standards and proce-*
17 *dures shall provide for necessary consultation with in-*
18 *dividuals and organizations, including court, proba-*
19 *tion, parole, law enforcement, education, welfare, and*
20 *medical authorities and advisers.*

21 (5) *REIMBURSEMENT.—The Secretary is author-*
22 *ized to enter into contracts with and make payments*
23 *to individuals and organizations for the cost of con-*
24 *ducting recruitment, screening, and selection of eligi-*
25 *ble applicants for the Job Corps, as provided for in*

1 *this section. The Secretary shall make no payment to*
2 *any individual or organization solely as compensa-*
3 *tion for referring the names of applicants for the Job*
4 *Corps.*

5 *(b) SPECIAL LIMITATIONS ON SELECTION.—*

6 *(1) IN GENERAL.—No individual shall be selected*
7 *as an enrollee unless the individual or organization*
8 *implementing the standards and procedures deter-*
9 *mines that—*

10 *(A) there is a reasonable expectation that*
11 *the individual considered for selection can par-*
12 *ticipate successfully in group situations and ac-*
13 *tivities, and is not likely to engage in behavior*
14 *that would prevent other enrollees from receiving*
15 *the benefit of the Job Corps program or be in-*
16 *compatible with the maintenance of sound dis-*
17 *cipline and satisfactory relationships between the*
18 *Job Corps center to which the individual might*
19 *be assigned and communities surrounding the*
20 *Job Corps center;*

21 *(B) the individual manifests a basic under-*
22 *standing of both the rules to which the individ-*
23 *ual will be subject and of the consequences of*
24 *failure to observe the rules; and*

1 (C) *the individual has passed a background*
2 *check conducted in accordance with procedures*
3 *established by the Secretary.*

4 (2) *INDIVIDUALS ON PROBATION, PAROLE, OR SU-*
5 *PERVISED RELEASE.—An individual on probation,*
6 *parole, or supervised release may be selected as an en-*
7 *rollee only if release from the supervision of the pro-*
8 *bation or parole official involved is satisfactory to the*
9 *official and the Secretary and does not violate appli-*
10 *cable laws (including regulations). No individual*
11 *shall be denied a position in the Job Corps solely on*
12 *the basis of individual contact with the criminal jus-*
13 *tice system.*

14 (c) *ASSIGNMENT PLAN.—*

15 (1) *IN GENERAL.—Every 2 years, the Secretary*
16 *shall develop and implement an assignment plan for*
17 *assigning enrollees to Job Corps centers. In developing*
18 *the plan, the Secretary shall, based on the analysis*
19 *described in paragraph (2), establish targets, applica-*
20 *ble to each Job Corps center, for—*

21 (A) *the maximum attainable percentage of*
22 *enrollees at the Job Corps center that reside in*
23 *the State in which the center is located; and*

24 (B) *the maximum attainable percentage of*
25 *enrollees at the Job Corps center that reside in*

1 *the region in which the center is located, and in*
2 *surrounding regions.*

3 (2) *ANALYSIS.*—*In order to develop the plan de-*
4 *scribed in paragraph (1), the Secretary shall, every 2*
5 *years, analyze, for the Job Corps center—*

6 (A) *the size of the population of individuals*
7 *eligible to participate in Job Corps in the State*
8 *and region in which the Job Corps center is lo-*
9 *ated, and in surrounding regions;*

10 (B) *the relative demand for participation in*
11 *the Job Corps in the State and region, and in*
12 *surrounding regions; and*

13 (C) *the capacity and utilization of the Job*
14 *Corps center, including services provided through*
15 *the center.*

16 (d) *ASSIGNMENT OF INDIVIDUAL ENROLLEES.*—

17 (1) *IN GENERAL.*—*After an individual has been*
18 *selected for the Job Corps in accordance with the*
19 *standards and procedures of the Secretary under sub-*
20 *section (a), the enrollee shall be assigned to the Job*
21 *Corps center that is closest to the home of the enrollee,*
22 *except that the Secretary may waive this requirement*
23 *if—*

24 (A) *the enrollee chooses a vocational train-*
25 *ing program, or requires an English as a second*

1 *language program, that is not available at such*
2 *center;*

3 *(B) the enrollee is an individual with a dis-*
4 *ability and may be better served at another cen-*
5 *ter;*

6 *(C) the enrollee would be unduly delayed in*
7 *participating in the Job Corps program because*
8 *the closest center is operating at full capacity; or*

9 *(D) the parent or guardian of the enrollee*
10 *requests assignment of the enrollee to another Job*
11 *Corps center due to circumstances in the commu-*
12 *nity of the enrollee that would impair prospects*
13 *for successful participation in the Job Corps pro-*
14 *gram.*

15 (2) *ENROLLEES WHO ARE YOUNGER THAN 18.—*
16 *An enrollee who is younger than 18 shall not be as-*
17 *signed to a Job Corps center other than the center*
18 *closest to the home of the enrollee pursuant to para-*
19 *graph (1) if the parent or guardian of the enrollee ob-*
20 *jects to the assignment.*

21 **SEC. 336. ENROLLMENT.**

22 (a) *RELATIONSHIP BETWEEN ENROLLMENT AND MILI-*
23 *TARY OBLIGATIONS.—Enrollment in the Job Corps shall*
24 *not relieve any individual of obligations under the Military*
25 *Selective Service Act (50 U.S.C. App. 451 et seq.).*

1 (b) *PERIOD OF ENROLLMENT.*—No individual may be
2 enrolled in the Job Corps for more than 2 years, except—

3 (1) in a case in which completion of an ad-
4 vanced career training program under section 338(b)
5 would require an individual to participate in the Job
6 Corps for not more than 1 additional year; or

7 (2) as the Secretary may authorize in a special
8 case.

9 **SEC. 337. JOB CORPS CENTERS.**

10 (a) *OPERATORS AND SERVICE PROVIDERS.*—

11 (1) *ELIGIBLE ENTITIES.*—

12 (A) *OPERATORS.*—The Secretary shall enter
13 into an agreement with a Federal, State, or local
14 agency, such as individuals participating in a
15 statewide partnership or in a local partnership
16 or an agency that operates or wishes to develop
17 an area vocational education school facility or
18 residential vocational school, or with a private
19 organization, for the operation of each Job Corps
20 center.

21 (B) *PROVIDERS.*—The Secretary may enter
22 into an agreement with a local entity to provide
23 activities described in this subtitle to the Job
24 Corps center.

25 (2) *SELECTION PROCESS.*—

1 (A) *COMPETITIVE BASIS.*—*Except as pro-*
2 *vided in subsections (c) and (d) of section 303 of*
3 *the Federal Property and Administrative Serv-*
4 *ices Act of 1949 (41 U.S.C. 253), the Secretary*
5 *shall select on a competitive basis an entity to*
6 *operate a Job Corps center and entities to pro-*
7 *vide activities described in this subtitle to the*
8 *Job Corps center. In developing a solicitation for*
9 *an operator or service provider, the Secretary*
10 *shall consult with the Governor of the State in*
11 *which the center is located, the industry council*
12 *for the Job Corps center (if established), and the*
13 *applicable local partnership regarding the con-*
14 *tents of such solicitation, including elements that*
15 *will promote the consistency of the activities car-*
16 *ried out through the center with the objectives set*
17 *forth in the State plan or in a local plan.*

18 (B) *RECOMMENDATIONS AND CONSIDER-*
19 *ATIONS.*—

20 (i) *OPERATORS.*—*In selecting an en-*
21 *tity to operate a Job Corps center, the Sec-*
22 *retary shall consider—*

23 (I) *the ability of the entity to co-*
24 *ordinate the activities carried out*
25 *through the Job Corps center with ac-*

1 *tivities carried out under the appro-*
2 *priate State plan and local plans;*

3 *(II) the degree to which the voca-*
4 *tional training that the entity proposes*
5 *for the center reflects local employment*
6 *opportunities in the local areas in*
7 *which enrollees at the center intend to*
8 *seek employment;*

9 *(III) the degree to which the en-*
10 *tity is familiar with the surrounding*
11 *communities, applicable one-stop cen-*
12 *ters, and the State and region in which*
13 *the center is located; and*

14 *(IV) the past performance of the*
15 *entity, if any, relating to operating or*
16 *providing activities described in this*
17 *subtitle to a Job Corps center.*

18 *(ii) PROVIDERS.—In selecting a service*
19 *provider for a Job Corps center, the Sec-*
20 *retary shall consider the factors described in*
21 *subclauses (I) through (IV) of clause (i), as*
22 *appropriate.*

23 *(b) CHARACTER AND ACTIVITIES.—Job Corps centers*
24 *may be residential or nonresidential in character, and shall*
25 *be designed and operated so as to provide enrollees, in a*

1 *well-supervised setting, with access to activities described*
2 *in this subtitle. In any year, no more than 20 percent of*
3 *the individuals enrolled in the Job Corps may be nonresi-*
4 *dential participants in the Job Corps.*

5 *(c) CIVILIAN CONSERVATION CENTERS.—*

6 *(1) IN GENERAL.—The Job Corps centers may*
7 *include Civilian Conservation Centers operated under*
8 *agreements with the Secretary of Agriculture or the*
9 *Secretary of the Interior, located primarily in rural*
10 *areas, which shall provide, in addition to other voca-*
11 *tional training and assistance, programs of work ex-*
12 *perience to conserve, develop, or manage public natu-*
13 *ral resources or public recreational areas or to develop*
14 *community projects in the public interest.*

15 *(2) SELECTION PROCESS.—The Secretary may*
16 *select an entity to operate a Civilian Conservation*
17 *Center on a competitive basis, as provided in sub-*
18 *section (a), if the center fails to meet such national*
19 *performance standards as the Secretary shall estab-*
20 *lish.*

21 *(d) INDIAN TRIBES.—*

22 *(1) GENERAL AUTHORITY.—The Secretary may*
23 *enter into agreements with Indian tribes to operate*
24 *Job Corps centers for Indians.*

1 (2) *DEFINITIONS.*—*In this subsection, the terms*
2 *“Indian” and “Indian tribe”, have the meanings*
3 *given such terms in subsections (d) and (e), respec-*
4 *tively, of section 4 of the Indian Self-Determination*
5 *and Education Assistance Act (25 U.S.C. 450b).*

6 **SEC. 338. PROGRAM ACTIVITIES.**

7 (a) *ACTIVITIES PROVIDED BY JOB CORPS CENTERS.*—

8 (1) *IN GENERAL.*—*Each Job Corps center shall*
9 *provide enrollees with an intensive, well organized,*
10 *and fully supervised program of education, vocational*
11 *training, work experience, recreational activities, and*
12 *counseling. Each Job Corps center shall provide en-*
13 *rollees assigned to the center with access to core serv-*
14 *ices described in subtitle A.*

15 (2) *RELATIONSHIP TO OPPORTUNITIES.*—

16 (A) *IN GENERAL.*—*The activities provided*
17 *under this subsection shall provide work-based*
18 *learning throughout the enrollment of the enroll-*
19 *ees and assist the enrollees in obtaining mean-*
20 *ingful unsubsidized employment, participating*
21 *in secondary education or postsecondary edu-*
22 *cation programs, enrolling in other suitable vo-*
23 *ccational training programs, or satisfying Armed*
24 *Forces requirements, on completion of their en-*
25 *rollment.*

1 (B) *LINK TO EMPLOYMENT OPPORTUNI-*
2 *TIES.—The vocational training provided shall be*
3 *linked to the employment opportunities in the*
4 *local area in which the enrollee intends to seek*
5 *employment after graduation.*

6 (b) *ADVANCED CAREER TRAINING PROGRAMS.—*

7 (1) *IN GENERAL.—The Secretary may arrange*
8 *for programs of advanced career training for selected*
9 *enrollees in which the enrollees may continue to par-*
10 *ticipate for a period of not to exceed 1 year in addi-*
11 *tion to the period of participation to which the enroll-*
12 *ees would otherwise be limited. The advanced career*
13 *training may be provided through the eligible provid-*
14 *ers of training services identified by the State in-*
15 *volved under section 312.*

16 (2) *BENEFITS.—*

17 (A) *IN GENERAL.—During the period of*
18 *participation in an advanced career training*
19 *program, an enrollee shall be eligible for full Job*
20 *Corps benefits, or a monthly stipend equal to the*
21 *average value of the residential support, food, al-*
22 *lowances, and other benefits provided to enrollees*
23 *assigned to residential Job Corps centers.*

24 (B) *CALCULATION.—The total amount for*
25 *which an enrollee shall be eligible under sub-*

1 *paragraph (A) shall be reduced by the amount of*
2 *any scholarship or other educational grant as-*
3 *sistance received by such enrollee for advanced*
4 *career training.*

5 (3) *DEMONSTRATION.*—*Each year, any operator*
6 *seeking to enroll additional enrollees in an advanced*
7 *career training program shall demonstrate that par-*
8 *ticipants in such program have achieved a reasonable*
9 *rate of completion and placement in training-related*
10 *jobs before the operator may carry out such addi-*
11 *tional enrollment.*

12 (c) *CONTINUED SERVICES.*—*The Secretary shall also*
13 *provide continued services to graduates, including provid-*
14 *ing counseling regarding the workplace for 12 months after*
15 *the date of graduation of the graduates. In selecting a pro-*
16 *vider for such services, the Secretary shall give priority to*
17 *one-stop partners.*

18 **SEC. 339. COUNSELING AND JOB PLACEMENT.**

19 (a) *COUNSELING AND TESTING.*—*The Secretary shall*
20 *arrange for counseling and testing for each enrollee at regu-*
21 *lar intervals to measure progress in the education and voca-*
22 *tional training programs carried out through the Job*
23 *Corps.*

24 (b) *PLACEMENT.*—*The Secretary shall arrange for*
25 *counseling and testing for enrollees prior to their scheduled*

1 *graduations to determine their capabilities and, based on*
2 *their capabilities, shall make every effort to arrange to place*
3 *the enrollees in jobs in the vocations for which the enrollees*
4 *are trained or to assist the enrollees in obtaining further*
5 *activities described in this subtitle. In arranging for the*
6 *placement of graduates in jobs, the Secretary shall utilize*
7 *the one-stop customer service system to the fullest extent pos-*
8 *sible.*

9 (c) *STATUS AND PROGRESS.*—*The Secretary shall de-*
10 *termine the status and progress of enrollees scheduled for*
11 *graduation and make every effort to assure that their needs*
12 *for further activities described in this subtitle are met.*

13 **SEC. 340. SUPPORT.**

14 (a) *PERSONAL ALLOWANCES.*—*The Secretary shall*
15 *provide enrollees assigned to Job Corps centers with such*
16 *personal allowances as the Secretary may determine to be*
17 *necessary or appropriate to meet the needs of the enrollees.*

18 (b) *READJUSTMENT ALLOWANCES.*—*The Secretary*
19 *shall arrange for a readjustment allowance to be paid to*
20 *eligible former enrollees and graduates. The Secretary shall*
21 *arrange for the allowance to be paid at the one-stop cus-*
22 *tomers service center nearest to the home of such a former*
23 *enrollee or graduate who is returning home, or at the one-*
24 *stop customer service center nearest to the location where*
25 *the former enrollee or graduate has indicated an intent to*

1 *seek employment. If the Secretary uses any organization,*
2 *in lieu of a one-stop customer service center, to provide*
3 *placement services under this Act, the Secretary shall ar-*
4 *range for that organization to pay the readjustment allow-*
5 *ance.*

6 **SEC. 341. OPERATING PLAN.**

7 (a) *IN GENERAL.*—*The provisions of the contract be-*
8 *tween the Secretary and an entity selected to operate a Job*
9 *Corps center shall, at a minimum, serve as an operating*
10 *plan for the Job Corps center.*

11 (b) *ADDITIONAL INFORMATION.*—*The Secretary may*
12 *require the operator, in order to remain eligible to operate*
13 *the Job Corps center, to submit such additional information*
14 *as the Secretary may require, which shall be considered*
15 *part of the operating plan.*

16 (c) *AVAILABILITY.*—*The Secretary shall make the oper-*
17 *ating plan described in subsections (a) and (b), excluding*
18 *any proprietary information, available to the public.*

19 **SEC. 342. STANDARDS OF CONDUCT.**

20 (a) *PROVISION AND ENFORCEMENT.*—*The Secretary*
21 *shall provide, and directors of Job Corps centers shall strin-*
22 *gently enforce, standards of conduct within the centers.*
23 *Such standards of conduct shall include provisions forbid-*
24 *ding the actions described in subsection (b)(2)(A).*

25 (b) *DISCIPLINARY MEASURES.*—

1 (1) *IN GENERAL.*—*To promote the proper moral*
2 *and disciplinary conditions in the Job Corps, the di-*
3 *rectors of Job Corps centers shall take appropriate*
4 *disciplinary measures against enrollees. If such a di-*
5 *rector determines that an enrollee has committed a*
6 *violation of the standards of conduct, the director*
7 *shall dismiss the enrollee from the Job Corps if the di-*
8 *rector determines that the retention of the enrollee in*
9 *the Job Corps will jeopardize the enforcement of such*
10 *standards or diminish the opportunities of other en-*
11 *rollees.*

12 (2) *ZERO TOLERANCE POLICY AND DRUG TEST-*
13 *ING.*—

14 (A) *GUIDELINES.*—*The Secretary shall*
15 *adopt guidelines establishing a zero tolerance*
16 *policy for an act of violence, for use, sale, or pos-*
17 *session of a controlled substance, for abuse of al-*
18 *cohol, or for other illegal or disruptive activity.*

19 (B) *DRUG TESTING.*—*The Secretary shall*
20 *require drug testing of all enrollees for controlled*
21 *substances in accordance with procedures pre-*
22 *scribed by the Secretary under section 335(a).*

23 (C) *DEFINITIONS.*—*In this paragraph:*

24 (i) *CONTROLLED SUBSTANCE.*—*The*
25 *term “controlled substance” has the mean-*

1 *ing given the term in section 102 of the*
2 *Controlled Substances Act (21 U.S.C. 802).*

3 *(ii) ZERO TOLERANCE POLICY.—The*
4 *term “zero tolerance policy” means a policy*
5 *under which an enrollee shall be automati-*
6 *cally dismissed from the Job Corps after a*
7 *determination by the director that the en-*
8 *rollee has carried out an action described in*
9 *subparagraph (A).*

10 *(c) APPEAL.—A disciplinary measure taken by a di-*
11 *rector under this section shall be subject to expeditious ap-*
12 *peal in accordance with procedures established by the Sec-*
13 *retary.*

14 **SEC. 343. COMMUNITY PARTICIPATION.**

15 *(a) BUSINESS AND COMMUNITY LIAISON.—Each Job*
16 *Corps center shall have a Business and Community Liaison*
17 *(referred to in this Act as a “Liaison”), designated by the*
18 *director of the center.*

19 *(b) RESPONSIBILITIES.—The responsibilities of the Li-*
20 *aision shall include—*

21 *(1) establishing and developing relationships and*
22 *networks with—*

23 *(A) local and distant employers; and*

24 *(B) applicable one-stop customer service*
25 *centers and applicable local partnerships,*

1 *for the purpose of providing job opportunities for Job*
2 *Corps graduates; and*

3 (2) *establishing and developing relationships*
4 *with members of the community in which the Job*
5 *Corps center is located, informing members of the*
6 *community about the projects of the Job Corps center*
7 *and changes in the rules, procedures, or activities of*
8 *the center that may affect the community, and plan-*
9 *ning events of mutual interest to the community and*
10 *the Job Corps center.*

11 (c) *NEW CENTERS.*—*The Liaison for a Job Corps cen-*
12 *ter that is not yet operating shall establish and develop the*
13 *relationships and networks described in subsection (b) at*
14 *least 3 months prior to the date on which the center accepts*
15 *the first enrollee at the center.*

16 **SEC. 344. INDUSTRY COUNCILS.**

17 (a) *IN GENERAL.*—*Each Job Corps center shall have*
18 *an industry council, appointed by the director of the center*
19 *after consultation with the Liaison, in accordance with pro-*
20 *cedures established by the Secretary.*

21 (b) *INDUSTRY COUNCIL COMPOSITION.*—

22 (1) *IN GENERAL.*—*An industry council shall be*
23 *comprised of—*

24 (A) *a majority of members who shall be*
25 *local and distant owners of business concerns,*

1 *chief executives or chief operating officers of non-*
2 *governmental employers, or other private sector*
3 *employers, who—*

4 *(i) have substantial management, hir-*
5 *ing, or policy responsibility; and*

6 *(ii) represent businesses with employ-*
7 *ment opportunities that reflect the employ-*
8 *ment opportunities of the applicable local*
9 *area; and*

10 *(B) representatives of labor organizations*
11 *(where present) and representatives of employees.*

12 *(2) LOCAL PARTNERSHIP.—The industry council*
13 *may include members of the applicable local partner-*
14 *ships who meet the requirements described in para-*
15 *graph (1).*

16 *(c) RESPONSIBILITIES.—The responsibilities of the in-*
17 *dustry council shall be—*

18 *(1) to work closely with all applicable local part-*
19 *nerships in order to determine, and recommend to the*
20 *Secretary, appropriate vocational training for the*
21 *center;*

22 *(2) to review all the relevant labor market infor-*
23 *mation to—*

1 (A) determine the employment opportunities
2 in the local areas in which the enrollees intend
3 to seek employment after graduation;

4 (B) determine the skills and education that
5 are necessary to obtain the employment opportu-
6 nities; and

7 (C) recommend to the Secretary the type of
8 vocational training that should be implemented
9 at the center to enable the enrollees to obtain the
10 employment opportunities; and

11 (3) to meet at least once every 6 months to re-
12 evaluate the labor market information, and other rel-
13 evant information, to determine, and recommend to
14 the Secretary, any necessary changes in the voca-
15 tional training provided at the center.

16 (d) *NEW CENTERS.*—The industry council for a Job
17 Corps center that is not yet operating shall carry out the
18 responsibilities described in subsection (c) at least 3 months
19 prior to the date on which the center accepts the first en-
20 rollee at the center.

21 **SEC. 345. ADVISORY COMMITTEES.**

22 The Secretary may establish and use advisory commit-
23 tees in connection with the operation of the Job Corps pro-
24 gram, and the operation of Job Corps centers, whenever the
25 Secretary determines that the availability of outside advice

1 *and counsel on a regular basis would be of substantial bene-*
2 *fit in identifying and overcoming problems, in planning*
3 *program or center development, or in strengthening rela-*
4 *tionships between the Job Corps and agencies, institutions,*
5 *or groups engaged in related activities.*

6 **SEC. 346. EXPERIMENTAL, RESEARCH, AND DEMONSTRATION PROJECTS.**
7

8 *The Secretary may carry out experimental, research,*
9 *or demonstration projects relating to carrying out the Job*
10 *Corps program and may waive any provisions of this sub-*
11 *title that the Secretary finds would prevent the Secretary*
12 *from carrying out the projects.*

13 **SEC. 347. APPLICATION OF PROVISIONS OF FEDERAL LAW.**

14 *(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL*
15 *EMPLOYEES.—*

16 *(1) IN GENERAL.—Except as otherwise provided*
17 *in this subsection and in section 8143(a) of title 5,*
18 *United States Code, enrollees shall not be considered*
19 *to be Federal employees and shall not be subject to the*
20 *provisions of law relating to Federal employment, in-*
21 *cluding such provisions regarding hours of work, rates*
22 *of compensation, leave, unemployment compensation,*
23 *and Federal employee benefits.*

24 *(2) PROVISIONS RELATING TO TAXES AND SOCIAL*
25 *SECURITY BENEFITS.—For purposes of the Internal*

1 *Revenue Code of 1986 and title II of the Social Secu-*
2 *rity Act (42 U.S.C. 401 et seq.), enrollees shall be*
3 *deemed to be employees of the United States and any*
4 *service performed by an individual as an enrollee*
5 *shall be deemed to be performed in the employ of the*
6 *United States.*

7 (3) *PROVISIONS RELATING TO COMPENSATION TO*
8 *FEDERAL EMPLOYEES FOR WORK INJURIES.—For*
9 *purposes of subchapter I of chapter 81 of title 5,*
10 *United States Code (relating to compensation to Fed-*
11 *eral employees for work injuries), enrollees shall be*
12 *deemed to be civil employees of the Government of the*
13 *United States within the meaning of the term “em-*
14 *ployee” as defined in section 8101 of title 5, United*
15 *States Code, and the provisions of such subchapter*
16 *shall apply as specified in section 8143(a) of title 5,*
17 *United States Code.*

18 (4) *FEDERAL TORT CLAIMS PROVISIONS.—For*
19 *purposes of the Federal tort claims provisions in title*
20 *28, United States Code, enrollees shall be considered*
21 *to be employees of the Government.*

22 (b) *ADJUSTMENTS AND SETTLEMENTS.—Whenever the*
23 *Secretary finds a claim for damages to a person or property*
24 *resulting from the operation of the Job Corps to be a proper*
25 *charge against the United States, and the claim is not cog-*

1 nizable under section 2672 of title 28, United States Code,
2 the Secretary may adjust and settle the claim in an amount
3 not exceeding \$1,500.

4 (c) *PERSONNEL OF THE UNIFORMED SERVICES.*—Per-
5 sonnel of the uniformed services who are detailed or as-
6 signed to duty in the performance of agreements made by
7 the Secretary for the support of the Job Corps shall not be
8 counted in computing strength under any law limiting the
9 strength of such services or in computing the percentage au-
10 thorized by law for any grade in such services.

11 **SEC. 348. SPECIAL PROVISIONS.**

12 (a) *ENROLLMENT.*—The Secretary shall ensure that
13 women and men have an equal opportunity to participate
14 in the Job Corps program, consistent with section 335.

15 (b) *STUDIES, EVALUATIONS, PROPOSALS, AND*
16 *DATA.*—The Secretary shall assure that all studies, evalua-
17 tions, proposals, and data produced or developed with Fed-
18 eral funds in the course of carrying out the Job Corps pro-
19 gram shall become the property of the United States.

20 (c) *TRANSFER OF PROPERTY.*—

21 (1) *IN GENERAL.*—Notwithstanding title II of the
22 *Federal Property and Administrative Services Act of*
23 *1949 (40 U.S.C. 481 et seq.) and any other provision*
24 *of law, the Secretary and the Secretary of Education*
25 *shall receive priority by the Secretary of Defense for*

1 *the direct transfer, on a nonreimbursable basis, of the*
2 *property described in paragraph (2) for use in carry-*
3 *ing out programs under this Act or under any other*
4 *Act.*

5 (2) *PROPERTY.*—*The property described in this*
6 *paragraph is real and personal property under the*
7 *control of the Department of Defense that is not used*
8 *by such Department, including property that the Sec-*
9 *retary of Defense determines is in excess of current*
10 *and projected requirements of such Department.*

11 (d) *GROSS RECEIPTS.*—*Transactions conducted by a*
12 *private for-profit or nonprofit entity that is an operator*
13 *or service provider for a Job Corps center shall not be con-*
14 *sidered to be generating gross receipts. Such an operator*
15 *or service provider shall not be liable, directly or indirectly,*
16 *to any State or subdivision of a State (nor to any person*
17 *acting on behalf of such a State or subdivision) for any*
18 *gross receipts taxes, business privilege taxes measured by*
19 *gross receipts, or any similar taxes imposed on, or meas-*
20 *ured by, gross receipts in connection with any payments*
21 *made to or by such entity for operating or providing serv-*
22 *ices to a Job Corps center. Such an operator or service pro-*
23 *vider shall not be liable to any State or subdivision of a*
24 *State to collect or pay any sales, excise, use, or similar tax*
25 *imposed on the sale to or use by such operator or service*

1 provider of any property, service, or other item in connec-
2 tion with the operation of or provision of services to a Job
3 Corps center.

4 (e) *MANAGEMENT FEE.*—The Secretary shall provide
5 each operator and (in an appropriate case, as determined
6 by the Secretary) service provider with an equitable and
7 negotiated management fee of not less than 1 percent of the
8 amount of the funding provided under the appropriate
9 agreement specified in section 337.

10 (f) *DONATIONS.*—The Secretary may accept on behalf
11 of the Job Corps or individual Job Corps centers charitable
12 donations of cash or other assistance, including equipment
13 and materials, if such donations are available for appro-
14 priate use for the purposes set forth in this subtitle.

15 (g) *SALE OF PROPERTY.*—Notwithstanding any other
16 provision of law, if the Administrator of General Services
17 sells a Job Corps center facility, the Administrator shall
18 transfer the proceeds from the sale to the Secretary, who
19 shall use the proceeds to carry out the Job Corps program.

20 **SEC. 349. MANAGEMENT INFORMATION.**

21 (a) *FINANCIAL MANAGEMENT INFORMATION SYS-*
22 *TEM.*—

23 (1) *IN GENERAL.*—The Secretary shall establish
24 procedures to ensure that each operator, and each

1 *service provider, maintains a financial management*
2 *information system that will provide—*

3 *(A) accurate, complete, and current disclo-*
4 *tures of the costs of Job Corps operations; and*

5 *(B) sufficient data for the effective evalua-*
6 *tion of activities carried out through the Job*
7 *Corps program.*

8 *(2) ACCOUNTS.—Each operator and service pro-*
9 *vider shall maintain funds received under this sub-*
10 *title in accounts in a manner that ensures timely and*
11 *accurate reporting as required by the Secretary.*

12 *(3) FISCAL RESPONSIBILITY.—Operators shall*
13 *remain fiscally responsible and control costs, regard-*
14 *less of whether the funds made available for Job Corps*
15 *centers are incrementally increased or decreased be-*
16 *tween fiscal years.*

17 *(b) AUDIT.—*

18 *(1) ACCESS.—The Secretary, the Inspector Gen-*
19 *eral of the Department of Labor, the Comptroller Gen-*
20 *eral of the United States, and any of their duly au-*
21 *thorized representatives, shall have access to any*
22 *books, documents, papers, and records of the operators*
23 *and service providers described in subsection (a) that*
24 *are pertinent to the Job Corps program, for purposes*

1 of conducting surveys, audits, and evaluations of the
2 operators and service providers.

3 (2) *SURVEYS, AUDITS, AND EVALUATIONS.*—*The*
4 *Secretary shall survey, audit, or evaluate, or arrange*
5 *for the survey, audit, or evaluation of, the operators*
6 *and service providers, using Federal auditors or inde-*
7 *pendent public accountants. The Secretary shall con-*
8 *duct such surveys, audits, or evaluations not less often*
9 *than once every 3 years.*

10 (c) *INFORMATION ON CORE PERFORMANCE MEAS-*
11 *URES.*—

12 (1) *ESTABLISHMENT.*—*The Secretary shall, with*
13 *continuity and consistency from year to year, estab-*
14 *lish core performance measures, and expected per-*
15 *formance levels on the performance measures, for Job*
16 *Corps centers and the Job Corps program, relating*
17 *to—*

18 (A) *the number of graduates and the rate of*
19 *such graduation, analyzed by type of vocational*
20 *training received through the Job Corps program*
21 *and by whether the vocational training was pro-*
22 *vided by a local or national service provider;*

23 (B) *the number of graduates who entered*
24 *unsubsidized employment related to the voca-*
25 *tional training received through the Job Corps*

1 *program and the number who entered unsub-*
2 *sidized employment not related to the vocational*
3 *training received, analyzed by whether the voca-*
4 *tional training was provided by a local or na-*
5 *tional service provider and by whether the place-*
6 *ment in the employment was conducted by a*
7 *local or national service provider;*

8 *(C) the average wage received by graduates*
9 *who entered unsubsidized employment related to*
10 *the vocational training received through the Job*
11 *Corps program and the average wage received by*
12 *graduates who entered unsubsidized employment*
13 *unrelated to the vocational training received;*

14 *(D) the average wage received by graduates*
15 *placed in unsubsidized employment after comple-*
16 *tion of the Job Corps program—*

17 *(i) on the first day of the employment;*

18 *(ii) 6 months after the first day of the*
19 *employment; and*

20 *(iii) 12 months after the first day of*
21 *the employment,*

22 *analyzed by type of vocational training received*
23 *through the Job Corps program;*

1 (E) the number of graduates who entered
2 unsubsidized employment and were retained in
3 the unsubsidized employment—

4 (i) 6 months after the first day of the
5 employment; and

6 (ii) 12 months after the first day of the
7 employment;

8 (F) the number of graduates who entered
9 unsubsidized employment—

10 (i) for 32 hours per week or more;

11 (ii) for not less than 20 but less than
12 32 hours per week; and

13 (iii) for less than 20 hours per week;

14 (G) the number of graduates who entered
15 postsecondary education or advanced training
16 programs, including registered apprenticeship
17 programs, as appropriate; and

18 (H) the number of graduates who attained
19 job readiness and employment skills.

20 (2) *PERFORMANCE OF RECRUITERS.*—The Sec-
21 retary shall also establish performance measures, and
22 expected performance levels on the performance meas-
23 ures, for local and national recruitment service pro-
24 viders serving the Job Corps program. The perform-
25 ance measures shall relate to the number of enrollees

1 *retained in the Job Corps program for 30 days and*
2 *for 60 days after initial placement in the program.*

3 (3) *REPORT.—The Secretary shall collect, and*
4 *annually submit a report to the appropriate commit-*
5 *tees of Congress containing, information on the per-*
6 *formance of each Job Corps center, and the Job Corps*
7 *program, on the core performance measures, as com-*
8 *pared to the expected performance level for each per-*
9 *formance measure. The report shall also contain in-*
10 *formation on the performance of the service providers*
11 *described in paragraph (2) on the performance meas-*
12 *ures established under such paragraph, as compared*
13 *to the expected performance levels for the performance*
14 *measures.*

15 (d) *ADDITIONAL INFORMATION.—The Secretary shall*
16 *also collect, and submit in the report described in subsection*
17 *(c), information on the performance of each Job Corps cen-*
18 *ter, and the Job Corps program, regarding—*

19 (1) *the number of enrollees served;*

20 (2) *the average level of learning gains for grad-*
21 *uates and former enrollees;*

22 (3) *the number of former enrollees and graduates*
23 *who entered the Armed Forces;*

24 (4) *the number of former enrollees who entered*
25 *postsecondary education;*

1 (5) *the number of former enrollees who entered*
2 *unsubsidized employment related to the vocational*
3 *training received through the Job Corps program and*
4 *the number who entered unsubsidized employment not*
5 *related to the vocational training received;*

6 (6) *the number of former enrollees and graduates*
7 *who obtained a secondary school diploma or its recog-*
8 *nized equivalent;*

9 (7) *the number and percentage of dropouts from*
10 *the Job Corps program including the number dis-*
11 *missed under the zero tolerance policy described in*
12 *section 342(b); and*

13 (8) *any additional information required by the*
14 *Secretary.*

15 (e) *METHODS.*—*The Secretary may, to collect the in-*
16 *formation described in subsections (c) and (d), use methods*
17 *described in subtitle A.*

18 (f) *PERFORMANCE ASSESSMENTS AND IMPROVE-*
19 *MENTS.*—

20 (1) *ASSESSMENTS.*—*The Secretary shall conduct*
21 *an annual assessment of the performance of each Job*
22 *Corps center. Based on the assessment, the Secretary*
23 *shall take measures to continuously improve the per-*
24 *formance of the Job Corps program.*

1 (2) *PERFORMANCE IMPROVEMENT PLANS.*—With
2 *respect to a Job Corps center that fails to meet the*
3 *expected levels of performance relating to the core per-*
4 *formance measures specified in subsection (c), the Sec-*
5 *retary shall develop and implement a performance*
6 *improvement plan. Such a plan shall require action*
7 *including—*

8 (A) *providing technical assistance to the*
9 *center;*

10 (B) *changing the vocational training offered*
11 *at the center;*

12 (C) *changing the management staff of the*
13 *center;*

14 (D) *replacing the operator of the center;*

15 (E) *reducing the capacity of the center;*

16 (F) *relocating the center; or*

17 (G) *closing the center.*

18 (3) *ADDITIONAL PERFORMANCE IMPROVEMENT*
19 *PLANS.*—*In addition to the performance improvement*
20 *plans required under paragraph (2), the Secretary*
21 *may develop and implement additional performance*
22 *improvement plans. Such a plan shall require im-*
23 *provements, including the actions described in para-*
24 *graph (2), for a Job Corps center that fails to meet*
25 *criteria established by the Secretary other than the ex-*

1 pected levels of performance described in paragraph
2 (2).

3 **SEC. 350. GENERAL PROVISIONS.**

4 *The Secretary is authorized to—*

5 (1) *disseminate, with regard to the provisions of*
6 *section 3204 of title 39, United States Code, data and*
7 *information in such forms as the Secretary shall de-*
8 *termine to be appropriate, to public agencies, private*
9 *organizations, and the general public;*

10 (2) *subject to section 347(b), collect or com-*
11 *promise all obligations to or held by the Secretary*
12 *and exercise all legal or equitable rights accruing to*
13 *the Secretary in connection with the payment of obli-*
14 *gations until such time as such obligations may be re-*
15 *ferred to the Attorney General for suit or collection;*
16 *and*

17 (3) *expend funds made available for purposes of*
18 *this subtitle—*

19 (A) *for printing and binding, in accordance*
20 *with applicable law (including regulation); and*

21 (B) *without regard to any other law (in-*
22 *cluding regulation), for rent of buildings and*
23 *space in buildings and for repair, alteration,*
24 *and improvement of buildings and space in*
25 *buildings rented by the Secretary, except that the*

1 *Secretary shall not expend funds under the au-*
2 *thority of this subparagraph—*

3 *(i) except when necessary to obtain an*
4 *item, service, or facility, that is required in*
5 *the proper administration of this subtitle,*
6 *and that otherwise could not be obtained, or*
7 *could not be obtained in the quantity or*
8 *quality needed, or at the time, in the form,*
9 *or under the conditions in which the item,*
10 *service, or facility is needed; and*

11 *(ii) prior to having given written noti-*
12 *fication to the Administrator of General*
13 *Services (if the expenditure would affect an*
14 *activity that otherwise would be under the*
15 *jurisdiction of the General Services Admin-*
16 *istration) of the intention of the Secretary*
17 *to make the expenditure, and the reasons*
18 *and justifications for the expenditure.*

19 **SEC. 351. AUTHORIZATION OF APPROPRIATIONS.**

20 *There are authorized to be appropriated to carry out*
21 *this subtitle such sums as may be necessary for each of the*
22 *fiscal years 1999 through 2004.*

23 ***Subtitle C—National Programs***

24 **SEC. 361. NATIVE AMERICAN PROGRAMS.**

25 *(a) PURPOSE AND POLICY.—*

1 (1) *PURPOSE.*—*The purpose of this section is to*
2 *support workforce investment activities and supple-*
3 *mental services for Indian and Native Hawaiian in-*
4 *dividuals in order—*

5 (A) *to develop more fully the academic, oc-*
6 *cupational, and literacy skills of such individ-*
7 *uals;*

8 (B) *to make such individuals more competi-*
9 *tive in the workforce; and*

10 (C) *to promote the economic and social de-*
11 *velopment of Indian and Native Hawaiian com-*
12 *munities in accordance with the goals and values*
13 *of such communities.*

14 (2) *INDIAN POLICY.*—*All programs assisted*
15 *under this section shall be administered in a manner*
16 *consistent with the principles of the Indian Self-De-*
17 *termination and Education Assistance Act (25 U.S.C.*
18 *450 et seq.) and the government-to-government rela-*
19 *tionship between the Federal Government and Indian*
20 *tribal governments.*

21 (b) *DEFINITIONS.*—*In this section:*

22 (1) *INDIAN, INDIAN TRIBE, AND TRIBAL ORGANI-*
23 *ZATION.*—*The terms “Indian”, “Indian tribe”, and*
24 *“tribal organization” have the meanings given such*
25 *terms in subsections (d), (e), and (l), respectively, of*

1 *section 4 of the Indian Self-Determination and Edu-*
2 *cation Assistance Act (25 U.S.C. 450b).*

3 (2) *NATIVE HAWAIIAN AND NATIVE HAWAIIAN OR-*
4 *GANIZATION.—The terms “Native Hawaiian” and*
5 *“Native Hawaiian organization” have the meanings*
6 *given such terms in paragraphs (1) and (3), respec-*
7 *tively, of section 9212 of the Native Hawaiian Edu-*
8 *cation Act (20 U.S.C. 7912).*

9 (c) *PROGRAMS AUTHORIZED.—*

10 (1) *IN GENERAL.—The Secretary shall, on a*
11 *competitive basis, make grants to, or enter into con-*
12 *tracts or cooperative agreements with, Indian tribes,*
13 *tribal organizations, Indian-controlled organizations*
14 *serving Indians, or Native Hawaiian organizations to*
15 *carry out the authorized activities described in sub-*
16 *section (d).*

17 (2) *EXCEPTION.—The competition for grants,*
18 *contracts, or cooperative agreements conducted under*
19 *paragraph (1) shall be conducted every 2 years, except*
20 *that if a recipient of such a grant, contract, or agree-*
21 *ment has performed satisfactorily, the Secretary may*
22 *waive the requirements for such competition on re-*
23 *ceipt from the recipient of a satisfactory 2-year pro-*
24 *gram plan for the succeeding 2-year period of the*
25 *grant, contract, or agreement.*

1 (d) *AUTHORIZED ACTIVITIES.*—

2 (1) *IN GENERAL.*—*Funds made available under*
3 *subsection (c) shall be used to carry out the activities*
4 *described in paragraph (2) that—*

5 (A) *are consistent with this section; and*

6 (B) *are necessary to meet the needs of Indi-*
7 *ans or Native Hawaiians preparing to enter, re-*
8 *enter, or retain unsubsidized employment.*

9 (2) *WORKFORCE INVESTMENT ACTIVITIES AND*
10 *SUPPLEMENTAL SERVICES.*—

11 (A) *IN GENERAL.*—*Funds made available*
12 *under subsection (c) shall be used for—*

13 (i) *building a comprehensive facility to*
14 *be utilized by American Samoans residing*
15 *in Hawaii for the co-location of federally*
16 *funded and State funded workforce invest-*
17 *ment activities;*

18 (ii) *comprehensive workforce invest-*
19 *ment activities for Indians or Native Ha-*
20 *waiians; or*

21 (iii) *supplemental services for Indian*
22 *or Native Hawaiian youth on or near In-*
23 *Indian reservations and in Oklahoma, Alaska,*
24 *or Hawaii.*

1 (B) *SPECIAL RULE.*—Notwithstanding any
2 other provision of this section, individuals who
3 were eligible to participate in programs under
4 section 401 of the Job Training Partnership Act
5 (29 U.S.C. 1671) (as such section was in effect
6 on the day before the date of enactment of this
7 Act) shall be eligible to participate in an activ-
8 ity assisted under subparagraph (A)(i).

9 (e) *PROGRAM PLAN.*—In order to receive a grant or
10 enter into a contract or cooperative agreement under this
11 section an entity described in subsection (c) shall submit
12 to the Secretary a program plan that describes a 2-year
13 strategy for meeting the needs of Indian or Native Hawai-
14 ian individuals, as appropriate, in the area served by such
15 entity. Such plan shall—

16 (1) be consistent with the purpose of this section;

17 (2) identify the population to be served;

18 (3) identify the education and employment needs
19 of the population to be served and the manner in
20 which the activities to be provided will strengthen the
21 ability of the individuals served to obtain or retain
22 unsubsidized employment;

23 (4) describe the activities to be provided and the
24 manner in which such activities are to be integrated
25 with other appropriate activities; and

1 (5) describe, after the entity submitting the plan
2 consults with the Secretary, the performance measures
3 to be used to assess the performance of entities in car-
4 rying out the activities assisted under this section.

5 (f) *CONSOLIDATION OF FUNDS.*—Each entity receiving
6 assistance under subsection (c) may consolidate such assist-
7 ance with assistance received from related programs in ac-
8 cordance with the provisions of the Indian Employment,
9 Training and Related Services Demonstration Act of 1992
10 (25 U.S.C. 3401 et seq.).

11 (g) *NONDUPLICATIVE AND NONEXCLUSIVE SERV-*
12 *ICES.*—Nothing in this section shall be construed—

13 (1) to limit the eligibility of any entity described
14 in subsection (c) to participate in any activity offered
15 by a State or local entity under this Act; or

16 (2) to preclude or discourage any agreement, be-
17 tween any entity described in subsection (c) and any
18 State or local entity, to facilitate the provision of
19 services by such entity or to the population served by
20 such entity.

21 (h) *ADMINISTRATIVE PROVISIONS.*—

22 (1) *ORGANIZATIONAL UNIT ESTABLISHED.*—The
23 Secretary shall designate a single organizational unit
24 within the Department of Labor that shall have pri-

1 *mary responsibility for the administration of the ac-*
2 *tivities authorized under this section.*

3 (2) *REGULATIONS.*—*The Secretary shall consult*
4 *with the entities described in subsection (c) in—*

5 (A) *establishing regulations to carry out*
6 *this section, including performance measures for*
7 *entities receiving assistance under such sub-*
8 *section, taking into account the economic cir-*
9 *cumstances of such entities; and*

10 (B) *developing a funding distribution plan*
11 *that takes into consideration previous levels of*
12 *funding (prior to the date of enactment of this*
13 *Act) to such entities.*

14 (3) *WAIVERS.*—

15 (A) *IN GENERAL.*—*With respect to an entity*
16 *described in subsection (c), the Secretary, not-*
17 *withstanding any other provision of law, may,*
18 *pursuant to a request submitted by such entity*
19 *that meets the requirements established under*
20 *paragraph (2), waive any of the statutory or reg-*
21 *ulatory requirements of this title that are incon-*
22 *sistent with the specific needs of the entities de-*
23 *scribed in such subsection, except that the Sec-*
24 *retary may not waive requirements relating to*
25 *wage and labor standards, worker rights, partici-*

1 *pation and protection of participants, grievance*
2 *procedures, and judicial review.*

3 *(B) REQUEST AND APPROVAL.—An entity*
4 *described in subsection (c) that requests a waiver*
5 *under subparagraph (A) shall submit a plan to*
6 *the Secretary to improve the program of work-*
7 *force investment activities carried out by the en-*
8 *tity, which plan shall meet the requirements es-*
9 *tablished by the Secretary and shall be generally*
10 *consistent with the requirements of section*
11 *379(i)(4)(B).*

12 *(4) ADVISORY COUNCIL.—*

13 *(A) IN GENERAL.—Using funds made avail-*
14 *able to carry out this section, the Secretary shall*
15 *establish a Native American Employment and*
16 *Training Council to facilitate the consultation*
17 *described in paragraph (2).*

18 *(B) COMPOSITION.—The Council shall be*
19 *composed of individuals, appointed by the Sec-*
20 *retary, who are representatives of the entities de-*
21 *scribed in subsection (c).*

22 *(C) DUTIES.—The Council shall advise the*
23 *Secretary on all aspects of the operation and ad-*
24 *ministration of the programs assisted under this*
25 *section, including the selection of the individual*

1 *appointed as the head of the unit established*
2 *under paragraph (1).*

3 (D) *PERSONNEL MATTERS.*—

4 (i) *COMPENSATION OF MEMBERS.*—
5 *Members of the Council shall serve without*
6 *compensation.*

7 (ii) *TRAVEL EXPENSES.*—*The members*
8 *of the Council shall be allowed travel ex-*
9 *penditures, including per diem in lieu of sub-*
10 *sistence, at rates authorized for employees of*
11 *agencies under subchapter I of chapter 57 of*
12 *title 5, United States Code, while away*
13 *from their homes or regular places of busi-*
14 *ness in the performance of services for the*
15 *Council.*

16 (iii) *ADMINISTRATIVE SUPPORT.*—*The*
17 *Secretary shall provide the Council with*
18 *such administrative support as may be nec-*
19 *essary to perform the functions of the Coun-*
20 *cil.*

21 (E) *CHAIRPERSON.*—*The Council shall se-*
22 *lect a chairperson from among its members.*

23 (F) *MEETINGS.*—*The Council shall meet not*
24 *less than twice each year.*

1 (G) *APPLICATION.*—Section 14 of the Fed-
2 eral Advisory Committee Act (5 U.S.C. App.)
3 shall not apply to the Council.

4 (5) *TECHNICAL ASSISTANCE.*—The Secretary,
5 acting through the unit established under paragraph
6 (1), is authorized to provide technical assistance to
7 entities described in subsection (c) that receive assist-
8 ance under subsection (c) to enable such entities to
9 improve the activities authorized under this section
10 that are provided by such entities.

11 **SEC. 362. MIGRANT AND SEASONAL FARMWORKER PRO-**
12 **GRAMS.**

13 (a) *IN GENERAL.*—Every 2 years, the Secretary shall,
14 on a competitive basis, make grants to, or enter into con-
15 tracts with, eligible entities to carry out the activities de-
16 scribed in subsection (d).

17 (b) *ELIGIBLE ENTITIES.*—To be eligible to receive a
18 grant or enter into a contract under this section, an entity
19 shall have an understanding of the problems of eligible mi-
20 grant and seasonal farmworkers (including dependents), a
21 familiarity with the area to be served, and the ability to
22 demonstrate a capacity to administer effectively a diversi-
23 fied program of workforce investment activities (including
24 youth activities) and related assistance for eligible migrant
25 and seasonal farmworkers.

1 (c) *PROGRAM PLAN.*—

2 (1) *IN GENERAL.*—*To be eligible to receive a*
3 *grant or enter into a contract under this section, an*
4 *entity described in subsection (b) shall submit to the*
5 *Secretary a plan that describes a 2-year strategy for*
6 *meeting the needs of eligible migrant and seasonal*
7 *farmworkers in the area to be served by such entity.*

8 (2) *ADMINISTRATION.*—*Grants and contracts*
9 *awarded under this section shall be centrally admin-*
10 *istered by the Department of Labor and competitively*
11 *awarded by the Secretary using procedures consistent*
12 *with standard Federal Government competitive pro-*
13 *curement policies.*

14 (3) *COMPETITION.*—

15 (A) *IN GENERAL.*—*The competition for*
16 *grants made and contracts entered into under*
17 *this section shall be conducted every 2 years.*

18 (B) *EXCEPTION.*—*Notwithstanding sub-*
19 *paragraph (A), if a recipient of such a grant or*
20 *contract has performed satisfactorily under the*
21 *terms of the grant agreement or contract, the*
22 *Secretary may waive the requirement for such*
23 *competition for such recipient upon receipt from*
24 *the recipient of a satisfactory 2-year plan de-*

1 *scribed in paragraph (1) for the succeeding 2-*
2 *year grant or contract period.*

3 (4) *CONTENTS.—Such plan shall—*

4 (A) *identify the education and employment*
5 *needs of the eligible migrant and seasonal farm-*
6 *workers to be served and the manner in which*
7 *the workforce investment activities (including*
8 *youth activities) to be carried out will strengthen*
9 *the ability of the eligible migrant and seasonal*
10 *farmworkers to obtain or retain unsubsidized*
11 *employment or stabilize their unsubsidized em-*
12 *ployment;*

13 (B) *describe the related assistance, includ-*
14 *ing supportive services, to be provided and the*
15 *manner in which such assistance and services*
16 *are to be integrated and coordinated with other*
17 *appropriate services; and*

18 (C) *describe, after consultation with the*
19 *Secretary, the performance measures to be used*
20 *to assess the performance of such entity in carry-*
21 *ing out the activities assisted under this section.*

22 (d) *AUTHORIZED ACTIVITIES.—Funds made available*
23 *under this section shall be used to carry out workforce in-*
24 *vestment activities (including youth activities) and provide*
25 *related assistance for eligible migrant and seasonal farm-*

1 workers, which may include employment, training, edu-
2 cational assistance, literacy assistance, an English lan-
3 guage program, worker safety training, supportive services,
4 dropout prevention activities, follow-up services for those
5 individuals placed in employment, self-employment and re-
6 lated business enterprise development education as needed
7 by eligible migrant and seasonal farmworkers and identi-
8 fied pursuant to the plan required by subsection (c), and
9 technical assistance relating to capacity enhancement in
10 such areas as management information technology.

11 (e) *CONSULTATION WITH GOVERNORS AND LOCAL*
12 *PARTNERSHIPS.*—*In making grants and entering into con-*
13 *tracts under this section, the Secretary shall consult with*
14 *the Governors and local partnerships of the States in which*
15 *the eligible entities will carry out the activities described*
16 *in subsection (d).*

17 (f) *REGULATIONS.*—*The Secretary shall consult with*
18 *eligible migrant and seasonal farmworkers groups and*
19 *States in establishing regulations to carry out this section,*
20 *including performance measures for eligible entities that*
21 *take into account the economic circumstances and demo-*
22 *graphics of eligible migrant and seasonal farmworkers.*

23 (g) *DEFINITIONS.*—*In this section:*

24 (1) *DISADVANTAGED.*—*The term “disadvan-*
25 *taged”, used with respect to a farmworker, means a*

1 *farmworker whose income, for 12 consecutive months*
 2 *out of the 24 months prior to application for the pro-*
 3 *gram involved, does not exceed the higher of—*

4 *(A) the poverty line (as defined in section*
 5 *334(a)(2)(B)) for an equivalent period; or*

6 *(B) 70 percent of the lower living standard*
 7 *income level, for an equivalent period.*

8 *(2) ELIGIBLE MIGRANT AND SEASONAL FARM-*
 9 *WORKERS.—The term “eligible migrant and seasonal*
 10 *farmworkers” means individuals who are eligible mi-*
 11 *grant farmworkers or are eligible seasonal farm-*
 12 *workers.*

13 *(3) ELIGIBLE MIGRANT FARMWORKER.—The*
 14 *term “eligible migrant farmworker” means—*

15 *(A) an eligible seasonal farmworker de-*
 16 *scribed in paragraph (4)(A) whose agricultural*
 17 *labor requires travel to a job site such that the*
 18 *farmworker is unable to return to a permanent*
 19 *place of residence within the same day; and*

20 *(B) a dependent of the farmworker described*
 21 *in subparagraph (A).*

22 *(4) ELIGIBLE SEASONAL FARMWORKER.—The*
 23 *term “eligible seasonal farmworker” means—*

24 *(A) a disadvantaged person who, for 12*
 25 *consecutive months out of the 24 months prior to*

1 *application for the program involved, has been*
2 *primarily employed in agricultural labor that is*
3 *characterized by chronic unemployment or*
4 *underemployment; and*

5 *(B) a dependent of the person described in*
6 *subparagraph (A).*

7 **SEC. 363. VETERANS' WORKFORCE INVESTMENT PRO-**
8 **GRAMS.**

9 *(a) AUTHORIZATION.—*

10 *(1) IN GENERAL.—The Secretary shall conduct,*
11 *directly or through grants or contracts, programs to*
12 *meet the needs for workforce investment activities of*
13 *veterans with service-connected disabilities, veterans*
14 *who have significant barriers to employment, veterans*
15 *who served on active duty in the armed forces during*
16 *a war or in a campaign or expedition for which a*
17 *campaign badge has been authorized, and recently*
18 *separated veterans.*

19 *(2) CONDUCT OF PROGRAMS.—Programs sup-*
20 *ported under this section may be conducted through*
21 *grants and contracts with public agencies and private*
22 *nonprofit organizations, including recipients of Fed-*
23 *eral assistance under other provisions of this title,*
24 *that the Secretary determines have an understanding*
25 *of the unemployment problems of veterans described*

1 *in paragraph (1), familiarity with the area to be*
2 *served, and the capability to administer effectively a*
3 *program of workforce investment activities for such*
4 *veterans.*

5 *(3) REQUIRED ACTIVITIES.—Programs supported*
6 *under this section shall include—*

7 *(A) activities to enhance services provided*
8 *to veterans by other providers of workforce in-*
9 *vestment activities funded by Federal, State, or*
10 *local government;*

11 *(B) activities to provide workforce invest-*
12 *ment activities to such veterans that are not ade-*
13 *quately provided by other public providers of*
14 *workforce investment activities; and*

15 *(C) outreach and public information activi-*
16 *ties to develop and promote maximum job and*
17 *job training opportunities for such veterans and*
18 *to inform such veterans about employment, job*
19 *training, on-the-job training and educational op-*
20 *portunities under this title, under title 38,*
21 *United States Code, and under other provisions*
22 *of law, which activities shall be coordinated with*
23 *activities provided through the one-stop customer*
24 *service centers.*

25 *(b) ADMINISTRATION OF PROGRAMS.—*

1 (1) *IN GENERAL.*—*The Secretary shall admin-*
2 *ister programs supported under this section through*
3 *the Assistant Secretary for Veterans’ Employment*
4 *and Training.*

5 (2) *ADDITIONAL RESPONSIBILITIES.*—*In carry-*
6 *ing out responsibilities under this section, the Assist-*
7 *ant Secretary for Veterans’ Employment and Train-*
8 *ing shall—*

9 (A) *be responsible for the awarding of*
10 *grants and contracts and the distribution of*
11 *funds under this section and for the establish-*
12 *ment of appropriate fiscal controls, accountabil-*
13 *ity, and program performance measures for re-*
14 *cipients of grants and contracts under this sec-*
15 *tion; and*

16 (B) *consult with the Secretary of Veterans*
17 *Affairs and take steps to ensure that programs*
18 *supported under this section are coordinated, to*
19 *the maximum extent feasible, with related pro-*
20 *grams and activities conducted under title 38,*
21 *United States Code, including programs and ac-*
22 *tivities conducted under subchapter II of chapter*
23 *77 of such title, chapters 30, 31, 32, and 34 of*
24 *such title, and sections 1712A, 1720A, 3687, and*
25 *4103A of such title.*

1 **SEC. 364. YOUTH OPPORTUNITY GRANTS.**

2 (a) *GRANTS.*—

3 (1) *IN GENERAL.*—Using funds made available
4 under section 302(b)(3)(A), the Secretary shall make
5 grants to eligible local partnerships and eligible enti-
6 ties described in subsection (d) to provide activities
7 described in subsection (b) for youth to increase the
8 long-term employment of eligible youth who live in
9 empowerment zones, enterprise communities, and high
10 poverty areas and who seek assistance.

11 (2) *GRANT PERIOD.*—The Secretary may make a
12 grant under this section for a 1-year period, and may
13 renew the grant for each of the 4 succeeding years.

14 (3) *GRANT AWARDS.*—In making grants under
15 this section, the Secretary shall ensure that grants are
16 distributed equitably among local partnerships and
17 entities serving urban areas and local partnerships
18 and entities serving rural areas, taking into consider-
19 ation the poverty rate in such urban and rural areas,
20 as described in subsection (c)(3)(B).

21 (b) *USE OF FUNDS.*—

22 (1) *IN GENERAL.*—A local partnership or entity
23 that receives a grant under this section shall use the
24 funds made available through the grant to provide ac-
25 tivities that meet the requirements of section 316, ex-
26 cept as provided in paragraph (2), as well as youth

1 *development activities such as activities relating to*
2 *leadership development, citizenship, and community*
3 *service, and recreation activities.*

4 (2) *INTENSIVE PLACEMENT AND FOLLOWUP*
5 *SERVICES.—In providing activities under this section,*
6 *a local partnership or entity shall provide—*

7 (A) *intensive placement services; and*

8 (B) *followup services for not less than 24*
9 *months after the completion of participation in*
10 *the other activities described in this subsection,*
11 *as appropriate.*

12 (c) *ELIGIBLE LOCAL PARTNERSHIPS.—To be eligible*
13 *to receive a grant under this section, a local partnership*
14 *shall serve a community that—*

15 (1) *has been designated as an empowerment zone*
16 *or enterprise community under section 1391 of the*
17 *Internal Revenue Code of 1986;*

18 (2)(A) *is a State without a zone or community*
19 *described in paragraph (1); and*

20 (B) *has been designated as a high poverty area*
21 *by the Governor of the State; or*

22 (3) *is 1 of 2 areas in a State that—*

23 (A) *have been designated by the Governor as*
24 *areas for which a local partnership may apply*
25 *for a grant under this section; and*

1 (B) meet the poverty rate criteria set forth
2 in subsections (a)(4), (b), and (d) of section 1392
3 of the Internal Revenue Code of 1986.

4 (d) *ELIGIBLE ENTITIES*.—To be eligible to receive a
5 grant under this section, an entity (other than a local part-
6 nership) shall—

7 (1) be a recipient of financial assistance under
8 section 361; and

9 (2) serve a community that—

10 (A) meets the poverty rate criteria set forth
11 in subsections (a)(4), (b), and (d) of section 1392
12 of the Internal Revenue Code of 1986; and

13 (B) is located on an Indian reservation.

14 (e) *APPLICATION*.—To be eligible to receive a grant
15 under this section, a local partnership or entity shall sub-
16 mit an application to the Secretary at such time, in such
17 manner, and containing such information as the Secretary
18 may require, including—

19 (1) a description of the activities that the local
20 partnership or entity will provide under this section
21 to youth in the community described in subsection

22 (c);

23 (2) a description of the performance measures
24 negotiated under subsection (f), and the manner in

1 *which the local partnerships or entities will carry out*
2 *the activities to meet the performance measures;*

3 (3) *a description of the manner in which the ac-*
4 *tivities will be linked to activities described in section*
5 *316; and*

6 (4) *a description of the community support, in-*
7 *cluding financial support through leveraging addi-*
8 *tional public and private resources, for the activities.*

9 (f) *PERFORMANCE MEASURES.—*

10 (1) *IN GENERAL.—The Secretary shall negotiate*
11 *and reach agreement with the local partnership or en-*
12 *tity on performance measures for the indicators of*
13 *performance referred to in paragraphs (2) and (3) of*
14 *section 321(b) that will be used to evaluate the per-*
15 *formance of the local partnership or entity in carry-*
16 *ing out the activities described in subsection (b). Each*
17 *local performance measure shall consist of such a in-*
18 *dicator of performance, and a performance level re-*
19 *ferred to in paragraph (2).*

20 (2) *PERFORMANCE LEVELS.—The Secretary shall*
21 *negotiate and reach agreement with the local partner-*
22 *ship or entity regarding the levels of performance ex-*
23 *pected to be achieved by the local partnership or en-*
24 *tity on the indicators of performance.*

25 (g) *ROLE MODEL ACADEMY PROJECT.—*

1 (1) *IN GENERAL.*—Using the funds made avail-
2 able pursuant to section 302(b)(3)(A)(iv) for fiscal
3 year 1999, the Secretary shall provide assistance to
4 an entity to carry out a project establishing a role
5 model academy for out-of-school youth.

6 (2) *RESIDENTIAL CENTER.*—The entity shall use
7 the assistance to establish an academy that consists of
8 a residential center located on the site of a military
9 installation closed or realigned pursuant to a law
10 providing for closures and realignments of such in-
11 stallations.

12 (3) *SERVICES.*—The academy established pursu-
13 ant to this subsection shall provide services that—

14 (A) utilize a military style model that em-
15 phasizes leadership skills and discipline, or an-
16 other model of demonstrated effectiveness; and

17 (B) include vocational training, secondary
18 school course work leading to a secondary school
19 diploma or recognized equivalent, and the use of
20 mentors who serve as role models and who pro-
21 vide academic training and career counseling to
22 the youth.

23 **SEC. 365. INCENTIVE GRANTS.**

24 (a) *IN GENERAL.*—Effective July 1, 2000, the Sec-
25 retary may make grants to States that exceed the expected

1 *levels of performance for performance measures established*
2 *under this Act.*

3 (b) *USE OF FUNDS.*—*A State that receives an incen-*
4 *tive grant under this section shall use the funds made avail-*
5 *able through the grant to carry out innovative vocational*
6 *education, adult education and literacy, or workforce in-*
7 *vestment activity programs, as determined by the State.*

8 (c) *INCENTIVE GRANT REGULATIONS.*—*The Secretary*
9 *of Labor and the Secretary of Education shall jointly pro-*
10 *mulgate 1 set of regulations for incentive grants under sec-*
11 *tions 116 and 243 and this section.*

12 **SEC. 366. TECHNICAL ASSISTANCE.**

13 (a) *TRANSITION ASSISTANCE.*—*The Secretary shall*
14 *provide technical assistance to assist States in making tran-*
15 *sitions from carrying out activities under provisions de-*
16 *scribed in section 391 to carrying out activities under this*
17 *title.*

18 (b) *PERFORMANCE IMPROVEMENT.*—

19 (1) *GENERAL ASSISTANCE.*—

20 (A) *AUTHORITY.*—*The Secretary—*

21 (i) *shall provide technical assistance to*
22 *States who fail to meet $\frac{1}{3}$ or more of the*
23 *State performance measures for a program*
24 *year; and*

1 (ii) may provide technical assistance
2 to other States, local areas, and recipients
3 of financial assistance under any of sections
4 361 through 364 to promote the continuous
5 improvement of the programs and activities
6 authorized under this title.

7 (B) *FORM OF ASSISTANCE.*—In carrying
8 out this paragraph on behalf of a State, or recip-
9 ient of financial assistance under any of sections
10 361 through 364, the Secretary, after consulta-
11 tion with the State or grant recipient, may
12 award grants and enter into contracts and coop-
13 erative agreements.

14 (C) *LIMITATION.*—Grants or contracts
15 awarded under this paragraph that are for
16 amounts in excess of \$50,000 shall only be
17 awarded on a competitive basis.

18 (2) *DISLOCATED WORKER TECHNICAL ASSIST-*
19 *ANCE.*—

20 (A) *AUTHORITY.*—Of the amounts available
21 pursuant to section 302(a)(2), the Secretary shall
22 reserve not more than 5 percent of such amounts
23 to provide technical assistance to States that do
24 not meet the State performance measures de-
25 scribed in section 321(b) with respect to employ-

1 *ment and training activities for dislocated work-*
2 *ers. Using such reserved funds, the Secretary*
3 *may provide such assistance to other States,*
4 *local areas, business and labor organizations,*
5 *and other entities involved in providing assist-*
6 *ance to dislocated workers, to promote the con-*
7 *tinuous improvement of assistance provided to*
8 *dislocated workers, under this title.*

9 (B) *TRAINING.*—*Amounts reserved under*
10 *this paragraph may be used to provide for the*
11 *training of staff, including specialists, who pro-*
12 *vide rapid response services. Such training shall*
13 *include instruction in proven methods of promot-*
14 *ing, establishing, and assisting labor-manage-*
15 *ment committees. Such projects shall be adminis-*
16 *tered through the dislocated worker office de-*
17 *scribed in section 369(b).*

18 **SEC. 367. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
19 **SEARCH, AND MULTISTATE PROJECTS.**

20 (a) *STRATEGIC PLAN.*—

21 (1) *IN GENERAL.*—*After consultation with*
22 *States, localities, and other interested parties, the Sec-*
23 *retary shall, every 2 years, publish in the Federal*
24 *Register, a plan that describes the demonstration and*
25 *pilot (including dislocated worker demonstration and*

1 *pilot), multiservice, research, and multistate project*
2 *priorities of the Department of Labor concerning em-*
3 *ployment and training for the 5-year period following*
4 *the submission of the plan. Copies of the plan shall*
5 *be transmitted to the appropriate committees of Con-*
6 *gress.*

7 (2) *LIMITATION.*—*With respect to a plan pub-*
8 *lished under paragraph (1), the Secretary shall ensure*
9 *that research projects (referred to in subsection (d))*
10 *are considered for incorporation into the plan only*
11 *after projects referred to in subsections (b), (c), and*
12 *(e) have been considered and incorporated into the*
13 *plan, and are funded only as funds remain to permit*
14 *the funding of such research projects.*

15 (3) *FACTORS.*—*The plan published under para-*
16 *graph (1) shall contain strategies to address national*
17 *employment and training problems and take into ac-*
18 *count factors such as—*

19 (A) *the availability of existing research (as*
20 *of the date of the publication);*

21 (B) *the need to ensure results that have*
22 *interstate validity;*

23 (C) *the benefits of economies of scale and the*
24 *efficiency of proposed projects; and*

1 (D) *the likelihood that the results of the*
2 *projects will be useful to policymakers and stake-*
3 *holders in addressing employment and training*
4 *problems.*

5 (b) *DEMONSTRATION AND PILOT PROJECTS.—*

6 (1) *IN GENERAL.—Under a plan published under*
7 *subsection (a), the Secretary shall, through grants or*
8 *contracts, carry out demonstration and pilot projects*
9 *for the purpose of developing and implementing tech-*
10 *niques and approaches, and demonstrating the effec-*
11 *tiveness of specialized methods, in addressing employ-*
12 *ment and training needs. Such projects shall include*
13 *the provision of direct services to individuals to en-*
14 *hance employment opportunities and an evaluation*
15 *component.*

16 (2) *LIMITATIONS.—*

17 (A) *COMPETITIVE AWARDS.—Grants or con-*
18 *tracts awarded for carrying out demonstration*
19 *and pilot projects under this subsection shall be*
20 *awarded only on a competitive basis, except that*
21 *a noncompetitive award may be made in the*
22 *case of a project that is funded jointly with other*
23 *public or private sector entities that provide a*
24 *substantial portion of the funding for the project.*

1 (B) *ELIGIBLE ENTITIES.*—*Grants or con-*
2 *tracts may be awarded under this subsection*
3 *only to—*

4 (i) *entities with recognized expertise*
5 *in—*

6 (I) *conducting national dem-*
7 *onstration projects;*

8 (II) *utilizing state-of-the-art dem-*
9 *onstration methods; and*

10 (III) *conducting evaluations of*
11 *employment and training projects; or*

12 (ii) *State and local entities with exper-*
13 *tise in operating or overseeing employment*
14 *and training programs.*

15 (C) *TIME LIMITS.*—*The Secretary shall es-*
16 *tablish appropriate time limits for carrying out*
17 *demonstration and pilot projects under this sub-*
18 *section.*

19 (c) *MULTISERVICE PROJECTS.*—

20 (1) *IN GENERAL.*—*Under a plan published under*
21 *subsection (a), the Secretary shall, through grants or*
22 *contracts, carry out multiservice projects—*

23 (A) *that will test an array of approaches to*
24 *the provision of employment and training serv-*
25 *ices to a variety of targeted populations;*

1 (B) *in which the entity carrying out the*
2 *project, in conjunction with employers, organized*
3 *labor, and other groups such as the disability*
4 *community, will design, develop, and test var-*
5 *ious training approaches in order to determine*
6 *effective practices; and*

7 (C) *that will assist in the development and*
8 *replication of effective service delivery strategies*
9 *for targeted populations for the national employ-*
10 *ment and training system as a whole.*

11 (2) *LIMITATIONS.—*

12 (A) *COMPETITIVE AWARDS.—Grants or con-*
13 *tracts awarded for carrying out multiservice*
14 *projects under this subsection shall be awarded*
15 *only on a competitive basis.*

16 (B) *TIME LIMITS.—A grant or contract*
17 *shall not be awarded under this subsection to the*
18 *same organization for more than 3 consecutive*
19 *years unless such grant or contract is competi-*
20 *tively reevaluated within such period.*

21 (d) *RESEARCH.—*

22 (1) *IN GENERAL.—Under a plan published under*
23 *subsection (a), the Secretary shall, through grants or*
24 *contracts, carry out research projects that will con-*

1 *tribute to the solution of employment and training*
2 *problems in the United States.*

3 (2) *FORMULA IMPROVEMENT STUDY AND RE-*
4 *PORT.—*

5 (A) *STUDY.—The Secretary shall conduct a*
6 *2-year study concerning improvements in the*
7 *formulas described in section 302(b)(1)(B) and*
8 *paragraphs (3)(A) and (4)(A) of section 306(b)*
9 *(regarding distributing funds under subtitle A to*
10 *States and local areas for adult employment and*
11 *training activities). In conducting the study, the*
12 *Secretary shall examine means of improving the*
13 *formulas by—*

14 (i) *developing formulas based on statis-*
15 *tically reliable data;*

16 (ii) *developing formulas that are con-*
17 *sistent with the goals and objectives of this*
18 *title; and*

19 (iii) *developing formulas based on or-*
20 *ganizational and financial stability of*
21 *statewide partnerships and local partner-*
22 *ships.*

23 (B) *REPORT.—The Secretary shall prepare*
24 *and submit to Congress a report containing the*

1 *results of the study, including recommendations*
2 *for improved formulas.*

3 (3) *LIMITATIONS.*—

4 (A) *COMPETITIVE AWARDS.*—*Grants or con-*
5 *tracts awarded for carrying out research projects*
6 *under this subsection in amounts that exceed*
7 *\$50,000 shall be awarded only on a competitive*
8 *basis, except that a noncompetitive award may*
9 *be made in the case of a project that is funded*
10 *jointly with other public or private sector enti-*
11 *ties that provide a substantial portion of the*
12 *funding for the project.*

13 (B) *ELIGIBLE ENTITIES.*—*Grants or con-*
14 *tracts shall be awarded under this subsection*
15 *only to entities with nationally recognized exper-*
16 *tise in the methods, techniques, and knowledge of*
17 *the social sciences.*

18 (C) *TIME LIMITS.*—*The Secretary shall es-*
19 *tablish appropriate time limits for the duration*
20 *of research projects funded under this subsection.*

21 (e) *MULTISTATE PROJECTS.*—

22 (1) *IN GENERAL.*—

23 (A) *AUTHORITY.*—*Under a plan published*
24 *under subsection (a), the Secretary may, through*
25 *grants or contracts, carry out multistate projects*

1 that require demonstrated expertise that is avail-
2 able at the national level to effectively dissemi-
3 nate best practices and models for implementing
4 employment and training services, address the
5 specialized employment and training needs of
6 particular service populations, or address indus-
7 trywide skill shortages.

8 (B) *DESIGN OF GRANTS.*—Grants or con-
9 tracts awarded under this subsection shall be de-
10 signed to obtain information relating to the pro-
11 vision of services under different economic condi-
12 tions or to various demographic groups in order
13 to provide guidance at the national and State
14 levels about how best to administer specific em-
15 ployment and training services.

16 (2) *LIMITATIONS.*—

17 (A) *COMPETITIVE AWARDS.*—Grants or con-
18 tracts awarded for carrying out multistate
19 projects under this subsection shall be awarded
20 only on a competitive basis.

21 (B) *TIME LIMITS.*—A grant or contract
22 shall not be awarded under this subsection to the
23 same organization for more than 3 consecutive
24 years unless such grant or contract is competi-
25 tively reevaluated within such period.

1 (f) *DISLOCATED WORKER PROJECTS.*—Of the amount
2 made available pursuant to section 302(a)(2)(A) for any
3 program year, the Secretary shall use not more than 10
4 percent of such amount to carry out demonstration and
5 pilot projects, multiservice projects, and multistate projects,
6 relating to the employment and training needs of dislocated
7 workers. Of the requirements of this section, such projects
8 shall be subject only to the provisions relating to review and
9 evaluation of applications under subsection (g). Such
10 projects may include demonstration and pilot projects relat-
11 ing to promoting self-employment, promoting job creation,
12 averting dislocations, assisting dislocated farmers, assisting
13 dislocated fishermen, and promoting public works. Such
14 projects shall be administered through the dislocated worker
15 office described in section 369(b).

16 (g) *PEER REVIEW.*—The Secretary shall utilize a peer
17 review process to—

18 (1) review and evaluate all applications for
19 grants and contracts in amounts that exceed \$100,000
20 that are submitted under this section; and

21 (2) review and designate exemplary and promis-
22 ing programs under this section.

23 **SEC. 368. EVALUATIONS.**

24 (a) *PROGRAMS AND ACTIVITIES CARRIED OUT UNDER*
25 *THIS TITLE.*—For the purpose of improving the manage-

1 *ment and effectiveness of programs and activities carried*
2 *out under this title, the Secretary shall provide for the con-*
3 *tinuing evaluation of the programs and activities. Such*
4 *evaluations shall address—*

5 *(1) the general effectiveness of such programs*
6 *and activities in relation to their cost;*

7 *(2) the effectiveness of the performance measures*
8 *relating to such programs and activities;*

9 *(3) the effectiveness of the structure and mecha-*
10 *nisms for delivery of services through such programs*
11 *and activities;*

12 *(4) the impact of the programs and activities on*
13 *the community and participants involved;*

14 *(5) the impact of such programs and activities*
15 *on related programs and activities;*

16 *(6) the extent to which such programs and ac-*
17 *tivities meet the needs of various demographic groups;*
18 *and*

19 *(7) such other factors as may be appropriate.*

20 *(b) OTHER PROGRAMS AND ACTIVITIES.—The Sec-*
21 *retary may conduct evaluations of other federally funded*
22 *employment-related programs and activities, including pro-*
23 *grams and activities administered under—*

24 *(1) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);*

1 (2) *the Older Americans Act of 1965 (42 U.S.C.*
2 *3001 et seq.)*;

3 (3) *chapter 2 of title II of the Trade Act of 1974*
4 *(19 U.S.C. 2271 et seq.)*; and

5 (4) *State unemployment compensation laws (in*
6 *accordance with applicable Federal law)*.

7 (c) *TECHNIQUES.—Evaluations conducted under this*
8 *section shall utilize appropriate methodology and research*
9 *designs, including the use of control groups chosen by sci-*
10 *entific random assignment methodologies. The Secretary*
11 *shall conduct as least 1 multisite control group evaluation*
12 *under this section by the end of fiscal year 2004.*

13 (d) *REPORTS.—The entity carrying out an evaluation*
14 *described in subsection (a) or (b) shall prepare and submit*
15 *to the Secretary a draft report and a final report contain-*
16 *ing the results of the evaluation.*

17 (e) *REPORTS TO CONGRESS.—Not later than 30 days*
18 *after the completion of such a draft report, the Secretary*
19 *shall transmit the draft report to the appropriate commit-*
20 *tees of Congress. Not later than 60 days after the completion*
21 *of such a final report, the Secretary shall transmit the final*
22 *report to the appropriate committees of Congress.*

23 (f) *COORDINATION.—The Secretary shall ensure the co-*
24 *ordination of evaluations carried out by States pursuant*

1 *to section 321(e) with the evaluations carried out under this*
2 *section.*

3 **SEC. 369. NATIONAL EMERGENCY GRANTS.**

4 *(a) IN GENERAL.—The Secretary is authorized to*
5 *award national emergency grants in a timely manner—*

6 *(1) to an entity described in subsection (c) to*
7 *provide employment and training assistance to work-*
8 *ers affected by major economic dislocations, such as*
9 *plant closures, mass layoffs, or closures and realign-*
10 *ments of military installations;*

11 *(2) to provide assistance to the Governor of any*
12 *State within the boundaries of which is an area that*
13 *has suffered an emergency or a major disaster as de-*
14 *finied in paragraphs (1) and (2), respectively, of sec-*
15 *tion 102 of The Robert T. Stafford Disaster Relief*
16 *and Emergency Assistance Act (42 U.S.C. 5122 (1)*
17 *and (2)) (referred to in this section as the “disaster*
18 *area”)* *to provide disaster relief employment in the*
19 *area; and*

20 *(3) to provide additional assistance to a State or*
21 *local partnership for eligible dislocated workers in a*
22 *case in which the State or local partnership has ex-*
23 *pended the funds provided under this section to carry*
24 *out activities described in paragraphs (1) and (2)*
25 *and can demonstrate the need for additional funds to*

1 *provide appropriate services for such workers, in ac-*
2 *cordance with requirements prescribed by the Sec-*
3 *retary.*

4 *(b) ADMINISTRATION.—The Secretary shall designate*
5 *a dislocated worker office to coordinate the functions of the*
6 *Secretary under this title relating to employment and*
7 *training activities for dislocated workers, including activi-*
8 *ties carried out under the national emergency grants.*

9 *(c) EMPLOYMENT AND TRAINING ASSISTANCE RE-*
10 *QUIREMENTS.—*

11 *(1) GRANT RECIPIENT ELIGIBILITY.—*

12 *(A) APPLICATION.—To be eligible to receive*
13 *a grant under subsection (a)(1), an entity shall*
14 *submit an application to the Secretary at such*
15 *time, in such manner, and containing such in-*
16 *formation as the Secretary may require.*

17 *(B) ELIGIBLE ENTITY.—In this paragraph,*
18 *the term “entity” means a State, a local part-*
19 *nership, an entity described in section 361(c), an*
20 *employer or employer association, a labor orga-*
21 *nization, and an entity determined to be eligible*
22 *by the Governor of the State involved.*

23 *(2) PARTICIPANT ELIGIBILITY.—*

24 *(A) IN GENERAL.—In order to be eligible to*
25 *receive employment and training assistance*

1 *under a national emergency grant awarded pur-*
2 *suant to subsection (a)(1), an individual shall*
3 *be—*

4 *(i) a dislocated worker;*

5 *(ii) a civilian employee of the Depart-*
6 *ment of Defense employed at a military in-*
7 *stallation that is being closed, or that will*
8 *undergo realignment, within the next 24*
9 *months after the date of the determination*
10 *of eligibility;*

11 *(iii) an individual who is employed in*
12 *a nonmanagerial position with a Depart-*
13 *ment of Defense contractor, who is deter-*
14 *mined by the Secretary of Defense to be at-*
15 *risk of termination from employment as a*
16 *result of reductions in defense expenditures,*
17 *and whose employer is converting oper-*
18 *ations from defense to nondefense applica-*
19 *tions in order to prevent worker layoffs; or*

20 *(iv) a member of the Armed Forces*
21 *who—*

22 *(I) was on active duty or full-time*
23 *National Guard duty;*

24 *(II)(aa) is involuntarily sepa-*
25 *rated (as defined in section 1141 of*

1 *title 10, United States Code) from ac-*
2 *tive duty or full-time National Guard*
3 *duty; or*

4 *(bb) is separated from active duty*
5 *or full-time National Guard duty pur-*
6 *suant to a special separation benefits*
7 *program under section 1174a of title*
8 *10, United States Code, or the vol-*
9 *untary separation incentive program*
10 *under section 1175 of that title;*

11 *(III) is not entitled to retired or*
12 *retained pay incident to the separation*
13 *described in subclause (II); and*

14 *(IV) applies for such employment*
15 *and training assistance before the end*
16 *of the 180-day period beginning on the*
17 *date of that separation.*

18 *(B) RETRAINING ASSISTANCE.—The indi-*
19 *viduals described in subparagraph (A)(iii) shall*
20 *be eligible for retraining assistance to upgrade*
21 *skills by obtaining marketable skills needed to*
22 *support the conversion described in subpara-*
23 *graph (A)(iii).*

24 *(C) ADDITIONAL REQUIREMENTS.—The Sec-*
25 *retary shall establish and publish additional re-*

1 *quirements related to eligibility for employment*
2 *and training assistance under the national emer-*
3 *gency grants to ensure effective use of the funds*
4 *available for this purpose.*

5 *(D) DEFINITIONS.—In this paragraph, the*
6 *terms ‘military institution’ and ‘realignment’*
7 *have the meanings given the terms in section*
8 *2910 of the Defense Base Closure and Realign-*
9 *ment Act of 1990 (Public Law 101–510; 10*
10 *U.S.C. 2687 note).*

11 *(d) DISASTER RELIEF EMPLOYMENT ASSISTANCE RE-*
12 *QUIREMENTS.—*

13 *(1) IN GENERAL.—Funds made available under*
14 *subsection (a)(2)—*

15 *(A) shall be used to provide disaster relief*
16 *employment on projects that provide food, cloth-*
17 *ing, shelter, and other humanitarian assistance*
18 *for disaster victims, and projects regarding dem-*
19 *olition, cleaning, repair, renovation, and recon-*
20 *struction of damaged and destroyed structures,*
21 *facilities, and lands located within the disaster*
22 *area;*

23 *(B) may be expended through public and*
24 *private agencies and organizations engaged in*
25 *such projects; and*

1 (C) may be expended to provide the services
2 authorized under section 315(c).

3 (2) *ELIGIBILITY.*—An individual shall be eligible
4 to be offered disaster relief employment under sub-
5 section (a)(2) if such individual is a dislocated work-
6 er, is a long-term unemployed individual, or is tem-
7 porarily or permanently laid off as a consequence of
8 the disaster.

9 (3) *LIMITATIONS ON DISASTER RELIEF EMPLOY-*
10 *MENT.*—No individual shall be employed under sub-
11 section (a)(2) for more than 6 months for work relat-
12 ed to recovery from a single natural disaster.

13 **SEC. 370. AUTHORIZATION OF APPROPRIATIONS.**

14 (a) *IN GENERAL.*—

15 (1) *NATIVE AMERICAN PROGRAMS; MIGRANT AND*
16 *SEASONAL FARMWORKER PROGRAMS; VETERANS' EM-*
17 *PLOYMENT PROGRAMS.*—Subject to subsection (b)(1),
18 there are authorized to be appropriated to carry out
19 sections 361 through 363 such sums as may be nec-
20 essary for each of the fiscal years 1999 through 2004.

21 (2) *INCENTIVE GRANTS; TECHNICAL ASSISTANCE;*
22 *DEMONSTRATION AND PILOT PROJECTS; EVALUA-*
23 *TIONS.*—Subject to subsection (b)(2), there are author-
24 ized to be appropriated to carry out sections 365

1 *through 368, such sums as may be necessary for each*
2 *of fiscal years 1999 through 2004.*

3 **(b) RESERVATIONS.—**

4 **(1) NATIVE AMERICAN PROGRAMS; MIGRANT AND**
5 **SEASONAL FARMWORKER PROGRAMS; VETERANS' EM-**
6 **PLOYMENT PROGRAMS.—***Of the amount appropriated*
7 *under subsection (a)(1) for a fiscal year, the Sec-*
8 *retary shall—*

9 **(A)** *reserve not less than \$55,000,000 for*
10 *carrying out section 361;*

11 **(B)** *reserve not less than \$70,000,000 for*
12 *carrying out section 362; and*

13 **(C)** *reserve not less than \$7,300,000 for car-*
14 *rying out section 363.*

15 **(2) INCENTIVE GRANTS; TECHNICAL ASSISTANCE;**
16 **DEMONSTRATION AND PILOT PROJECTS; EVALUA-**
17 **TIONS.—***Of the amount appropriated under sub-*
18 *section (a)(2) for a fiscal year, the Secretary shall—*

19 **(A)(i)** *for fiscal year 1999, reserve no funds*
20 *for carrying out section 365; and*

21 **(ii)** *for each of fiscal years 2000 through*
22 *2004, reserve 36.8 percent for carrying out sec-*
23 *tion 365;*

1 (B)(i) for fiscal year 1999, reserve 61.8 per-
2 cent for carrying out section 366 (other than sec-
3 tion 366(b)(2)); and

4 (ii) for each of fiscal years 2000 through
5 2004, reserve 25 percent for carrying out section
6 366 (other than section 366(b)(2));

7 (C) reserve 24.2 percent of a carrying out
8 section 367 (other than 367(f)); and

9 (D) reserve 14 percent for carrying out sec-
10 tion 368.

11 ***Subtitle D—Administration***

12 **SEC. 371. REQUIREMENTS AND RESTRICTIONS.**

13 (a) *BENEFITS.*—

14 (1) *WAGES.*—

15 (A) *IN GENERAL.*—*Individuals in on-the-job*
16 *training or individuals employed in programs*
17 *and activities carried out under this title shall*
18 *be compensated at the same rates, including*
19 *periodic increases, as trainees or employees who*
20 *are similarly situated in similar occupations by*
21 *the same employer and who have similar skills.*
22 *Such rates shall be in accordance with applicable*
23 *law, but in no event less than the higher of the*
24 *rate specified in section 6(a)(1) of the Fair*
25 *Labor Standards Act of 1938 (29 U.S.C.*

1 206(a)(1)) or the applicable State or local mini-
2 mum wage law.

3 (B) CONSTRUCTION.—*The reference in sub-*
4 *paragraph (A) to section 6(a)(1) of the Fair*
5 *Labor Standards Act of 1938—*

6 (i) *shall be deemed to be a reference to*
7 *section 6(c) of that Act (29 U.S.C. 206(c))*
8 *for individuals in the Commonwealth of*
9 *Puerto Rico;*

10 (ii) *shall be deemed to be a reference to*
11 *section 6(a)(3) (29 U.S.C. 206(a)(3)) of that*
12 *Act for individuals in American Samoa;*
13 *and*

14 (iii) *shall not be applicable for indi-*
15 *viduals in other territorial jurisdictions in*
16 *which section 6 of the Fair Labor Stand-*
17 *ards Act of 1938 (29 U.S.C. 206) does not*
18 *apply.*

19 (2) TREATMENT OF ALLOWANCES, EARNINGS,
20 AND PAYMENTS.—*Allowances, earnings, and pay-*
21 *ments to individuals participating in programs and*
22 *activities carried out under this title shall not be con-*
23 *sidered to be income for the purposes of determining*
24 *eligibility for, and the amount of income transfer and*
25 *in-kind aid furnished under, any Federal or federally*

1 *assisted program based on need, other than as pro-*
2 *vided under the Social Security Act (42 U.S.C. 301*
3 *et seq.).*

4 **(b) LABOR STANDARDS.—**

5 **(1) DISPLACEMENT.—**

6 **(A) PROHIBITION.—***A participant in a pro-*
7 *gram or activity authorized under this title (re-*
8 *ferred to in this subsection as a “specified activ-*
9 *ity”) shall not displace (including a partial dis-*
10 *placement, such as a reduction in the hours of*
11 *nonovertime work, wages, or employment bene-*
12 *fits) any currently employed employee (as of the*
13 *date of the participation).*

14 **(B) PROHIBITION ON IMPAIRMENT OF CON-**
15 **TRACTS.—***A specified activity shall not impair*
16 *an existing contract for services or collective bar-*
17 *gaining agreement, and no such activity that*
18 *would be inconsistent with the terms of a collec-*
19 *tive bargaining agreement shall be undertaken*
20 *without the written concurrence of the labor or-*
21 *ganization and employer concerned.*

22 **(2) OTHER PROHIBITIONS.—***A participant in a*
23 *specified activity shall not be employed in a job—*

1 (A) when any other individual is on layoff
2 from the same or any substantially equivalent
3 job with the participating employer;

4 (B) when the employer has terminated the
5 employment of any regular employee or other-
6 wise reduced the workforce of the employer with
7 the intention of filling the vacancy so created
8 with the participant; or

9 (C) that is created in a promotional line
10 that will infringe in any way on the pro-
11 motional opportunities of currently employed in-
12 dividuals (as of the date of the participation).

13 (3) *HEALTH AND SAFETY.*—Health and safety
14 standards established under Federal and State law
15 otherwise applicable to working conditions of employ-
16 ees shall be equally applicable to working conditions
17 of participants engaged in specified activities. To the
18 extent that a State workers' compensation law ap-
19 plies, workers' compensation shall be provided to par-
20 ticipants on the same basis as the compensation is
21 provided to other individuals in the State in similar
22 employment.

23 (4) *EMPLOYMENT CONDITIONS.*—Individuals in
24 on-the-job training or individuals employed in pro-
25 grams and activities carried out under this title, shall

1 *be provided benefits and working conditions at the*
2 *same level and to the same extent as other trainees or*
3 *employees working a similar length of time and doing*
4 *the same type of work.*

5 (5) *OPPORTUNITY TO SUBMIT COMMENTS.—In-*
6 *terested members of the public, including representa-*
7 *tives of labor organizations and businesses, shall be*
8 *provided an opportunity to submit comments to the*
9 *Secretary with respect to programs and activities pro-*
10 *posed to be funded under subtitle A.*

11 (6) *NO IMPACT ON UNION ORGANIZING.—Each*
12 *recipient of funds under this title shall provide to the*
13 *Secretary assurances that none of such funds will be*
14 *used to assist, promote, or deter union organizing.*

15 (c) *GRIEVANCE PROCEDURE.—*

16 (1) *IN GENERAL.—Each State receiving an allot-*
17 *ment under section 302 and each recipient of finan-*
18 *cial assistance under section 361 or 362 shall estab-*
19 *lish and maintain a procedure for grievances or com-*
20 *plaints alleging violations of the requirements of this*
21 *title from participants and other interested or affected*
22 *parties. Such procedure shall include an opportunity*
23 *for a hearing and be completed within 60 days after*
24 *the date of the filing of the grievance or complaint.*

25 (2) *INVESTIGATION.—*

1 (A) *IN GENERAL.*—*The Secretary shall in-*
2 *vestigate an allegation of a violation described in*
3 *paragraph (1) if—*

4 (i) *a decision relating to such violation*
5 *has not been reached within 60 days after*
6 *the date of the filing of the grievance or*
7 *complaint and either party appeals the de-*
8 *cision to the Secretary; or*

9 (ii) *a decision relating to such viola-*
10 *tion has been reached within 60 days after*
11 *the date of the filing and the party to which*
12 *such decision is adverse appeals the decision*
13 *to the Secretary.*

14 (B) *ADDITIONAL REQUIREMENT.*—*The Sec-*
15 *retary shall make a final determination relating*
16 *to an appeal made under subparagraph (A) no*
17 *later than 120 days after the date of such appeal.*

18 (3) *REMEDIES.*—*Remedies that may be imposed*
19 *under this subsection for a violation of any require-*
20 *ment of this title shall be limited—*

21 (A) *to suspension or termination of pay-*
22 *ments under this title to a person that has vio-*
23 *lated any requirement of this title;*

1 (B) to prohibition of placement of a partici-
2 pant with an employer that has violated any re-
3 quirement of this title;

4 (C) where applicable, to reinstatement of an
5 employee, payment of lost wages and benefits,
6 and reestablishment of other relevant terms, con-
7 ditions, and privileges of employment; and

8 (D) where appropriate, to other equitable
9 relief.

10 (4) CONSTRUCTION.—Nothing in paragraph (3)
11 shall be construed to prohibit a grievant or complain-
12 ant from pursuing a remedy authorized under an-
13 other Federal, State, or local law for a violation of
14 this title.

15 (d) RELOCATION.—

16 (1) PROHIBITION ON USE OF FUNDS TO ENCOUR-
17 AGE OR INDUCE RELOCATION.—No funds provided
18 under this title shall be used, or proposed for use, to
19 encourage or induce the relocation of a business or
20 part of a business if such relocation would result in
21 a loss of employment for any employee of such busi-
22 ness at the original location and such original loca-
23 tion is within the United States.

24 (2) PROHIBITION ON USE OF FUNDS FOR CUS-
25 TOMIZED OR SKILL TRAINING AND RELATED ACTIVI-

1 *TIES AFTER RELOCATION.*—No funds provided under
2 this title for an employment and training activity
3 shall be used for customized or skill training, on-the-
4 job training, or company-specific assessments of job
5 applicants or employees, for any business or part of
6 a business that has relocated, until the date that is
7 120 days after the date on which such business com-
8 mences operations at the new location, if the reloca-
9 tion of such business or part of a business results in
10 a loss of employment for any employee of such busi-
11 ness at the original location and such original loca-
12 tion is within the United States.

13 (3) *REPAYMENT.*—If the Secretary determines
14 that a violation of paragraph (1) or (2) has occurred,
15 the Secretary shall require the State that has violated
16 such paragraph to repay to the United States an
17 amount equal to the amount expended in violation of
18 such paragraph.

19 (e) *LIMITATION ON USE OF FUNDS.*—No funds avail-
20 able under this title shall be used for employment generat-
21 ing activities, economic development activities, activities for
22 the capitalization of businesses, investment in contract bid-
23 ding resource centers, or similar activities. No funds avail-
24 able under subtitle A shall be used for foreign travel.

1 (f) *DRUG TESTING LIMITATIONS ON PARTICIPANTS IN*
2 *TRAINING SERVICES.*—

3 (1) *FINDING.*—*Congress finds that—*

4 (A) *the possession, distribution, and use of*
5 *drugs by participants in training services should*
6 *not be tolerated, and that such use prevents par-*
7 *ticipants from making full use of the benefits ex-*
8 *tended through training services at the expense of*
9 *taxpayers; and*

10 (B) *applicants and participants should be*
11 *tested for illegal drug use, in order to maximize*
12 *the training services and assistance provided*
13 *under this title.*

14 (2) *DRUG TESTS.*—*Each eligible provider of*
15 *training services shall administer a drug test—*

16 (A) *on a random basis, to individuals who*
17 *apply to participate in training services; and*

18 (B) *to a participant in training services, on*
19 *reasonable suspicion of drug use by the partici-*
20 *pant.*

21 (3) *ELIGIBILITY OF APPLICANTS.*—*In order for*
22 *such an applicant to be eligible to participate in*
23 *training services, the applicant shall agree to submit*
24 *to a drug test administered as described in paragraph*

1 (2)(A) and, if the test is administered to the appli-
2 cant, shall pass the test.

3 (4) *ELIGIBILITY OF PARTICIPANTS.*—In order for
4 such a participant to remain eligible to participate
5 in training services, the participant shall agree to
6 submit to a drug test administered as described in
7 paragraph (2)(B) and, if the test is administered to
8 the participant, shall pass the test. If a participant
9 refuses to submit to the drug test, or fails the drug
10 test, the eligible provider shall dismiss the participant
11 from participation in training services.

12 (5) *REAPPLICATION.*—

13 (A) *IN GENERAL.*—Except as provided in
14 subparagraph (B), an individual who is an ap-
15 plicant and is disqualified from eligibility under
16 paragraph (3), or who is a participant and is
17 dismissed under paragraph (4), may reapply,
18 not earlier than 6 months after the date of the
19 disqualification or dismissal, to participate in
20 training services. If the individual demonstrates
21 that the individual has completed a drug treat-
22 ment program and passed a drug test within the
23 30-day period prior to the date of the reapplica-
24 tion, the individual may participate in training
25 services, under the same terms and conditions as

1 *apply to other applicants and participants, in-*
2 *cluding submission to drug tests administered as*
3 *described in paragraph (2).*

4 *(B) SECOND DISQUALIFICATION OR DISMIS-*
5 *SAL.—If the individual reappplies to participate*
6 *in training services and fails a drug test admin-*
7 *istered under paragraph (2) by the eligible pro-*
8 *vider, while the individual is an applicant or a*
9 *participant, the eligible provider shall disqualify*
10 *the individual from eligibility for, or dismiss the*
11 *individual from participation in, training serv-*
12 *ices. The individual shall not be eligible to re-*
13 *apply for participation in training services for*
14 *2 years after such disqualification or dismissal.*

15 *(6) APPEAL.—A decision by an eligible provider*
16 *to disqualify an individual from eligibility for par-*
17 *ticipation in training services under paragraph (3)*
18 *or (5), or to dismiss a participant as described in*
19 *paragraph (4) or (5), shall be subject to expeditious*
20 *appeal in accordance with procedures established by*
21 *the State in which the eligible provider is located.*

22 *(7) NATIONAL UNIFORM GUIDELINES.—*

23 *(A) IN GENERAL.—The Secretary of Labor*
24 *shall develop voluntary guidelines to assist eligi-*

1 *ble providers concerning the drug testing re-*
2 *quired under this subsection.*

3 (B) *PRIVACY.*—*The guidelines shall pro-*
4 *mote, to the maximum extent practicable, indi-*
5 *vidual privacy in the collection of specimen sam-*
6 *ples for such drug testing.*

7 (C) *LABORATORIES AND PROCEDURES.*—
8 *With respect to standards concerning labora-*
9 *tories and procedures for such drug testing, the*
10 *guidelines shall incorporate the Mandatory*
11 *Guidelines for Federal Workplace Drug Testing*
12 *Programs, 53 Fed. Reg. 11970 (1988) (or a suc-*
13 *cessor to such guidelines), including the portion*
14 *of the mandatory guidelines that—*

15 (i) *establishes comprehensive standards*
16 *for all aspects of laboratory drug testing*
17 *and laboratory procedures, including stand-*
18 *ards that require the use of the best avail-*
19 *able technology for ensuring the full reliabil-*
20 *ity and accuracy of drug tests and strict*
21 *procedures governing the chain of custody of*
22 *specimen samples;*

23 (ii) *establishes the minimum list of*
24 *drugs for which individuals may be tested;*
25 *and*

1 (iii) establishes appropriate standards
2 and procedures for periodic review of lab-
3 oratories and criteria for certification and
4 revocation of certification of laboratories to
5 perform such drug testing.

6 (D) SCREENING AND CONFIRMATION.—The
7 guidelines described in subparagraph (A) shall
8 provide that, for drug testing conducted under
9 this subsection—

10 (i) each laboratory involved in the
11 drug testing of any individual shall have
12 the capability and facility, at such labora-
13 tory, of performing screening and confirma-
14 tion tests;

15 (ii) all tests that indicate the use, in
16 violation of law (including Federal regula-
17 tion) of a drug by the individual shall be
18 confirmed by a scientifically recognized
19 method of testing capable of providing
20 quantitative data regarding the drug;

21 (iii) each specimen sample shall be
22 subdivided, secured, and labeled in the pres-
23 ence of the individual; and

24 (iv) a portion of each specimen sample
25 shall be retained in a secure manner to pre-

1 vent the possibility of tampering, so that if
2 the confirmation test results are positive the
3 individual has an opportunity to have the
4 retained portion assayed by a confirmation
5 test done independently at a second certified
6 laboratory, if the individual requests the
7 independent test not later than 3 days after
8 being advised of the results of the first con-
9 firmation test.

10 (E) *CONFIDENTIALITY.*—The guidelines
11 shall provide for the confidentiality of the test re-
12 sults and medical information (other than infor-
13 mation relating to a drug) of the individuals
14 tested under this subsection, except that the pro-
15 visions of this subparagraph shall not preclude
16 the use of test results for the orderly imposition
17 of appropriate sanctions under this subsection.

18 (F) *SELECTION FOR RANDOM TESTS.*—The
19 guidelines shall ensure that individuals who
20 apply to participate in training services are se-
21 lected for drug testing on a random basis, using
22 nondiscriminatory and impartial methods.

23 (8) *NONLIABILITY OF LOCAL PARTNERSHIPS.*—A
24 local partnership, and the individual members of a
25 local partnership, shall be immune from civil liability

1 *with respect to any claim based in whole or part on*
2 *activities carried out to implement this subsection.*

3 (9) *REPORTING REQUIREMENTS.*—*An eligible*
4 *provider shall make records of drug testing conducted*
5 *under this subsection available for inspection by other*
6 *eligible providers, including eligible providers in other*
7 *local areas, for the sole purpose of enabling the pro-*
8 *viders to determine the eligibility status of an appli-*
9 *cant pursuant to this subsection.*

10 (10) *USE OF DRUG TESTS.*—*No Federal, State,*
11 *or local prosecutor may use drug test results obtained*
12 *under this subsection in a criminal action.*

13 (11) *DEFINITIONS.*—*As used in this subsection:*

14 (A) *DRUG.*—*The term “drug” means a con-*
15 *trolled substance, as defined in section 102(6) of*
16 *the Controlled Substances Act (21 U.S.C.*
17 *802(6)).*

18 (B) *DRUG TEST.*—*The term “drug test”*
19 *means a biochemical drug test carried out by a*
20 *facility that is approved by the eligible provider*
21 *administering the test.*

22 (C) *RANDOM BASIS.*—*For purposes of the*
23 *application of this subsection in a State, the*
24 *term “random basis” has the meaning deter-*

1 *mined by the Governor of the State, in the sole*
2 *discretion of the Governor.*

3 *(D) TRAINING SERVICES.—The term “train-*
4 *ing services” means services described in section*
5 *315(c)(3).*

6 **SEC. 372. PROMPT ALLOCATION OF FUNDS.**

7 *(a) ALLOTMENTS BASED ON LATEST AVAILABLE*
8 *DATA.—All allotments under section 302 shall be based on*
9 *the latest available data and estimates satisfactory to the*
10 *Secretary. All data relating to disadvantaged adults, dis-*
11 *advantaged youth, and low-income individuals shall be*
12 *based on the most recent satisfactory data from the Bureau*
13 *of the Census.*

14 *(b) PUBLICATION IN FEDERAL REGISTER RELATING*
15 *TO FORMULA FUNDS.—Whenever the Secretary allots funds*
16 *required to be allotted under section 302, the Secretary shall*
17 *publish in a timely fashion in the Federal Register the pro-*
18 *posed amount to be distributed to each recipient of the*
19 *funds.*

20 *(c) REQUIREMENT FOR FUNDS DISTRIBUTED BY FOR-*
21 *MULA.—All funds required to be allotted or allocated under*
22 *section 302 or 306 shall be allotted or allocated within 45*
23 *days after the date of enactment of the Act appropriating*
24 *the funds, except that, if such funds are appropriated in*
25 *advance as authorized by section 379(g), such funds shall*

1 *be allotted or allocated not later than the March 31 preced-*
2 *ing the program year for which such funds are to be avail-*
3 *able for obligation.*

4 (d) *AVAILABILITY OF FUNDS.—Funds shall be made*
5 *available under section 306 to the chief elected official for*
6 *a local area not later than 30 days after the date the funds*
7 *are made available to the Governor involved, under section*
8 *302, or 7 days after the date the local plan for the area*
9 *is approved, whichever is later.*

10 **SEC. 373. MONITORING.**

11 (a) *IN GENERAL.—The Secretary is authorized to*
12 *monitor all recipients of financial assistance under this*
13 *title to determine whether the recipients are complying with*
14 *the provisions of this title, including the regulations issued*
15 *under this title.*

16 (b) *INVESTIGATIONS.—The Secretary may investigate*
17 *any matter the Secretary determines to be necessary to de-*
18 *termine the compliance of the recipients with this title, in-*
19 *cluding the regulations issued under this title. The inves-*
20 *tigations authorized by this subsection may include exam-*
21 *ining records (including making certified copies of the*
22 *records), questioning employees, and entering any premises*
23 *or onto any site in which any part of a program or activity*
24 *of such a recipient is conducted or in which any of the*
25 *records of the recipient are kept.*

1 (c) *ADDITIONAL REQUIREMENT.*—For the purpose of
2 any investigation or hearing conducted under this title by
3 the Secretary, the provisions of section 9 of the Federal
4 Trade Commission Act (15 U.S.C. 49) (relating to the at-
5 tendance of witnesses and the production of documents)
6 apply to the Secretary, in the same manner and to the same
7 extent as the provisions apply to the Federal Trade Com-
8 mission.

9 **SEC. 374. FISCAL CONTROLS; SANCTIONS.**

10 (a) *ESTABLISHMENT OF FISCAL CONTROLS BY*
11 *STATES.*—

12 (1) *IN GENERAL.*—Each State shall establish
13 such fiscal control and fund accounting procedures as
14 may be necessary to assure the proper disbursement of,
15 and accounting for, Federal funds allocated to local
16 areas under subtitle A. Such procedures shall ensure
17 that all financial transactions carried out under sub-
18 title A are conducted and records maintained in ac-
19 cordance with generally accepted accounting prin-
20 ciples applicable in each State.

21 (2) *COST PRINCIPLES.*—

22 (A) *IN GENERAL.*—Each State (including
23 the Governor of the State), local area (including
24 the chief elected official for the area), and pro-
25 vider receiving funds under this title shall com-

1 *ply with the applicable uniform cost principles*
2 *included in the appropriate circulars of the Of-*
3 *fice of Management and Budget for the type of*
4 *entity receiving the funds.*

5 *(B) EXCEPTION.—The funds made available*
6 *to a State for administration of statewide work-*
7 *force investment activities in accordance with*
8 *section 314(c)(2) shall be allocable to the overall*
9 *administration of workforce investment activi-*
10 *ties, but need not be specifically allocable to—*

11 *(i) the administration of adult employ-*
12 *ment and training activities;*

13 *(ii) the administration of dislocated*
14 *worker employment and training activities;*

15 *or*

16 *(iii) the administration of youth ac-*
17 *tivities.*

18 *(3) UNIFORM ADMINISTRATIVE REQUIRE-*
19 *MENTS.—*

20 *(A) IN GENERAL.—Each State (including*
21 *the Governor of the State), local area (including*
22 *the chief elected official for the area), and pro-*
23 *vider receiving funds under this title shall com-*
24 *ply with the appropriate uniform administrative*
25 *requirements for grants and agreements applica-*

1 *ble for the type of entity receiving the funds, as*
2 *promulgated in circulars or rules of the Office of*
3 *Management and Budget.*

4 *(B) ADDITIONAL REQUIREMENT.—Procure-*
5 *ment transactions under this title between local*
6 *partnerships and units of State or local govern-*
7 *ments shall be conducted only on a cost-reim-*
8 *bursable basis.*

9 *(4) MONITORING.—Each Governor of a State*
10 *shall conduct onsite monitoring of each local area*
11 *within the State to ensure compliance with the uni-*
12 *form administrative requirements referred to in para-*
13 *graph (3).*

14 *(5) ACTION BY GOVERNOR.—If the Governor de-*
15 *termines that a local area is not in compliance with*
16 *the uniform administrative requirements referred to*
17 *in paragraph (3), the Governor shall—*

18 *(A) require corrective action to secure*
19 *prompt compliance; and*

20 *(B) impose the sanctions provided under*
21 *subsection (b) in the event of failure to take the*
22 *required corrective action.*

23 *(6) CERTIFICATION.—The Governor shall, every*
24 *3 years, certify to the Secretary that—*

1 (A) the State has implemented the uniform
2 administrative requirements referred to in para-
3 graph (3);

4 (B) the State has monitored local areas to
5 ensure compliance with the uniform administra-
6 tive requirements as required under paragraph
7 (4); and

8 (C) the State has taken appropriate action
9 to secure compliance pursuant to paragraph (5).

10 (7) ACTION BY THE SECRETARY.—If the Sec-
11 retary determines that the Governor has not fulfilled
12 the requirements of this subsection, the Secretary
13 shall—

14 (A) require corrective action to secure
15 prompt compliance; and

16 (B) impose the sanctions provided under
17 subsection (f) in the event of failure of the Gov-
18 ernor to take the required appropriate action to
19 secure compliance.

20 (b) SUBSTANTIAL VIOLATION.—

21 (1) ACTION BY GOVERNOR.—If, as a result of a
22 financial or compliance audit or otherwise, the Gov-
23 ernor determines that there is a substantial violation
24 of a specific provision of this title, including regula-
25 tions issued under this title, and corrective action has

1 *not been taken, the Governor shall impose a reorga-*
2 *nization plan, which may include—*

3 *(A) decertifying the local partnership in-*
4 *volved in accordance with section 308(c)(3);*

5 *(B) prohibiting the use of providers who*
6 *have been identified as eligible providers of work-*
7 *force investment activities under chapter 3 of*
8 *subtitle A;*

9 *(C) selecting an alternative entity to ad-*
10 *minister a program or activity for the local area*
11 *involved;*

12 *(D) merging the local area into 1 or more*
13 *other local areas; or*

14 *(E) making such other changes as the Sec-*
15 *retary or Governor determines to be necessary to*
16 *secure compliance.*

17 *(2) APPEAL.—The action taken by the Governor*
18 *pursuant to paragraph (1) may be appealed to the*
19 *Secretary, who shall make a final decision on the ap-*
20 *peal not later than 60 days after the receipt of the ap-*
21 *peal.*

22 *(3) ACTION BY SECRETARY.—If the Governor*
23 *fails to take promptly the action required under para-*
24 *graph (1), the Secretary shall take such action.*

1 (c) *ACCESS BY COMPTROLLER GENERAL.*—For the
2 *purpose of evaluating and reviewing programs and activi-*
3 *ties established or provided for by this title, the Comptroller*
4 *General shall have access to and the right to copy any books,*
5 *accounts, records, correspondence, or other documents perti-*
6 *nent to such programs and activities that are in the posses-*
7 *sion, custody, or control of a State, a local partnership, any*
8 *recipient of funds under this title, or any subgrantee or con-*
9 *tractor of such a recipient.*

10 (d) *REPAYMENT OF CERTAIN AMOUNTS TO THE*
11 *UNITED STATES.*—

12 (1) *IN GENERAL.*—Every recipient of funds
13 *under this title shall repay to the United States*
14 *amounts found not to have been expended in accord-*
15 *ance with this title.*

16 (2) *OFFSET OF REPAYMENT.*—If the Secretary
17 *determines that a State has expended funds made*
18 *available under this title in a manner contrary to the*
19 *requirements of this title, the Secretary may offset re-*
20 *payment of such expenditures against any other*
21 *amount to which the State is or may be entitled, ex-*
22 *cept as provided under subsection (e)(1).*

23 (3) *REPAYMENT FROM DEDUCTION BY STATE.*—
24 *If the Secretary requires a State to repay funds as a*
25 *result of a determination that a local area of the*

1 *State has expended funds contrary to the require-*
2 *ments of this title, the Governor of the State may use*
3 *an amount deducted under paragraph (4) to repay*
4 *the funds, except as provided under subsection (e)(1).*

5 (4) *DEDUCTION BY STATE.—The Governor may*
6 *deduct an amount equal to the misexpenditure de-*
7 *scribed in paragraph (3) from subsequent program*
8 *year allocations to the local area from funds reserved*
9 *for the administrative costs of the local programs in-*
10 *volved, as appropriate.*

11 (5) *LIMITATIONS.—A deduction made by a State*
12 *as described in paragraph (4) shall not be made until*
13 *such time as the Governor has taken appropriate cor-*
14 *rective action to ensure full compliance within such*
15 *local area with regard to appropriate expenditures of*
16 *funds under this title.*

17 (e) *REPAYMENT OF AMOUNTS.—*

18 (1) *IN GENERAL.—Each recipient of funds under*
19 *this title shall be liable to repay the amounts de-*
20 *scribed in subsection (d)(1), from funds other than*
21 *funds received under this title, upon a determination*
22 *by the Secretary that the misexpenditure of funds was*
23 *due to willful disregard of the requirements of this*
24 *title, gross negligence, failure to observe accepted*
25 *standards of administration, or a pattern of*

1 *misexpenditure as described in paragraphs (2) and*
2 *(3) of subsection (d). No such determination shall be*
3 *made under this subsection or subsection (d) until no-*
4 *tice and opportunity for a fair hearing has been given*
5 *to the recipient.*

6 (2) *FACTORS IN IMPOSING SANCTIONS.—In deter-*
7 *mining whether to impose any sanction authorized by*
8 *this section against a recipient for violations by a*
9 *subgrantee or contractor of such recipient under this*
10 *title (including the regulations issued under this*
11 *title), the Secretary shall first determine whether such*
12 *recipient has adequately demonstrated that the recipi-*
13 *ent has—*

14 (A) *established and adhered to an appro-*
15 *priate system for the award and monitoring of*
16 *grants and contracts with subgrantees and con-*
17 *tractors that contains acceptable standards for*
18 *ensuring accountability;*

19 (B) *entered into a written grant agreement*
20 *or contract with such subgrantee or contractor*
21 *that established clear goals and obligations in*
22 *unambiguous terms;*

23 (C) *acted with due diligence to monitor the*
24 *implementation of the grant agreement or con-*
25 *tract, including the carrying out of the appro-*

1 *priate monitoring activities (including audits)*
2 *at reasonable intervals; and*

3 *(D) taken prompt and appropriate correc-*
4 *tive action upon becoming aware of any evidence*
5 *of a violation of this title, including regulations*
6 *issued under this title, by such subgrantee or*
7 *contractor.*

8 *(3) WAIVER.—If the Secretary determines that*
9 *the recipient has demonstrated substantial compliance*
10 *with the requirements of paragraph (2), the Secretary*
11 *may waive the imposition of sanctions authorized by*
12 *this section upon such recipient. The Secretary is au-*
13 *thorized to impose any sanction consistent with the*
14 *provisions of this title and any applicable Federal or*
15 *State law directly against any subgrantee or contrac-*
16 *tor for violation of this title, including regulations*
17 *issued under this title.*

18 *(f) IMMEDIATE TERMINATION OR SUSPENSION OF AS-*
19 *SISTANCE IN EMERGENCY SITUATIONS.—In emergency situ-*
20 *ations, if the Secretary determines it is necessary to protect*
21 *the integrity of the funds or ensure the proper operation*
22 *of the program or activity involved, the Secretary may im-*
23 *mediately terminate or suspend financial assistance, in*
24 *whole or in part, to the recipient if the recipient is given*
25 *prompt notice and the opportunity for a subsequent hearing*

1 *within 30 days after such termination or suspension. The*
2 *Secretary shall not delegate any of the functions or author-*
3 *ity specified in this subsection, other than to an officer*
4 *whose appointment is required to be made by and with the*
5 *advice and consent of the Senate.*

6 *(g) DISCRIMINATION AGAINST PARTICIPANTS.—If the*
7 *Secretary determines that any recipient of funds under this*
8 *title has discharged or in any other manner discriminated*
9 *in violation of section 378 against, a participant or any*
10 *other individual in connection with the administration of*
11 *the program or activity involved, or any individual because*
12 *such individual has filed any complaint or instituted or*
13 *caused to be instituted any proceeding under or related to*
14 *this title, or has testified or is about to testify in any such*
15 *proceeding or investigation under or related to this title,*
16 *or otherwise unlawfully denied to any individual a benefit*
17 *to which that individual is entitled under the provisions*
18 *of this title, including regulations issued under this title,*
19 *the Secretary shall, within 30 days after the date of the*
20 *determination, take such action or order such corrective*
21 *measures, as may be necessary, with respect to the recipient*
22 *or the aggrieved individual.*

23 *(h) REMEDIES.—The remedies described in this section*
24 *shall not be construed to be the exclusive remedies available*
25 *for violations described in this section.*

1 **SEC. 375. REPORTS; RECORDKEEPING; INVESTIGATIONS.**

2 (a) *REPORTS.*—

3 (1) *IN GENERAL.*—*Recipients of funds under this*
4 *title shall keep records that are sufficient to permit*
5 *the preparation of reports required by this title and*
6 *to permit the tracing of funds to a level of expendi-*
7 *ture adequate to ensure that the funds have not been*
8 *spent unlawfully.*

9 (2) *SUBMISSION TO THE SECRETARY.*—*Every*
10 *such recipient shall maintain such records and sub-*
11 *mit such reports, in such form and containing such*
12 *information, as the Secretary may require regarding*
13 *the performance of programs and activities carried*
14 *out under this title. Such records and reports shall be*
15 *submitted to the Secretary but shall not be required*
16 *to be submitted more than once each quarter unless*
17 *specifically requested by Congress or a committee of*
18 *Congress.*

19 (3) *MAINTENANCE OF STANDARDIZED*
20 *RECORDS.*—*In order to allow for the preparation of*
21 *the reports required under subsection (c), such recipi-*
22 *ents shall maintain standardized records for all indi-*
23 *vidual participants and provide to the Secretary a*
24 *sufficient number of such records to provide for an*
25 *adequate analysis of the records.*

26 (4) *AVAILABILITY TO THE PUBLIC.*—

1 (A) *IN GENERAL.*—*Except as provided in*
2 *subparagraph (B), records maintained by such*
3 *recipients pursuant to this subsection shall be*
4 *made available to the public upon request.*

5 (B) *EXCEPTION.*—*Subparagraph (A) shall*
6 *not apply to—*

7 (i) *information, the disclosure of which*
8 *would constitute a clearly unwarranted in-*
9 *vasion of personal privacy; and*

10 (ii) *trade secrets, or commercial or fi-*
11 *nancial information, that is obtained from*
12 *a person and privileged or confidential.*

13 (C) *FEEES TO RECOVER COSTS.*—*Such re-*
14 *ipients may charge fees sufficient to recover*
15 *costs applicable to the processing of requests for*
16 *records under subparagraph (A).*

17 (b) *INVESTIGATIONS OF USE OF FUNDS.*—

18 (1) *IN GENERAL.*—

19 (A) *SECRETARY.*—*In order to evaluate com-*
20 *pliance with the provisions of this title, the Sec-*
21 *retary shall conduct, in several States, in each*
22 *fiscal year, investigations of the use of funds re-*
23 *ceived by recipients under this title.*

24 (B) *COMPTROLLER GENERAL OF THE*
25 *UNITED STATES.*—*In order to ensure compliance*

1 *with the provisions of this title, the Comptroller*
2 *General of the United States may conduct inves-*
3 *tigations of the use of funds received under this*
4 *title by any recipient.*

5 (2) *PROHIBITION.*—*In conducting any investiga-*
6 *tion under this title, the Secretary or the Comptroller*
7 *General of the United States may not request the*
8 *compilation of any information that the recipient is*
9 *not otherwise required to compile and that is not*
10 *readily available to such recipient.*

11 (3) *AUDITS.*—

12 (A) *IN GENERAL.*—*In carrying out any*
13 *audit under this title (other than any initial*
14 *audit survey or any audit investigating possible*
15 *criminal or fraudulent conduct), either directly*
16 *or through grant or contract, the Secretary, the*
17 *Inspector General of the Department of Labor, or*
18 *the Comptroller General of the United States*
19 *shall furnish to the State, recipient, or other en-*
20 *tity to be audited, advance notification of the*
21 *overall objectives and purposes of the audit, and*
22 *any extensive recordkeeping or data requirements*
23 *to be met, not later than 14 days (or as soon as*
24 *practicable), prior to the commencement of the*
25 *audit.*

1 (B) *NOTIFICATION REQUIREMENT.*—If the
2 scope, objectives, or purposes of the audit change
3 substantially during the course of the audit, the
4 entity being audited shall be notified of the
5 change as soon as practicable.

6 (C) *ADDITIONAL REQUIREMENT.*—The re-
7 ports on the results of such audits shall cite the
8 law, regulation, policy, or other criteria applica-
9 ble to any finding contained in the reports.

10 (D) *RULE OF CONSTRUCTION.*—Nothing
11 contained in this title shall be construed so as to
12 be inconsistent with the Inspector General Act of
13 1978 (5 U.S.C. App.) or government auditing
14 standards issued by the Comptroller General of
15 the United States.

16 (c) *ACCESSIBILITY OF REPORTS.*—Each State, each
17 local partnership, and each recipient (other than a sub-
18 recipient, subgrantee, or contractor of a recipient) receiving
19 funds under this title shall—

20 (1) make readily accessible such reports concern-
21 ing its operations and expenditures as shall be pre-
22 scribed by the Secretary;

23 (2) prescribe and maintain comparable manage-
24 ment information systems, in accordance with guide-
25 lines that shall be prescribed by the Secretary, de-

1 *signed to facilitate the uniform compilation, cross*
2 *tabulation, and analysis of programmatic, partici-*
3 *part, and financial data, on statewide, local area,*
4 *and other appropriate bases, necessary for reporting,*
5 *monitoring, and evaluating purposes, including data*
6 *necessary to comply with section 378; and*

7 *(3) monitor the performance of providers in com-*
8 *plying with the terms of grants, contracts, or other*
9 *agreements made pursuant to this title.*

10 *(d) INFORMATION TO BE INCLUDED IN REPORTS.—*

11 *(1) IN GENERAL.—The reports required in sub-*
12 *section (c) shall include information regarding pro-*
13 *grams and activities carried out under this title per-*
14 *taining to—*

15 *(A) the relevant demographic characteristics*
16 *(including race, ethnicity, sex, and age) and*
17 *other related information regarding participants;*

18 *(B) the programs and activities in which*
19 *participants are enrolled, and the length of time*
20 *that participants are engaged in such programs*
21 *and activities;*

22 *(C) outcomes of the programs and activities*
23 *for participants, including the occupations of*
24 *participants, and placement for participants in*
25 *nontraditional employment;*

1 (D) specified costs of the programs and ac-
2 tivities; and

3 (E) information necessary to prepare re-
4 ports to comply with section 378.

5 (2) *ADDITIONAL REQUIREMENT.*—*The Secretary*
6 *shall ensure that all elements of the information re-*
7 *quired for the reports described in paragraph (1) are*
8 *defined and reported uniformly.*

9 (e) *RETENTION OF RECORDS.*—*The Governor of a*
10 *State that receives funds under this title shall ensure that*
11 *requirements are established for retention of all records of*
12 *the State pertinent to all grants awarded, and contracts*
13 *and agreements entered into, under this title, including fi-*
14 *nancial, statistical, property, and participant records and*
15 *supporting documentation. For funds allotted to a State*
16 *under this title for any program year, the State shall retain*
17 *the records for 2 subsequent program years. The State shall*
18 *retain records for nonexpendable property that is used to*
19 *carry out this title for a period of 3 years after final dis-*
20 *position of the property.*

21 (f) *QUARTERLY FINANCIAL REPORTS.*—

22 (1) *IN GENERAL.*—*Each local partnership in the*
23 *State shall submit quarterly financial reports to the*
24 *Governor with respect to programs and activities car-*
25 *ried out under this title. Such reports shall include*

1 *information identifying all program and activity*
2 *costs by cost category in accordance with generally*
3 *accepted accounting principles and by year of the ap-*
4 *propriation involved.*

5 (2) *ADDITIONAL REQUIREMENT.—Each State*
6 *shall submit to the Secretary, on a quarterly basis, a*
7 *summary of the reports submitted to the Governor*
8 *pursuant to paragraph (1).*

9 (g) *MAINTENANCE OF ADDITIONAL RECORDS.—Each*
10 *State and local partnership shall maintain records with re-*
11 *spect to programs and activities carried out under this title*
12 *that identify—*

13 (1) *any income or profits earned, including such*
14 *income or profits earned by subrecipients; and*

15 (2) *any costs incurred (such as stand-in costs)*
16 *that are otherwise allowable except for funding limi-*
17 *tations.*

18 (h) *COST CATEGORIES.—In requiring entities to*
19 *maintain records of costs by category under this title, the*
20 *Secretary shall require only that the costs be categorized as*
21 *administrative or programmatic costs.*

22 **SEC. 376. ADMINISTRATIVE ADJUDICATION.**

23 (a) *IN GENERAL.—Whenever any applicant for finan-*
24 *cial assistance under this title is dissatisfied because the*
25 *Secretary has made a determination not to award financial*

1 assistance in whole or in part to such applicant, the appli-
2 cant may request a hearing before an administrative law
3 judge of the Department of Labor. A similar hearing may
4 also be requested by any recipient for whom a corrective
5 action has been required or a sanction has been imposed
6 by the Secretary under section 374. Except to the extent
7 provided for in section 371(c) or 378, all other disputes
8 arising under this title relating to the manner in which
9 the recipient carries out a program or activity under this
10 title shall be adjudicated under grievance procedures estab-
11 lished by the recipient or under applicable law other than
12 this title.

13 (b) APPEAL.—The decision of the administrative law
14 judge shall constitute final action by the Secretary unless,
15 within 20 days after receipt of the decision of the adminis-
16 trative law judge, a party dissatisfied with the decision or
17 any part of the decision has filed exceptions with the Sec-
18 retary specifically identifying the procedure, fact, law, or
19 policy to which exception is taken. Any exception not spe-
20 cifically urged shall be deemed to have been waived. After
21 the 20-day period the decision of the administrative law
22 judge shall become the final decision of the Secretary unless
23 the Secretary, within 30 days after such filing, has notified
24 the parties that the case involved has been accepted for re-
25 view.

1 (c) *TIME LIMIT.*—Any case accepted for review by the
2 Secretary under subsection (b) shall be decided within 180
3 days after such acceptance. If the case is not decided within
4 the 180-day period, the decision of the administrative law
5 judge shall become the final decision of the Secretary at the
6 end of the 180-day period.

7 (d) *ADDITIONAL REQUIREMENT.*—The provisions of
8 section 377 shall apply to any final action of the Secretary
9 under this section.

10 **SEC. 377. JUDICIAL REVIEW.**

11 (a) *REVIEW.*—

12 (1) *PETITION.*—With respect to any final order
13 by the Secretary under section 376 by which the Sec-
14 retary awards, declines to award, or only condi-
15 tionally awards, financial assistance under this title,
16 or any final order of the Secretary under section 376
17 with respect to a corrective action or sanction im-
18 posed under section 374, any party to a proceeding
19 which resulted in such final order may obtain review
20 of such final order in the United States Court of Ap-
21 peals having jurisdiction over the applicant or recipi-
22 ent of funds involved, by filing a review petition
23 within 30 days after the date of issuance of such final
24 order.

1 (2) *ACTION ON PETITION.*—*The clerk of the court*
2 *shall transmit a copy of the review petition to the*
3 *Secretary who shall file the record on which the final*
4 *order was entered as provided in section 2112 of title*
5 *28, United States Code. The filing of a review peti-*
6 *tion shall not stay the order of the Secretary, unless*
7 *the court orders a stay. Petitions filed under this sub-*
8 *section shall be heard expeditiously, if possible within*
9 *10 days after the date of filing of a reply to the peti-*
10 *tion.*

11 (3) *STANDARD AND SCOPE OF REVIEW.*—*No ob-*
12 *jection to the order of the Secretary shall be consid-*
13 *ered by the court unless the objection was specifically*
14 *urged, in a timely manner, before the Secretary. The*
15 *review shall be limited to questions of law and the*
16 *findings of fact of the Secretary shall be conclusive if*
17 *supported by substantial evidence.*

18 (b) *JUDGMENT.*—*The court shall have jurisdiction to*
19 *make and enter a decree affirming, modifying, or setting*
20 *aside the order of the Secretary in whole or in part. The*
21 *judgment of the court regarding the order shall be final,*
22 *subject to certiorari review by the Supreme Court as pro-*
23 *vided in section 1254(1) of title 28, United States Code.*

24 **SEC. 378. NONDISCRIMINATION.**

25 (a) *PROHIBITED DISCRIMINATION.*—

1 (1) *PROHIBITION ON DISCRIMINATION IN FED-*
2 *ERAL PROGRAMS AND ACTIVITIES.*—*For the purpose*
3 *of applying the prohibitions against discrimination*
4 *on the basis of age under the Age Discrimination Act*
5 *of 1975 (42 U.S.C. 6101 et seq.), on the basis of dis-*
6 *ability under section 504 of the Rehabilitation Act of*
7 *1973 (29 U.S.C. 794), on the basis of sex under title*
8 *IX of the Education Amendments of 1972 (20 U.S.C.*
9 *1681 et seq.), on the basis of race, color, or national*
10 *origin under title VI of the Civil Rights Act of 1964*
11 *(42 U.S.C. 2000d et seq.), or on the basis of religion*
12 *under any applicable provision of Federal law, pro-*
13 *grams and activities funded or otherwise financially*
14 *assisted in whole or in part under this title shall be*
15 *considered to be programs and activities receiving*
16 *Federal financial assistance, and education programs*
17 *and activities receiving Federal financial assistance.*

18 (2) *PROHIBITION OF DISCRIMINATION REGARD-*
19 *ING PARTICIPATION, BENEFITS, AND EMPLOYMENT.*—
20 *Except as otherwise permitted under title IX of the*
21 *Education Amendments of 1972, no individual shall*
22 *be excluded from participation in, denied the benefits*
23 *of, subjected to discrimination under, or denied em-*
24 *ployment in the administration of or in connection*
25 *with, any such program or activity because of race,*

1 *color, religion, sex, national origin, age, disability, or*
2 *political affiliation or belief.*

3 (3) *PROHIBITION ON ASSISTANCE FOR FACILI-*
4 *TIES FOR SECTARIAN INSTRUCTION OR RELIGIOUS*
5 *WORSHIP.—Participants shall not be employed under*
6 *this title to carry out the construction, operation, or*
7 *maintenance of any part of any facility that is used*
8 *or to be used for sectarian instruction or as a place*
9 *for religious worship (except with respect to the main-*
10 *tenance of a facility that is not primarily or inher-*
11 *ently devoted to sectarian instruction or religious*
12 *worship, in a case in which the organization operat-*
13 *ing the facility is part of a program or activity pro-*
14 *viding services to participants).*

15 (4) *PROHIBITION ON DISCRIMINATION ON BASIS*
16 *OF PARTICIPANT STATUS.—No person may discrimi-*
17 *nate against an individual who is a participant in*
18 *a program or activity that receives funds under this*
19 *title, with respect to the terms and conditions affect-*
20 *ing, or rights provided to, the individual, solely be-*
21 *cause of the status of the individual as a participant,*
22 *in carrying out any endeavor that involves—*

23 (A) *participants in programs and activities*
24 *that receive funding under this title; and*

1 (B) persons who receive no assistance under
2 this title.

3 (5) *PROHIBITION ON DISCRIMINATION AGAINST*
4 *CERTAIN NONCITIZENS.*—Participation in programs
5 and activities or receiving funds under this title shall
6 be available to citizens and nationals of the United
7 States, lawfully admitted permanent resident aliens,
8 refugees, asylees, and parolees, other aliens lawfully
9 present in the United States, and other individuals
10 authorized by the Attorney General to work in the
11 United States.

12 (b) *ACTION OF SECRETARY.*—Whenever the Secretary
13 finds that a State or other recipient of funds under this
14 title has failed to comply with a provision of law referred
15 to in subsection (a)(1), or with paragraph (2), (3), (4), or
16 (5) of subsection (a), including an applicable regulation
17 prescribed to carry out such provision or paragraph, the
18 Secretary shall notify such State or recipient and shall re-
19 quest that the State or recipient comply. If within a reason-
20 able period of time, not to exceed 60 days, the State or recip-
21 ient fails or refuses to comply, the Secretary may—

22 (1) refer the matter to the Attorney General with
23 a recommendation that an appropriate civil action be
24 instituted;

1 (2) *exercise the powers and functions provided to*
2 *the head of a Federal department or agency under the*
3 *Age Discrimination Act of 1975, section 504 of the*
4 *Rehabilitation Act of 1973 (29 U.S.C. 794), title IX*
5 *of the Education Amendments of 1972, or title VI of*
6 *the Civil Rights Act of 1964, as may be applicable;*
7 *or*

8 (3) *take such other action as may be provided by*
9 *law.*

10 (c) *ACTION OF ATTORNEY GENERAL.—When a matter*
11 *is referred to the Attorney General pursuant to subsection*
12 *(b)(1), or whenever the Attorney General has reason to be-*
13 *lieve that a State or other recipient of funds under this title*
14 *is engaged in a pattern or practice of discrimination in*
15 *violation of a provision of law referred to in subsection*
16 *(a)(1) or in violation of paragraph (2), (3), (4), or (5) of*
17 *subsection (a), the Attorney General may bring a civil ac-*
18 *tion in any appropriate district court of the United States*
19 *for such relief as may be appropriate, including injunctive*
20 *relief.*

21 (d) *JOB CORPS MEMBERS.—For purposes of this sec-*
22 *tion, Job Corps members shall be considered as the ultimate*
23 *beneficiaries of a program or activity receiving Federal fi-*
24 *nancial assistance and an education program or activity*
25 *receiving Federal financial assistance.*

1 **SEC. 379. ADMINISTRATIVE PROVISIONS.**

2 (a) *IN GENERAL.*—*The Secretary may, in accordance*
3 *with chapter 5 of title 5, United States Code, prescribe rules*
4 *and regulations to carry out this title to the extent necessary*
5 *to implement, administer, and ensure compliance with the*
6 *requirements of this title. Such rules and regulations may*
7 *include provisions making adjustments authorized by sec-*
8 *tion 6504 of title 31, United States Code. All such rules*
9 *and regulations shall be published in the Federal Register*
10 *at least 30 days prior to their effective dates. Copies of each*
11 *such rule or regulation shall be transmitted to the appro-*
12 *priate committees of Congress on the date of such publica-*
13 *tion and shall contain, with respect to each material provi-*
14 *sion of such rule or regulation, a citation to the particular*
15 *substantive section of law that is the basis for the provision.*

16 (b) *ACQUISITION OF CERTAIN PROPERTY AND SERV-*
17 *ICES.*—*The Secretary is authorized, in carrying out this*
18 *title, to accept, purchase, or lease in the name of the Depart-*
19 *ment of Labor, and employ or dispose of in furtherance of*
20 *the purposes of this title, any money or property, real, per-*
21 *sonal, or mixed, tangible or intangible, received by gift, de-*
22 *vice, bequest, or otherwise, and to accept voluntary and un-*
23 *compensated services notwithstanding the provisions of sec-*
24 *tion 1342 of title 31, United States Code.*

25 (c) *AUTHORITY TO ENTER INTO CERTAIN AGREE-*
26 *MENTS AND TO MAKE CERTAIN EXPENDITURES.*—*The Sec-*

1 *retary may make such grants, enter into such contracts or*
2 *agreements, establish such procedures, and make such pay-*
3 *ments, in installments and in advance or by way of reim-*
4 *bursement, or otherwise allocate or expend such funds under*
5 *this title, as may be necessary to carry out this title, includ-*
6 *ing making expenditures for construction, repairs, and cap-*
7 *ital improvements, and including making necessary adjust-*
8 *ments in payments on account of over-payments or under-*
9 *payments.*

10 *(d) ANNUAL REPORT.—The Secretary shall prepare*
11 *and submit to Congress an annual report regarding the pro-*
12 *grams and activities carried out under this title. The Sec-*
13 *retary shall include in such report—*

14 *(1) a summary of the achievements, failures, and*
15 *problems of the programs and activities in meeting*
16 *the objectives of this title;*

17 *(2) a summary of major findings from research,*
18 *evaluations, pilot projects, and experiments conducted*
19 *under this title in the fiscal year prior to the submis-*
20 *sion of the report;*

21 *(3) recommendations for modifications in the*
22 *programs and activities based on analysis of such*
23 *findings; and*

1 (4) *such other recommendations for legislative or*
2 *administrative action as the Secretary determines to*
3 *be appropriate.*

4 (e) *UTILIZATION OF SERVICES AND FACILITIES.*—*The*
5 *Secretary is authorized, in carrying out this title, under*
6 *the same procedures as are applicable under subsection (c)*
7 *or to the extent permitted by law other than this title, to*
8 *accept and use the services and facilities of departments,*
9 *agencies, and establishments of the United States. The Sec-*
10 *retary is also authorized, in carrying out this title, to ac-*
11 *cept and use the services and facilities of the agencies of*
12 *any State or political subdivision of a State, with the con-*
13 *sent of the State or political subdivision.*

14 (f) *OBLIGATIONAL AUTHORITY.*—*Notwithstanding any*
15 *other provision of this title, the Secretary shall have no au-*
16 *thority to enter into contracts, grant agreements, or other*
17 *financial assistance agreements under this title except to*
18 *such extent and in such amounts as are provided in ad-*
19 *vance in appropriations Acts.*

20 (g) *PROGRAM YEAR.*—

21 (1) *IN GENERAL.*—

22 (A) *PROGRAM YEAR.*—*Except as provided*
23 *in subparagraph (B), appropriations for any fis-*
24 *cal year for programs and activities carried out*
25 *under this title shall be available for obligation*

1 *only on the basis of a program year. The pro-*
2 *gram year shall begin on July 1 in the fiscal*
3 *year for which the appropriation is made.*

4 (B) *YOUTH ACTIVITIES.*—*The Secretary*
5 *may make available for obligation, beginning*
6 *April 1 of any fiscal year, funds appropriated*
7 *for such fiscal year to carry out youth activities*
8 *under subtitle A.*

9 (2) *AVAILABILITY.*—*Funds obligated for any pro-*
10 *gram year for a program or activity carried out*
11 *under this title may be expended by each State receiv-*
12 *ing such funds during that program year and the 2*
13 *succeeding program years. Funds obligated for any*
14 *program year for a program or activity carried out*
15 *under section 367 or 368 shall remain available until*
16 *expended. Funds received by local areas from States*
17 *under this title during a program year may be ex-*
18 *pended during that program year and the succeeding*
19 *program year. No amount of the funds described in*
20 *this paragraph shall be deobligated on account of a*
21 *rate of expenditure that is consistent with a State*
22 *plan, an operating plan described in section 341, or*
23 *a plan, grant agreement, contract, application, or*
24 *other agreement described in subtitle C, as appro-*
25 *priate.*

1 (h) *ENFORCEMENT OF MILITARY SELECTIVE SERVICE*
2 *ACT.*—*The Secretary shall ensure that each individual par-*
3 *ticipating in any program or activity established under this*
4 *title, or receiving any assistance or benefit under this title,*
5 *has not violated section 3 of the Military Selective Service*
6 *Act (50 U.S.C. App. 453) by not presenting and submitting*
7 *to registration as required pursuant to such section. The*
8 *Director of the Selective Service System shall cooperate with*
9 *the Secretary to enable the Secretary to carry out this sub-*
10 *section.*

11 (i) *WAIVERS AND SPECIAL RULES.*—

12 (1) *EXISTING WAIVERS.*—*With respect to a State*
13 *that has been granted a waiver under the provisions*
14 *relating to training and employment services of the*
15 *Department of Labor in title I of the Departments of*
16 *Labor, Health and Human Services, and Education,*
17 *and Related Agencies Appropriations Act, 1997 (Pub-*
18 *lic Law 104–208; 110 Stat. 3009–234), the authority*
19 *provided under such waiver shall continue in effect*
20 *and apply, and include a waiver of the related provi-*
21 *sions of subtitle A and this subtitle, for the duration*
22 *of the initial waiver.*

23 (2) *SPECIAL RULE REGARDING DESIGNATED*
24 *AREAS.*—*A State that enacts, not later than December*
25 *31, 1997, a State law providing for the designation*

1 *of service delivery areas for the delivery of workforce*
2 *investment activities, may use such areas as local*
3 *areas under this title, notwithstanding section 307(a).*

4 (3) *SPECIAL RULE REGARDING SANCTIONS.—A*
5 *State that enacts, not later than December 31, 1997,*
6 *a State law providing for the sanctioning of such*
7 *service delivery areas for failure to meet performance*
8 *measures for workforce investment activities, may use*
9 *the State law to sanction local areas for failure to*
10 *meet State performance measures under this title.*

11 (4) *GENERAL WAIVERS OF STATUTORY OR REGU-*
12 *LATORY REQUIREMENTS.—*

13 (A) *GENERAL AUTHORITY.—Notwithstand-*
14 *ing any other provision of law, the Secretary*
15 *may waive for a State, or a local area in a*
16 *State, pursuant to a request submitted by the*
17 *Governor of the State (in consultation with ap-*
18 *propriate local elected officials) that meets the re-*
19 *quirements of subparagraph (B)—*

20 (i) *any of the statutory or regulatory*
21 *requirements of subtitle A or this subtitle*
22 *(except for requirements relating to wage*
23 *and labor standards, worker rights, partici-*
24 *ipation and protection of workers, grievance*
25 *procedures and judicial review, non-*

1 *discrimination, allocation of funds to local*
2 *areas, eligibility of providers or partici-*
3 *pants, the establishment and functions of*
4 *local areas and local partnerships, and pro-*
5 *cedures for review and approval of plans);*
6 *and*

7 *(ii) any of the statutory or regulatory*
8 *requirements of sections 8 through 10 of the*
9 *Wagner-Peyser Act (29 U.S.C. 49g through*
10 *49i) (excluding requirements relating to the*
11 *provision of services to unemployment in-*
12 *surance claimants and veterans, and re-*
13 *quirements relating to universal access to*
14 *basic labor exchange services without cost to*
15 *jobseekers).*

16 *(B) REQUESTS.—A Governor requesting a*
17 *waiver under subparagraph (A) shall submit a*
18 *plan to the Secretary to improve the statewide*
19 *workforce investment system that—*

20 *(i) identifies the statutory or regu-*
21 *latory requirements that are requested to be*
22 *waived and the goals that the State or local*
23 *area in the State, as appropriate, intends to*
24 *achieve as a result of the waiver;*

1 (ii) describes the actions that the State
2 or local area, as appropriate, has under-
3 taken to remove State or local statutory or
4 regulatory barriers;

5 (iii) describes the goals of the waiver
6 and the expected programmatic outcomes if
7 the request is granted;

8 (iv) describes the individuals impacted
9 by the waiver; and

10 (v) describes the process used to mon-
11 itor the progress in implementing such a
12 waiver, and the process by which notice and
13 an opportunity to comment on such request
14 has been provided to the organizations iden-
15 tified in section 308(c)(2).

16 (C) *CONDITIONS.*—Not later than 90 days
17 after the date of the original submission of a re-
18 quest for a waiver under subparagraph (A), the
19 Secretary shall provide a waiver under this
20 paragraph if and only to the extent that—

21 (i) the Secretary determines that the
22 requirements requested to be waived impede
23 the ability of the State or local area, as ap-
24 propriate, to implement the plan described
25 in subparagraph (B); and

1 (ii) *the State has executed a memoran-*
2 *dum of understanding with the Secretary*
3 *requiring such State to meet, or ensure that*
4 *the local area meets, agreed-upon outcomes*
5 *and to implement other appropriate meas-*
6 *ures to ensure accountability.*

7 **SEC. 380. STATE LEGISLATIVE AUTHORITY.**

8 (a) *AUTHORITY OF STATE LEGISLATURE.—Nothing in*
9 *this title shall be interpreted to preclude the enactment of*
10 *State legislation providing for the implementation, consist-*
11 *ent with the provisions of this title, of the activities assisted*
12 *under this title. Any funds received by a State under this*
13 *title shall be subject to appropriation by the State legisla-*
14 *ture, consistent with the terms and conditions required*
15 *under this title.*

16 (b) *INTERSTATE COMPACTS AND COOPERATIVE*
17 *AGREEMENTS.—In the event that compliance with provi-*
18 *sions of this title would be enhanced by compacts and coop-*
19 *erative agreements between States, the consent of Congress*
20 *is given to States to enter into such compacts and agree-*
21 *ments to facilitate such compliance, subject to the approval*
22 *of the Secretary.*

23 **SEC. 381. WORKFORCE FLEXIBILITY PARTNERSHIP PLANS.**

24 (a) *PLANS.—A State may submit to the Secretary,*
25 *and the Secretary may approve, a workforce flexibility*

1 *partnership plan under which the State is authorized to*
2 *wave, in accordance with the plan—*

3 (1) *any of the statutory or regulatory require-*
4 *ments applicable under this title to local areas, pur-*
5 *suant to applications for such waivers from the local*
6 *areas, except for requirements relating to the basic*
7 *purposes of this title, wage and labor standards,*
8 *grievance procedures and judicial review, non-*
9 *discrimination, eligibility of participants, allocation*
10 *of funds to local areas, establishment and functions of*
11 *local areas and local partnerships, review and ap-*
12 *proval of local plans, and worker rights, participa-*
13 *tion, and protection;*

14 (2) *any of the statutory or regulatory require-*
15 *ments applicable under sections 8 through 10 of the*
16 *Wagner-Peyser Act (29 U.S.C. 49g through 49i) to the*
17 *State, except for requirements relating to the provi-*
18 *sion of services to unemployment insurance claimants*
19 *and veterans, and to universal access to basic labor*
20 *exchange services without cost to jobseekers; and*

21 (3) *any of the statutory or regulatory require-*
22 *ments applicable under the Older Americans Act of*
23 *1965 (42 U.S.C. 3001 et seq.) to State agencies on*
24 *aging with respect to activities carried out using*
25 *funds allotted under section 506(a)(3) of such Act (42*

1 *U.S.C. 3056d(a)(3)), except for requirements relating*
2 *to the basic purposes of such Act, wage and labor*
3 *standards, eligibility of participants in the activities,*
4 *and standards for agreements.*

5 *(b) CONTENT OF PLANS.—A workforce flexibility part-*
6 *nership plan implemented by a State under subsection (a)*
7 *shall include descriptions of—*

8 *(1)(A) the process by which local areas in the*
9 *State may submit and obtain approval by the State*
10 *of applications for waivers of requirements applicable*
11 *under this title; and*

12 *(B) the requirements described in subparagraph*
13 *(A) that are likely to be waived by the State under*
14 *the plan;*

15 *(2) the requirements applicable under sections 8*
16 *through 10 of the Wagner-Peyser Act that are pro-*
17 *posed to be waived, if any;*

18 *(3) the requirements applicable under the Older*
19 *Americans Act of 1965 that are proposed to be*
20 *waived, if any;*

21 *(4) the outcomes to be achieved by the waivers*
22 *described in paragraphs (1) through (3); and*

23 *(5) other measures to be taken to ensure appro-*
24 *priate accountability for Federal funds in connection*
25 *with the waivers.*

1 (c) *PERIODS.*—*The Secretary may approve a work-*
2 *force flexibility partnership plan for a period of not more*
3 *than 5 years.*

4 (d) *OPPORTUNITY FOR PUBLIC COMMENTS.*—*Prior to*
5 *submitting a workforce flexibility partnership plan to the*
6 *Secretary for approval, the State shall provide to all inter-*
7 *ested parties and to the general public adequate notice and*
8 *a reasonable opportunity for comment on the waiver re-*
9 *quests proposed to be implemented pursuant to such plan.*

10 **SEC. 382. USE OF CERTAIN REAL PROPERTY.**

11 (a) *IN GENERAL.*—*Notwithstanding any other provi-*
12 *sion of law, pursuant to a plan submitted by a Governor*
13 *of a State and approved by the Secretary, the Governor may*
14 *authorize a public agency to use, for any of the functions*
15 *of a one-stop customer service system within the State, real*
16 *property in which, as of the effective date of this Act, the*
17 *Federal Government has acquired equity through use of*
18 *funds provided under title III of the Social Security Act*
19 *(42 U.S.C. 501 et seq.), section 903(c) of such Act (42*
20 *U.S.C. 1103(c)), or the Wagner-Peyser Act (29 U.S.C. 49*
21 *et seq.).*

22 (b) *USE OF FUNDS.*—*Subsequent to the commencement*
23 *of the use of the property described in subsection (a) for*
24 *the functions of a one-stop customer service system, funds*
25 *provided under the provisions of law described in subsection*

1 (a) may only be used to acquire further equity in such prop-
2 erty, or to pay operating and maintenance expenses relat-
3 ing to such property in proportion to the extent of the use
4 of such property attributable to the activities authorized
5 under such provisions of law.

6 **SEC. 383. CONTINUATION OF STATE ACTIVITIES AND POLI-**
7 **CIES.**

8 (a) *IN GENERAL.*—Notwithstanding any other provi-
9 sion of this title, the Secretary may not deny approval of
10 a State plan for a covered State, or an application of a
11 covered State for financial assistance, under this title or
12 find a covered State (including a statewide partnership or
13 Governor), or a local area (including a local partnership
14 or chief elected official) in a covered State, in violation of
15 a provision of this title, on the basis that—

16 (1)(A) the State proposes to allocate or disburse,
17 allocates, or disburses, within the State, funds made
18 available to the State under section 302 in accordance
19 with the allocation formula for the type of activities
20 involved, or in accordance with a disbursal procedure
21 or process, used by the State under prior consistent
22 State law; or

23 (B) a local partnership in the State proposes to
24 disburse, or disburses, within the local area, funds
25 made available to a State under section 302 in ac-

1 *cordance with a disbursal procedure or process used*
2 *by a private industry council under prior consistent*
3 *State law;*

4 (2) *the State proposes to carry out or carries out*
5 *a State procedure through which local areas use, as*
6 *fiscal agents for funds made available to the State*
7 *under section 302 and allocated within the State, fis-*
8 *cal agents selected in accordance with a process estab-*
9 *lished under prior consistent State law;*

10 (3) *the State proposes to carry out or carries out*
11 *a State procedure through which the local partner-*
12 *ships in the State (or the local partnerships, the chief*
13 *elected officials in the State, and the Governor) des-*
14 *ignate or select the one-stop partners and one-stop*
15 *customer service center operators of the statewide sys-*
16 *tem in the State under prior consistent State law, in*
17 *lieu of making the appointment, designation, or cer-*
18 *tification described in section 311 (regardless of the*
19 *date the one-stop customer service systems involved*
20 *have been established);*

21 (4) *the State proposes to carry out or carries out*
22 *a State procedure through which the persons respon-*
23 *sible for selecting eligible providers for purposes of*
24 *subtitle A are permitted to determine that a provider*
25 *shall not be selected to provide both intake services*

1 *under section 315(c)(2) and training services under*
2 *section 315(c)(3), under prior consistent State law;*

3 *(5) the State proposes to designate or designates*
4 *a statewide partnership, or proposes to assign or as-*
5 *signs functions and roles of the statewide partnership*
6 *(including determining the time periods for develop-*
7 *ment and submission of a State plan required under*
8 *section 304), for purposes of subtitle A in accordance*
9 *with prior consistent State law; or*

10 *(6) a local partnership in the State proposes to*
11 *use or carry out, uses, or carries out a local plan (in-*
12 *cluding assigning functions and roles of the local*
13 *partnership) for purposes of subtitle A in accordance*
14 *with the authorities and requirements applicable to*
15 *local plans and private industry councils under prior*
16 *consistent State law.*

17 *(b) DEFINITION.—In this section:*

18 *(1) COVERED STATE.—The term “covered State”*
19 *means a State that enacted a State law described in*
20 *paragraph (2).*

21 *(2) PRIOR CONSISTENT STATE LAW.—The term*
22 *“prior consistent State law” means a State law, not*
23 *inconsistent with the Job Training Partnership Act*
24 *or any other applicable Federal law, that took effect*

1 on September 1, 1993, September 1, 1995, or Septem-
2 ber 1, 1997.

3 **Subtitle E—Repeals and**
4 **Conforming Amendments**

5 **SEC. 391. REPEALS.**

6 (a) *GENERAL IMMEDIATE REPEALS.*—The following
7 provisions are repealed:

8 (1) *Section 204 of the Immigration Reform and*
9 *Control Act of 1986 (8 U.S.C. 1255a note).*

10 (2) *Title II of Public Law 95–250 (92 Stat.*
11 *172).*

12 (3) *The Displaced Homemakers Self-Sufficiency*
13 *Assistance Act (29 U.S.C. 2301 et seq.).*

14 (4) *Section 211 of the Appalachian Regional De-*
15 *velopment Act of 1965 (40 U.S.C. App. 211).*

16 (5) *Subtitle C of title VII of the Stewart B.*
17 *McKinney Homeless Assistance Act (42 U.S.C. 11441*
18 *et seq.), except section 738 of such title (42 U.S.C.*
19 *11448).*

20 (6) *Subchapter I of chapter 421 of title 49,*
21 *United States Code.*

22 (b) *SUBSEQUENT REPEALS.*—The following provisions
23 are repealed:

24 (1) *The Job Training Partnership Act (29*
25 *U.S.C. 1501 et seq.).*

1 (2) *Title VII of the Stewart B. McKinney Home-*
2 *less Assistance Act (42 U.S.C. 11421 et seq.), except*
3 *subtitle B and section 738 of such title (42 U.S.C.*
4 *11431 et seq. and 11448).*

5 **SEC. 392. CONFORMING AMENDMENTS.**

6 (a) *PREPARATION.*—*After consultation with the appro-*
7 *priate committees of Congress and the Director of the Office*
8 *of Management and Budget, the Secretary shall prepare rec-*
9 *ommended legislation containing technical and conforming*
10 *amendments to reflect the changes made by this subtitle.*

11 (b) *SUBMISSION TO CONGRESS.*—*Not later than 6*
12 *months after the date of enactment of this Act, the Secretary*
13 *shall submit to Congress the recommended legislation re-*
14 *ferred to under subsection (a).*

15 **SEC. 393. EFFECTIVE DATES.**

16 (a) *IMMEDIATE REPEALS.*—*The repeals made by sec-*
17 *tion 391(a) shall take effect on the date of enactment of this*
18 *Act.*

19 (b) *SUBSEQUENT REPEALS.*—*The repeals made by sec-*
20 *tion 391(b) shall take effect on July 1, 1999.*

1 **TITLE IV—WORKFORCE INVEST-**
2 **MENT-RELATED ACTIVITIES**
3 **Subtitle A—Wagner-Peyser Act**

4 **SEC. 401. DEFINITIONS.**

5 *Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a)*
6 *is amended—*

7 *(1) in paragraph (1)—*

8 *(A) by striking “or officials”; and*

9 *(B) by striking “Job Training Partnership*
10 *Act” and inserting “Workforce Investment Part-*
11 *nership Act of 1998”;*

12 *(2) by striking paragraphs (2) and (4);*

13 *(3) by redesignating paragraphs (3) and (5) as*
14 *paragraphs (5) and (6), respectively;*

15 *(4) by inserting after paragraph (1) the follow-*
16 *ing:*

17 *“(2) the term ‘local workforce investment area’*
18 *means a local workforce investment area designated*
19 *under section 307 of the Workforce Investment Part-*
20 *nership Act of 1998;*

21 *“(3) the term ‘local workforce investment part-*
22 *nership’ means a local workforce investment partner-*
23 *ship established under section 308 of the Workforce*
24 *Investment Partnership Act of 1998;*

1 “(4) the term ‘one-stop customer service system’
2 means a one-stop customer service system established
3 under section 315(b) of the Workforce Investment
4 Partnership Act of 1998;” and

5 (5) in paragraph (5) (as redesignated in para-
6 graph (3)), by striking the semicolon and inserting “;
7 and”.

8 **SEC. 402. FUNCTIONS.**

9 (a) *IN GENERAL.*—Section 3 of the Wagner-Peyser Act
10 (29 U.S.C. 49b) is amended—

11 (1) in subsection (a), by striking “United States
12 Employment Service” and inserting “Secretary”; and

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

14 “(c) The Secretary shall—

15 “(1) assist in the coordination and development
16 of a nationwide system of public labor exchange serv-
17 ices, provided as part of the one-stop customer service
18 systems of the States;

19 “(2) assist in the development of continuous im-
20 provement models for such nationwide system that en-
21 sure private sector satisfaction with the system and
22 meet the demands of jobseekers relating to the system;
23 and

24 “(3) ensure, for individuals otherwise eligible to
25 receive unemployment compensation, the provision of

1 *reemployment services and other activities in which*
2 *the individuals are required to participate to receive*
3 *the compensation.”.*

4 *(b) CONFORMING AMENDMENTS.—Section 508(b)(1) of*
5 *the Unemployment Compensation Amendments of 1976 (42*
6 *U.S.C. 603a(b)(1)) is amended—*

7 *(1) by striking “the third sentence of section*
8 *3(a)” and inserting “section 3(b)”;* and

9 *(2) by striking “49b(a)” and inserting “49b(b)”.*

10 **SEC. 403. DESIGNATION OF STATE AGENCIES.**

11 *Section 4 of the Wagner-Peyser Act (29 U.S.C. 49e)*
12 *is amended—*

13 *(1) by striking “, through its legislature,” and*
14 *inserting “, pursuant to State statute,”;*

15 *(2) by inserting after “the provisions of this Act*
16 *and” the following: “, in accordance with such State*
17 *statute, the Governor shall”; and*

18 *(3) by striking “United States Employment*
19 *Service” and inserting “Secretary”.*

20 **SEC. 404. APPROPRIATIONS.**

21 *Section 5(c) of the Wagner-Peyser Act (29 U.S.C.*
22 *49d(c)) is amended by striking paragraph (3).*

23 **SEC. 405. DISPOSITION OF ALLOTTED FUNDS.**

24 *Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f)*
25 *is amended—*

1 (1) *in subsection (b)(2), by striking “private in-*
2 *dustry council” and inserting “local workforce invest-*
3 *ment partnership”;*

4 (2) *in subsection (c)(2), by striking “any pro-*
5 *gram under” and all that follows and inserting “any*
6 *workforce investment activity carried out under the*
7 *Workforce Investment Partnership Act of 1998.”;*

8 (3) *in subsection (d)—*

9 (A) *by striking “United States Employment*
10 *Service” and inserting “Secretary”; and*

11 (B) *by striking “Job Training Partnership*
12 *Act” and inserting “Workforce Investment Part-*
13 *nership Act of 1998”; and*

14 (4) *by adding at the end the following:*

15 “(e) *All job search, placement, recruitment, labor mar-*
16 *ket information, and other labor exchange services author-*
17 *ized under subsection (a) shall be provided, consistent with*
18 *the other requirements of this Act, as part of the one-stop*
19 *customer service system established by the State.”.*

20 **SEC. 406. STATE PLANS.**

21 *Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g)*
22 *is amended—*

23 (1) *in subsection (a) to read as follows:*

24 “(a) *Any State desiring to receive assistance under*
25 *this Act shall submit to the Secretary, as part of the State*

1 *plan submitted under section 304 of the Workforce Invest-*
2 *ment Partnership Act of 1998, detailed plans for carrying*
3 *out the provisions of this Act within such State.”;*

4 (2) *by striking subsections (b) and (c);*

5 (3) *by redesignating subsection (d) as subsection*
6 *(b);*

7 (4) *by inserting after subsection (b) the follow-*
8 *ing:*

9 “(c) *The part of the State plan described in subsection*
10 *(a) shall include the information described in paragraphs*
11 *(9) and (17) of section 304(b) of the Workforce Investment*
12 *Partnership Act of 1998.”;*

13 (5) *by redesignating subsection (e) as subsection*
14 *(d); and*

15 (6) *in subsection (d) (as redesignated in para-*
16 *graph (5)), by striking “such plans” and inserting*
17 *“such detailed plans”.*

18 **SEC. 407. REPEAL OF FEDERAL ADVISORY COUNCIL.**

19 *Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j)*
20 *is amended by striking “11.” and all that follows through*
21 *“(b) In” and inserting “11. In”.*

22 **SEC. 408. REGULATIONS.**

23 *Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k)*
24 *is amended by striking “The Director, with the approval*
25 *of the Secretary of Labor,” and inserting “The Secretary”.*

1 **SEC. 409. LABOR MARKET INFORMATION.**

2 *The Wagner-Peyser Act is amended—*

3 *(1) by redesignating section 15 (29 U.S.C. 49*
4 *note) as section 16; and*

5 *(2) by inserting after section 14 (29 U.S.C. 49l-*
6 *1) the following:*

7 **“SEC. 15. LABOR MARKET INFORMATION.**

8 **“(a) SYSTEM CONTENT.—**

9 *“(1) IN GENERAL.—The Secretary, in accordance*
10 *with the provisions of this section, shall oversee the*
11 *development, maintenance, and continuous improve-*
12 *ment of a system of labor market information that in-*
13 *cludes—*

14 *“(A) statistical data from cooperative sta-*
15 *tistical survey and projection programs and data*
16 *from administrative reporting systems that,*
17 *taken together, enumerate, estimate, and project*
18 *the employment opportunities at the national,*
19 *State, and local levels in a timely manner, in-*
20 *cluding data on—*

21 *“(i) employment and unemployment*
22 *status of the national, State, and local pop-*
23 *ulations, as such data are developed by the*
24 *Bureau of Labor Statistics and other*
25 *sources;*

1 “(ii) industrial distribution of occupa-
2 tions, as well as current and projected em-
3 ployment opportunities and skill trends by
4 occupation and industry, with particular
5 attention paid to State and local employ-
6 ment opportunities;

7 “(iii) the incidence of, industrial and
8 geographical location of, and number of
9 workers displaced by, permanent layoffs
10 and plant closings; and

11 “(iv) employee information main-
12 tained in a longitudinal manner and col-
13 lected (as of the date of enactment of the
14 Workforce Investment Partnership Act of
15 1998) by States;

16 “(B) State and local employment informa-
17 tion, and other appropriate statistical data re-
18 lated to labor market dynamics (compiled for
19 States and localities with technical assistance
20 provided by the Secretary), which shall—

21 “(i) be current and comprehensive, as
22 of the date used;

23 “(ii) assist individuals to make in-
24 formed choices relating to employment and
25 training; and

1 “(iii) assist employers to locate, iden-
2 tify skill traits of, and train individuals
3 who are seeking employment and training;

4 “(C) technical standards (which the Sec-
5 retary shall make publicly available) for data
6 and information described in subparagraphs (A)
7 and (B) that, at a minimum, meet the criteria
8 of chapter 35 of title 44, United States Code;

9 “(D) procedures to ensure compatibility and
10 additivity of the data and information described
11 in subparagraphs (A) and (B) from national,
12 State, and local levels;

13 “(E) procedures to support standardization
14 and aggregation of data from administrative re-
15 porting systems described in subparagraph (A)
16 of employment-related programs;

17 “(F) analysis of data and information de-
18 scribed in subparagraphs (A) and (B) for uses
19 such as State and local policymaking;

20 “(G) wide dissemination of such data, in-
21 formation, and analysis, training for users of the
22 data, information, and analysis, and voluntary
23 technical standards for dissemination mecha-
24 nisms; and

25 “(H) programs of—

1 “(i) *research and demonstration; and*

2 “(ii) *technical assistance for States*
3 *and localities.*

4 “(2) *INFORMATION TO BE CONFIDENTIAL.—*

5 “(A) *IN GENERAL.—No officer or employee*
6 *of the Federal Government or agent of the Fed-*
7 *eral Government may—*

8 “(i) *use any submission that is fur-*
9 *nished for exclusively statistical purposes*
10 *under the provisions of this section for any*
11 *purpose other than the statistical purposes*
12 *for which the submission is furnished;*

13 “(ii) *make any publication or media*
14 *transmittal of the data contained in the*
15 *submission described in clause (i) that per-*
16 *mits information concerning individual*
17 *subjects to be reasonably inferred by either*
18 *direct or indirect means; or*

19 “(iii) *permit anyone other than a*
20 *sworn officer, employee, or agent of any*
21 *Federal department or agency, or a contrac-*
22 *tor (including an employee of a contractor)*
23 *of such department or agency, to examine*
24 *an individual submission described in*
25 *clause (i);*

1 *without the consent of the individual, agency, or*
2 *other person who is the subject of the submission*
3 *or provides that submission.*

4 “(B) *IMMUNITY FROM LEGAL PROCESS.—*
5 *Any submission (including any data derived*
6 *from the submission) that is collected and re-*
7 *tained by a Federal department or agency, or an*
8 *officer, employee, agent, or contractor of such a*
9 *department or agency, for exclusively statistical*
10 *purposes under this section shall be immune*
11 *from the legal process and shall not, without the*
12 *consent of the individual, agency, or other person*
13 *who is the subject of the submission or provides*
14 *that submission, be admitted as evidence or used*
15 *for any purpose in any action, suit, or other ju-*
16 *dicial or administrative proceeding.*

17 “(C) *CONSTRUCTION.—Nothing in this sec-*
18 *tion shall be construed to provide immunity*
19 *from the legal process for such submission (in-*
20 *cluding any data derived from the submission) if*
21 *the submission is in the possession of any person,*
22 *agency, or entity other than the Federal Govern-*
23 *ment or an officer, employee, agent, or contractor*
24 *of the Federal Government, or if the submission*

1 *is independently collected, retained, or produced*
2 *for purposes other than the purposes of this Act.*

3 “(b) *SYSTEM RESPONSIBILITIES.*—

4 “(1) *IN GENERAL.*—*The labor market informa-*
5 *tion system shall be planned, administered, overseen,*
6 *and evaluated through a cooperative governance struc-*
7 *ture involving the Federal Government and States.*

8 “(2) *DUTIES.*—*The Secretary, with respect to*
9 *data collection, analysis, and dissemination of labor*
10 *market information for the system, shall carry out the*
11 *following duties:*

12 “(A) *Assign responsibilities within the De-*
13 *partment of Labor for elements of the system de-*
14 *scribed in subsection (a) to ensure that all statis-*
15 *tical and administrative data collected is con-*
16 *sistent with appropriate Bureau of Labor Statis-*
17 *tics standards and definitions.*

18 “(B) *Actively seek the cooperation of other*
19 *Federal agencies to establish and maintain*
20 *mechanisms for ensuring complementarity and*
21 *nonduplication in the development and oper-*
22 *ation of statistical and administrative data col-*
23 *lection activities.*

1 “(C) *Eliminate gaps and duplication in*
2 *statistical undertakings, with the systemization*
3 *of wage surveys as an early priority.*

4 “(D) *In collaboration with the Bureau of*
5 *Labor Statistics and States, develop and main-*
6 *tain the elements of the system described in sub-*
7 *section (a), including the development of consist-*
8 *ent definitions for use by the States in collecting*
9 *the data and information described in subpara-*
10 *graphs (A) and (B), of subsection (a)(1) and the*
11 *development of the annual plan under subsection*
12 *(c).*

13 “(E) *Establish procedures for the system to*
14 *ensure that—*

15 “(i) *such data and information are*
16 *timely;*

17 “(ii) *administrative records for the*
18 *system are consistent in order to facilitate*
19 *aggregation of such data and information;*

20 “(iii) *paperwork and reporting for the*
21 *system are reduced to a minimum; and*

22 “(iv) *States and localities are fully in-*
23 *cluded in the maintenance and continuous*
24 *improvement of the system at the State and*
25 *local levels.*

1 “(c) *ANNUAL PLAN.*—*The Secretary, with the assist-*
2 *ance of the States and the Bureau of Labor Statistics, and*
3 *with the assistance of other appropriate Federal agencies,*
4 *shall prepare an annual plan which shall be the mechanism*
5 *for achieving cooperative management of the nationwide*
6 *labor market information system described in subsection (a)*
7 *and the statewide labor market information systems that*
8 *comprise the nationwide system. The plan shall—*

9 “(1)(A) *describe the elements of the system de-*
10 *scribed in subsection (a), including standards, defini-*
11 *tions, formats, collection methodologies, and other nec-*
12 *essary system elements, for use in collecting data and*
13 *information described in subparagraphs (A) and (B)*
14 *of subsection (a)(1); and*

15 “(B) *include assurances that—*

16 “(i) *the data will be timely and detailed;*

17 “(ii) *administrative records will be stand-*
18 *ardized to facilitate the aggregation of the data*
19 *from local areas to State and national levels and*
20 *to support the creation of new statistical series*
21 *from program records; and*

22 “(iii) *paperwork and reporting require-*
23 *ments for employers and individuals will be re-*
24 *duced;*

1 “(2) include a report on the results of an annual
2 consumer satisfaction review concerning the perform-
3 ance of the system, including the performance of the
4 system in addressing the needs of Congress, States, lo-
5 calities, employers, jobseekers, and other consumers;

6 “(3) evaluate the performance of the system and
7 recommend needed improvements, taking into consid-
8 eration the results of the consumer satisfaction review,
9 with particular attention paid to the improvements
10 needed at the State and local levels;

11 “(4) describe annual priorities, and priorities
12 over 5 years, for the system;

13 “(5) describe current (as of the date of the sub-
14 mission of the plan) spending and spending needs to
15 carry out activities under this section, including the
16 costs to States and localities of meeting the require-
17 ments of subsection (e)(2); and

18 “(6) describe the involvement of States in the de-
19 velopment of the plan, through formal consultations
20 conducted by the Secretary in cooperation with rep-
21 resentatives of the Governors of every State, and with
22 representatives of local partnerships, pursuant to a
23 process established by the Secretary in cooperation
24 with the States.

1 “(d) *COORDINATION WITH THE STATES.*—*The Sec-*
2 *retary and the Bureau of Labor Statistics, in cooperation*
3 *with the States, shall—*

4 “(1) *develop the annual plan described in sub-*
5 *section (c) by holding formal consultations, at least*
6 *once each quarter, on the products and administra-*
7 *tion of the nationwide labor market information sys-*
8 *tem; and*

9 “(2) *hold the consultations with representatives*
10 *from each of the 10 Federal regions of the Employ-*
11 *ment and Training Administration, elected (pursuant*
12 *to a process established by the Secretary) by and from*
13 *the State labor market information directors affiliated*
14 *with the State agencies that perform the duties de-*
15 *scribed in subsection (e)(2).*

16 “(e) *STATE RESPONSIBILITIES.*—

17 “(1) *DESIGNATION OF STATE AGENCY.*—*In order*
18 *to receive Federal financial assistance under this sec-*
19 *tion, the Governor of a State—*

20 “(A)(i) *except as provided in clause (ii),*
21 *shall designate a single State agency to be re-*
22 *sponsible for the management of the portions of*
23 *the system described in subsection (a) that com-*
24 *prise a statewide labor market information sys-*
25 *tem; and*

1 “(i) may assign the State occupa-
2 tional information coordinating committee
3 established under section 422 of the Carl D.
4 Perkins Vocational and Applied Technology
5 Education Act (as in effect on the day be-
6 fore the date of enactment of the Workforce
7 Investment Partnership Act of 1998), the re-
8 sponsibility to carry out the functions of the
9 system relating to labor market information
10 that such committee carried out on the day
11 prior to such date of enactment; and

12 “(B) shall establish a process for the over-
13 sight of such system.

14 “(2) DUTIES.—In order to receive Federal finan-
15 cial assistance under this section, the State agency
16 shall—

17 “(A) consult with State and local employ-
18 ers, participants, and local partnerships about
19 the labor market relevance of the data to be col-
20 lected and disseminated through the statewide
21 labor market information system;

22 “(B) consult with State educational agen-
23 cies and local educational agencies concerning
24 providing labor market information in order to
25 meet the needs of secondary school and post-

1 *secondary school students who seek such informa-*
2 *tion;*

3 “(C) *collect and disseminate for the system,*
4 *on behalf of the State and localities in the State,*
5 *the information and data described in subpara-*
6 *graphs (A) and (B) of subsection (a)(1);*

7 “(D) *maintain and continuously improve*
8 *the statewide labor market information system*
9 *in accordance with this section;*

10 “(E) *perform contract and grant respon-*
11 *sibilities for data collection, analysis, and dis-*
12 *semination for such system;*

13 “(F) *conduct such other data collection,*
14 *analysis, and dissemination activities as will en-*
15 *sure an effective statewide labor market informa-*
16 *tion system;*

17 “(G) *actively seek the participation of other*
18 *State and local agencies in data collection, anal-*
19 *ysis, and dissemination activities in order to en-*
20 *sure complementarity, compatibility, and useful-*
21 *ness of data;*

22 “(H) *participate in the development of the*
23 *annual plan described in subsection (c); and*

24 “(I) *utilize the quarterly records described*
25 *in sections 321(f)(2) and 312 of the Workforce*

1 *Investment Partnership Act of 1998 to assist the*
2 *State and other States in measuring State*
3 *progress on State performance measures.*

4 “(3) *RULE OF CONSTRUCTION.*—*Nothing in this*
5 *section shall be construed as limiting the ability of a*
6 *State agency to conduct additional data collection,*
7 *analysis, and dissemination activities with State*
8 *funds or with Federal funds from sources other than*
9 *this section.*

10 “(f) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
11 *authorized to be appropriated to carry out this section such*
12 *sums as may be necessary for each of fiscal years 1999*
13 *through 2004.*

14 “(g) *DEFINITIONS.*—*In this section, the terms ‘local*
15 *area’ and ‘local partnership’ have the meanings given the*
16 *terms in section 2 of the Workforce Investment Partnership*
17 *Act of 1998.”.*

18 **SEC. 410. TECHNICAL AMENDMENTS.**

19 *Sections 3(b), 6(b)(1), and 7(d) of the Wagner-Peyser*
20 *Act (29 U.S.C. 49b(b), 49e(b)(1), and 49f(d)) are amended*
21 *by striking “Secretary of Labor” and inserting “Secretary”.*

1 **Subtitle B—Linkages With Other**
2 **Programs**

3 **SEC. 421. TRADE ACT OF 1974.**

4 *Section 241 of the Trade Act of 1974 (19 U.S.C. 2313)*
5 *is amended by adding at the end the following:*

6 “(d) *To be eligible to receive funds under this section,*
7 *a State shall submit to the Secretary an application that*
8 *includes the description and information described in para-*
9 *graphs (9) and (17) of section 304(b) of the Workforce In-*
10 *vestment Partnership Act of 1998.”.*

11 **SEC. 422. VETERANS’ EMPLOYMENT PROGRAMS.**

12 *Chapter 41 of title 38, United States Code, is amended*
13 *by adding at the end the following:*

14 **“§4110B. Coordination and nonduplication**

15 *“In carrying out this chapter, the Secretary shall re-*
16 *quire that an appropriate administrative entity in each*
17 *State enter into an agreement with the Secretary regarding*
18 *the implementation of this Act that includes the description*
19 *and information described in paragraphs (9) and (17) of*
20 *section 304(b) of the Workforce Investment Partnership Act*
21 *of 1998.”.*

22 **SEC. 423. OLDER AMERICANS ACT OF 1965.**

23 *Section 502(b)(1) of the Older Americans Act of 1965*
24 *(42 U.S.C. 3056(b)(1)) is amended—*

1 (1) in subparagraph (O), by striking “; and”
2 and inserting a semicolon;

3 (2) in subparagraph (P), by striking the period
4 and inserting “; and”; and

5 (3) by adding at the end the following subpara-
6 graph:

7 “(Q) will provide to the Secretary the description
8 and information described in paragraphs (9) and
9 (17) of section 304(b) of the Workforce Investment
10 Partnership Act of 1998.”.

11 ***Subtitle C—Twenty-First Century***
12 ***Workforce Commission***

13 ***SEC. 431. SHORT TITLE.***

14 *This subtitle may be cited as the “Twenty-First Cen-*
15 *tury Workforce Commission Act”.*

16 ***SEC. 432. FINDINGS.***

17 *Congress finds that—*

18 (1) *information technology is one of the fastest*
19 *growing areas in the United States economy;*

20 (2) *the United States is a world leader in the in-*
21 *formation technology industry;*

22 (3) *the continued growth and prosperity of the*
23 *information technology industry is important to the*
24 *continued prosperity of the United States economy;*

1 (4) *highly skilled employees are essential for the*
2 *success of business entities in the information tech-*
3 *nology industry and other business entities that use*
4 *information technology;*

5 (5) *employees in information technology jobs are*
6 *highly paid;*

7 (6) *as of the date of enactment of this Act, these*
8 *employees are in high demand in all industries and*
9 *all regions of the United States; and*

10 (7) *through a concerted effort by business enti-*
11 *ties, the Federal Government, the governments of*
12 *States and political subdivisions of States, and edu-*
13 *cational institutions, more individuals will gain the*
14 *skills necessary to enter into a technology-based job*
15 *market, ensuring that the United States remains the*
16 *world leader in the information technology industry.*

17 **SEC. 433. DEFINITIONS.**

18 *In this subtitle:*

19 (1) *BUSINESS ENTITY.*—*The term “business en-*
20 *tity” means a firm, corporation, association, partner-*
21 *ship, consortium, joint venture, or other form of enter-*
22 *prise.*

23 (2) *COMMISSION.*—*The term “Commission”*
24 *means the Twenty-First Century Workforce Commis-*
25 *sion established under section 434.*

1 (3) *INFORMATION TECHNOLOGY.*—The term “in-
2 formation technology” has the meaning given that
3 term in section 5002 of the Information Technology
4 Management Reform Act of 1996 (110 Stat. 679).

5 (4) *STATE.*—The term “State” means each of the
6 several States of the United States and the District of
7 Columbia.

8 **SEC. 434. ESTABLISHMENT OF TWENTY-FIRST CENTURY**
9 **WORKFORCE COMMISSION.**

10 (a) *ESTABLISHMENT.*—There is established a commis-
11 sion to be known as the Twenty-First Century Workforce
12 Commission.

13 (b) *MEMBERSHIP.*—

14 (1) *COMPOSITION.*—

15 (A) *IN GENERAL.*—The Commission shall be
16 composed of 21 members, of which—

17 (i) 7 members shall be appointed by
18 the President;

19 (ii) 7 members shall be appointed by
20 the Majority Leader of the Senate; and

21 (iii) 7 members shall be appointed by
22 the Speaker of the House of Representatives.

23 (B) *GOVERNMENTAL REPRESENTATIVES.*—
24 Of the members appointed under this sub-
25 section—

1 (i) 1 member shall be an officer or em-
2 ployee of the Department of Labor, who
3 shall be appointed by the President;

4 (ii) 1 member shall be an officer or em-
5 ployee of the Department of Education, who
6 shall be appointed by the President; and

7 (iii) 2 members shall be representatives
8 of the governments of States and political
9 subdivisions of States, 1 of whom shall be
10 appointed by the Majority Leader of the
11 Senate and 1 of whom shall be appointed by
12 the Speaker of the House of Representatives.

13 (C) *EDUCATORS.*—Of the members ap-
14 pointed under this subsection, 6 shall be edu-
15 cators who are selected from among elementary,
16 secondary, vocational, and postsecondary edu-
17 cators—

18 (i) 2 of whom shall be appointed by the
19 President;

20 (ii) 2 of whom shall be appointed by
21 the Majority Leader of the Senate; and

22 (iii) 2 of whom shall be appointed by
23 the Speaker of the House of Representatives.

24 (D) *BUSINESS REPRESENTATIVES.*—

1 (i) *IN GENERAL.*—*Of the members ap-*
2 *pointed under this subsection, at least 4*
3 *shall be individuals who are employed by*
4 *non-information technology business enti-*
5 *ties.*

6 (ii) *SIZE.*—*Members appointed under*
7 *this subsection in accordance with clause (i)*
8 *shall, to the extent practicable, include indi-*
9 *viduals from business entities of a size that*
10 *is small or average for a non-information*
11 *technology business entity.*

12 (2) *DATE.*—*The appointments of the members of*
13 *the Commission shall be made by the later of—*

14 (A) *October 31, 1998; or*

15 (B) *the date that is 45 days after the date*
16 *of enactment of this Act.*

17 (c) *PERIOD OF APPOINTMENT; VACANCIES.*—*Members*
18 *shall be appointed for the life of the Commission. Any va-*
19 *cancy in the Commission shall not affect its powers, but*
20 *shall be filled in the same manner as the original appoint-*
21 *ment.*

22 (d) *INITIAL MEETING.*—*No later than 30 days after*
23 *the date on which all members of the Commission have been*
24 *appointed, the Commission shall hold its first meeting.*

1 (e) *MEETINGS.*—*The Commission shall meet at the call*
2 *of the Chairperson.*

3 (f) *QUORUM.*—*A majority of the members of the Com-*
4 *mission shall constitute a quorum, but a lesser number of*
5 *members may hold hearings.*

6 (g) *CHAIRPERSON AND VICE CHAIRPERSON.*—*The*
7 *Commission shall select a chairperson and vice chairperson*
8 *from among its members.*

9 **SEC. 435. DUTIES OF THE COMMISSION.**

10 (a) *STUDY.*—

11 (1) *IN GENERAL.*—*The Commission shall conduct*
12 *a thorough study of all matters relating to the infor-*
13 *mation technology workforce in the United States.*

14 (2) *MATTERS STUDIED.*—*The matters studied by*
15 *the Commission shall include an examination of—*

16 (A) *the skills necessary to enter the informa-*
17 *tion technology workforce;*

18 (B) *ways to expand the number of skilled*
19 *information technology workers; and*

20 (C) *the relative efficacy of programs in the*
21 *United States and foreign countries to train in-*
22 *formation technology workers, with special em-*
23 *phasis on programs that provide for secondary*
24 *education or postsecondary education in a pro-*
25 *gram other than a 4-year baccalaureate program*

1 *(including associate degree programs and grad-*
2 *uate degree programs).*

3 (3) *PUBLIC HEARINGS.*—*As part of the study*
4 *conducted under this subsection, the Commission shall*
5 *hold public hearings in each region of the United*
6 *States concerning the issues referred to in subpara-*
7 *graphs (A) and (B) of paragraph (2).*

8 (4) *EXISTING INFORMATION.*—*To the extent*
9 *practicable, in carrying out the study under this sub-*
10 *section, the Commission shall identify and use exist-*
11 *ing information related to the issues referred to in*
12 *subparagraphs (A) and (B) of paragraph (2).*

13 (5) *CONSULTATION WITH CHIEF INFORMATION*
14 *OFFICERS COUNCIL.*—*In carrying out the study under*
15 *this subsection, the Commission shall consult with the*
16 *Chief Information Officers Council established under*
17 *Executive Order No. 13011.*

18 (b) *REPORT.*—*Not later than 6 months after the first*
19 *meeting of the Commission, the Commission shall submit*
20 *a report to the President and the Congress that shall con-*
21 *tain a detailed statement of the findings and conclusions*
22 *of the Commission resulting from the study, together with*
23 *its recommendations for such legislation and administra-*
24 *tive actions as the Commission considers to be appropriate.*

1 (c) *FACILITATION OF EXCHANGE OF INFORMATION.*—
2 *In carrying out the study under subsection (a), the Commis-*
3 *sion shall, to the extent practicable, facilitate the exchange*
4 *of information concerning the issues that are the subject of*
5 *the study among—*

6 (1) *officials of the Federal Government and the*
7 *governments of States and political subdivisions of*
8 *States; and*

9 (2) *educators from Federal, State, and local in-*
10 *stitutions of higher education and secondary schools.*

11 **SEC. 436. POWERS OF THE COMMISSION.**

12 (a) *HEARINGS.*—*The Commission may hold such hear-*
13 *ings, sit and act at such times and places, take such testi-*
14 *mony, and receive such evidence as the Commission consid-*
15 *ers advisable to carry out the purposes of this subtitle.*

16 (b) *INFORMATION FROM FEDERAL AGENCIES.*—*The*
17 *Commission may secure directly from any Federal depart-*
18 *ment or agency such information as the Commission con-*
19 *siders necessary to carry out the provisions of this subtitle.*
20 *Upon request of the Chairperson of the Commission, the*
21 *head of such department or agency shall furnish such infor-*
22 *mation to the Commission.*

23 (c) *POSTAL SERVICES.*—*The Commission may use the*
24 *United States mails in the same manner and under the*

1 *same conditions as other departments and agencies of the*
2 *Federal Government.*

3 (d) *GIFTS.*—*The Commission may accept, use, and*
4 *dispose of gifts or donations of services or property.*

5 **SEC. 437. COMMISSION PERSONNEL MATTERS.**

6 (a) *COMPENSATION OF MEMBERS.*—*Except as pro-*
7 *vided in subsection (b), each member of the Commission who*
8 *is not an officer or employee of the Federal Government*
9 *shall serve without compensation. All members of the Com-*
10 *mission who are officers or employees of the United States*
11 *shall serve without compensation in addition to that re-*
12 *ceived for their services as officers or employees of the*
13 *United States.*

14 (b) *TRAVEL EXPENSES.*—*The members of the Commis-*
15 *sion shall be allowed travel expenses, including per diem*
16 *in lieu of subsistence, at rates authorized for employees of*
17 *agencies under subchapter I of chapter 57 of title 5, United*
18 *States Code, while away from their homes or regular places*
19 *of business in the performance of services for the Commis-*
20 *sion.*

21 (c) *STAFF.*—

22 (1) *IN GENERAL.*—*The Chairperson of the Com-*
23 *mission may, without regard to the civil service laws*
24 *and regulations, appoint and terminate an executive*
25 *director and such other additional personnel as may*

1 *be necessary to enable the Commission to perform its*
2 *duties. The employment of an executive director shall*
3 *be subject to confirmation by the Commission.*

4 (2) *COMPENSATION.—The Chairperson of the*
5 *Commission may fix the compensation of the execu-*
6 *tive director and other personnel without regard to*
7 *the provisions of chapter 51 and subchapter III of*
8 *chapter 53 of title 5, United States Code, relating to*
9 *classification of positions and General Schedule pay*
10 *rates, except that the rate of pay for the executive di-*
11 *rector and other personnel may not exceed the rate*
12 *payable for level V of the Executive Schedule under*
13 *section 5316 of such title.*

14 (d) *DETAIL OF GOVERNMENT EMPLOYEES.—Any Fed-*
15 *eral Government employee may be detailed to the Commis-*
16 *sion without reimbursement, and such detail shall be with-*
17 *out interruption or loss of civil service status or privilege.*

18 (e) *PROCUREMENT OF TEMPORARY AND INTERMIT-*
19 *TENT SERVICES.—The Chairperson of the Commission may*
20 *procure temporary and intermittent services under section*
21 *3109(b) of title 5, United States Code, at rates for individ-*
22 *uals that do not exceed the daily equivalent of the annual*
23 *rate of basic pay prescribed for level V of the Executive*
24 *Schedule under section 5316 of such title.*

1 **SEC. 438. TERMINATION OF THE COMMISSION.**

2 *The Commission shall terminate on the date that is*
3 *90 days after the date on which the Commission submits*
4 *its report under section 435(b).*

5 **SEC. 439. AUTHORIZATION OF APPROPRIATIONS.**

6 *(a) IN GENERAL.—There are authorized to be appro-*
7 *priated such sums as may be necessary for fiscal year 1999*
8 *to the Commission to carry out the purposes of this subtitle.*

9 *(b) AVAILABILITY.—Any sums appropriated under the*
10 *authorization contained in this section shall remain avail-*
11 *able, without fiscal year limitation, until expended.*

12 **TITLE V—GENERAL PROVISIONS**

13 **SEC. 501. STATE UNIFIED PLAN.**

14 *(a) DEFINITION OF APPROPRIATE SECRETARY.—In*
15 *this section, the term “appropriate Secretary” means the*
16 *head of the Federal agency who exercises administrative au-*
17 *thority over an activity or program described in subsection*
18 *(b).*

19 *(b) STATE UNIFIED PLAN.—*

20 *(1) IN GENERAL.—A State may develop and sub-*
21 *mit to the appropriate Secretaries a State unified*
22 *plan for 2 or more of the activities or programs set*
23 *forth in paragraph (2). The State unified plan shall*
24 *cover 1 or more of the activities set forth in subpara-*
25 *graphs (A) through (C) of paragraph (2) and may*

1 *cover 1 or more of the activities set forth in subpara-*
2 *graphs (D) through (M) of paragraph (2).*

3 (2) *ACTIVITIES.—The activities and programs*
4 *referred to in paragraph (1) are as follows:*

5 (A) *Activities authorized under title I.*

6 (B) *Activities authorized under title II.*

7 (C) *Activities authorized under title III.*

8 (D) *Programs authorized under section 6(d)*
9 *of the Food Stamp Act of 1977 (7 U.S.C.*
10 *2015(d)).*

11 (E) *Work programs authorized under sec-*
12 *tion 6(o) of the Food Stamp Act of 1977 (7*
13 *U.S.C. 2015(o)).*

14 (F) *Activities authorized under chapter 2 of*
15 *title II of the Trade Act of 1974 (19 U.S.C. 2271*
16 *et seq.).*

17 (G) *Programs authorized under the Wagner-*
18 *Peyser Act (29 U.S.C. 49 et seq.).*

19 (H) *Programs authorized under title I of*
20 *the Rehabilitation Act of 1973 (29 U.S.C. 720 et*
21 *seq.), other than section 112 of such Act (29*
22 *U.S.C. 732).*

23 (I) *Activities authorized under chapter 41*
24 *of title 38, United States Code.*

1 *(J) Programs authorized under State unem-*
2 *ployment compensation laws (in accordance with*
3 *applicable Federal law).*

4 *(K) Programs authorized under part A of*
5 *title IV of the Social Security Act (42 U.S.C.*
6 *601 et seq.).*

7 *(L) Programs authorized under title V of*
8 *the Older Americans Act of 1965 (42 U.S.C.*
9 *3056 et seq.).*

10 *(M) Training activities carried out by the*
11 *Department of Housing and Urban Develop-*
12 *ment.*

13 *(c) REQUIREMENTS.—*

14 *(1) IN GENERAL.—The portion of a State unified*
15 *plan covering an activity or program described in*
16 *subsection (b) shall be subject to the requirements, if*
17 *any, applicable to a plan or application for assist-*
18 *ance under the Federal statute authorizing the activ-*
19 *ity or program.*

20 *(2) ADDITIONAL SUBMISSION NOT REQUIRED.—A*
21 *State that submits a State unified plan covering an*
22 *activity or program described in subsection (b) that*
23 *is approved under subsection (d) shall not be required*
24 *to submit any other plan or application in order to*

1 *receive Federal funds to carry out the activity or pro-*
2 *gram.*

3 (3) *COORDINATION.*—*A State unified plan shall*
4 *include—*

5 (A) *a description of the methods used for*
6 *joint planning and coordination of the programs*
7 *and activities included in the unified plan; and*

8 (B) *an assurance that the methods included*
9 *an opportunity for the entities responsible for*
10 *planning or administering such programs and*
11 *activities to review and comment on all portions*
12 *of the unified plan.*

13 (d) *APPROVAL BY THE APPROPRIATE SECRETARIES.*—

14 (1) *JURISDICTION.*—*The appropriate Secretary*
15 *shall have the authority to approve the portion of the*
16 *State unified plan relating to the activity or program*
17 *over which the appropriate Secretary exercises ad-*
18 *ministrative authority. On the approval of the appro-*
19 *priate Secretary, the portion of the plan relating to*
20 *the activity or program shall be implemented by the*
21 *State pursuant to the applicable portion of the State*
22 *unified plan.*

23 (2) *APPROVAL.*—

24 (A) *IN GENERAL.*—*A portion of the State*
25 *unified plan covering an activity or program de-*

1 scribed in subsection (b) that is submitted to the
2 appropriate Secretary under this section shall be
3 considered to be approved by the appropriate
4 Secretary at the end of the 90-day period begin-
5 ning on the day the appropriate Secretary re-
6 ceives the portion, unless the appropriate Sec-
7 retary makes a written determination, during
8 the 90-day period, that the portion is not con-
9 sistent with the requirements of the Federal stat-
10 ute authorizing the activity or program includ-
11 ing the criteria for approval of a plan or appli-
12 cation, if any, under such statute or the plan is
13 not consistent with the requirements of sub-
14 section (c)(3).

15 (B) *SPECIAL RULE.*—In subparagraph (A),
16 the term “criteria for approval of a State plan”,
17 relating to activities carried out under title I, II,
18 or III, includes a requirement for agreement be-
19 tween the State and the appropriate Secretary
20 regarding State performance measures, including
21 levels of performance.

22 **SEC. 502. DEFINITIONS FOR CORE INDICATORS OF PER-**
23 **FORMANCE.**

24 (a) *IN GENERAL.*—In order to ensure nationwide com-
25 parability of performance data, the Secretary of Labor and

1 *the Secretary of Education, after consultation with the rep-*
2 *resentatives described in subsection (b), shall issue defini-*
3 *tions for performance measures established under titles I*
4 *and II and definitions for core indicators of performance*
5 *for performance measures established under title III.*

6 **(b) REPRESENTATIVES.**—*The representatives referred*
7 *to in subsection (a) are representatives of States and politi-*
8 *cal subdivisions, business and industry, employees, eligible*
9 *providers of employment and training activities (as defined*
10 *in section 2(13)(B)), educators, participants in activities*
11 *carried out under this Act, State Directors of vocational*
12 *education, State Directors of adult education, providers of*
13 *vocational education, providers of adult education, provid-*
14 *ers of literacy services, individuals with expertise in serving*
15 *the employment and training needs of disadvantaged youth*
16 *(as defined in section 302(b)(3)(C)), parents, and other in-*
17 *terested parties, with expertise regarding activities author-*
18 *ized under this Act.*

19 **SEC. 503. TRANSITION PROVISIONS.**

20 *The Secretary of Education or the Secretary of Labor,*
21 *as appropriate, shall take such steps as such Secretary de-*
22 *termines to be appropriate to provide for the orderly transi-*
23 *tion to the authority of this Act from any authority under*
24 *provisions of law to be repealed under subtitle E of title*

1 *I, subtitle B of title II, or subtitle E of title III, or any*
2 *related authority.*

3 **SEC. 504. PRIVACY.**

4 *Nothing in this Act shall be construed to supersede the*
5 *privacy protections afforded parents and students under*
6 *section 444 of the General Education Provisions Act (20*
7 *U.S.C. 1232g), as added by the Family Educational Rights*
8 *and Privacy Act of 1974 (section 513 of Public Law 93–*
9 *380; 88 Stat. 571).*

10 **SEC. 505. LIMITATION.**

11 *None of the funds made available under this Act may*
12 *be used to carry out activities authorized under the School-*
13 *to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).*

14 **SEC. 506. EFFECTIVE DATE.**

15 *(a) IN GENERAL.—Except as otherwise provided in*
16 *this Act, this Act takes effect on July 1, 1999.*

17 *(b) EARLY IMPLEMENTATION.—At the option of a*
18 *State, the Governor of the State and the chief official of*
19 *the eligible agencies in the State may use funds made avail-*
20 *able under a provision of law described in section 503, or*
21 *any related authority to implement this Act at any time*
22 *prior to July 1, 1999.*

23 *(c) EARLY IMPLEMENTATION AND TRANSITION PROVI-*
24 *SIONS.—Section 503 and this section take effect on the date*
25 *of enactment of this Act.*

1 (d) *TWENTY-FIRST CENTURY WORKFORCE COMMIS-*
2 *SION.—Subtitle C of title IV takes effect on the date of en-*
3 *actment of this Act.*

4 **TITLE VI—REHABILITATION ACT**
5 **AMENDMENTS OF 1998**

6 **SEC. 601. SHORT TITLE.**

7 *This title may be cited as the “Rehabilitation Act*
8 *Amendments of 1998”.*

9 **SEC. 602. TITLE.**

10 *The title of the Rehabilitation Act of 1973 is amended*
11 *by striking “to establish special responsibilities” and all*
12 *that follows and inserting the following: “to create linkage*
13 *between State vocational rehabilitation programs and work-*
14 *force investment activities carried out under the Workforce*
15 *Investment Partnership Act of 1998, to establish special re-*
16 *sponsibilities for the Secretary of Education for coordina-*
17 *tion of all activities with respect to individuals with dis-*
18 *abilities within and across programs administered by the*
19 *Federal Government, and for other purposes.”.*

20 **SEC. 603. GENERAL PROVISIONS.**

21 *The Rehabilitation Act of 1973 is amended by striking*
22 *the matter preceding title I and inserting the following:*

23 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

24 *“(a) SHORT TITLE.—This Act may be cited as the ‘Re-*
25 *habilitation Act of 1973’.*

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

- “Sec. 1. *Short title; table of contents.*
- “Sec. 2. *Findings; purpose; policy.*
- “Sec. 3. *Rehabilitation Services Administration.*
- “Sec. 4. *Advance funding.*
- “Sec. 5. *Joint funding.*
- “Sec. 7. *Definitions.*
- “Sec. 8. *Allotment percentage.*
- “Sec. 10. *Nonduplication.*
- “Sec. 11. *Application of other laws.*
- “Sec. 12. *Administration of the Act.*
- “Sec. 13. *Reports.*
- “Sec. 14. *Evaluation.*
- “Sec. 15. *Information clearinghouse.*
- “Sec. 16. *Transfer of funds.*
- “Sec. 17. *State administration.*
- “Sec. 18. *Review of applications.*
- “Sec. 19. *Carryover.*
- “Sec. 20. *Client assistance information.*
- “Sec. 21. *Traditionally underserved populations.*

“TITLE I—VOCATIONAL REHABILITATION SERVICES

“PART A—GENERAL PROVISIONS

- “Sec. 100. *Declaration of policy; authorization of appropriations.*
- “Sec. 101. *State plans.*
- “Sec. 102. *Eligibility and individualized rehabilitation employment plan.*
- “Sec. 103. *Vocational rehabilitation services.*
- “Sec. 104. *Non-Federal share for establishment of program.*
- “Sec. 105. *State Rehabilitation Council.*
- “Sec. 106. *Evaluation standards and performance indicators.*
- “Sec. 107. *Monitoring and review.*
- “Sec. 108. *Expenditure of certain amounts.*
- “Sec. 109. *Training of employers with respect to Americans with Disabilities Act of 1990.*

“PART B—BASIC VOCATIONAL REHABILITATION SERVICES

- “Sec. 110. *State allotments.*
- “Sec. 111. *Payments to States.*
- “Sec. 112. *Client assistance program.*

“PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

- “Sec. 121. *Vocational rehabilitation services grants.*

“PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

- “Sec. 131. *Data sharing.*

“TITLE II—RESEARCH AND TRAINING

- “Sec. 200. *Declaration of purpose.*

- “Sec. 201. *Authorization of appropriations.*
- “Sec. 202. *National Institute on Disability and Rehabilitation Research.*
- “Sec. 203. *Interagency Committee.*
- “Sec. 204. *Research and other covered activities.*
- “Sec. 205. *Rehabilitation Research Advisory Council.*

*“TITLE III—PROFESSIONAL DEVELOPMENT AND SPECIAL
PROJECTS AND DEMONSTRATIONS*

- “Sec. 301. *Declaration of purpose and competitive basis of grants and contracts.*
- “Sec. 302. *Training.*
- “Sec. 303. *Special demonstration program.*
- “Sec. 304. *Migrant and seasonal farmworkers.*
- “Sec. 305. *Recreational programs.*
- “Sec. 306. *Measuring of project outcomes and performance.*

“TITLE IV—NATIONAL COUNCIL ON DISABILITY

- “Sec. 400. *Establishment of National Council on Disability.*
- “Sec. 401. *Duties of National Council.*
- “Sec. 402. *Compensation of National Council members.*
- “Sec. 403. *Staff of National Council.*
- “Sec. 404. *Administrative powers of National Council.*
- “Sec. 405. *Authorization of Appropriations.*

“TITLE V—RIGHTS AND ADVOCACY

- “Sec. 501. *Employment of individuals with disabilities.*
- “Sec. 502. *Architectural and Transportation Barriers Compliance Board.*
- “Sec. 503. *Employment under Federal contracts.*
- “Sec. 504. *Nondiscrimination under Federal grants and programs.*
- “Sec. 505. *Remedies and attorneys’ fees.*
- “Sec. 506. *Secretarial responsibilities.*
- “Sec. 507. *Interagency Disability Coordinating Council.*
- “Sec. 508. *Electronic and information technology regulations.*
- “Sec. 509. *Protection and advocacy of individual rights.*

*“TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH
DISABILITIES*

- “Sec. 601. *Short title.*

*“PART A—PROJECTS IN TELECOMMUTING AND SELF-EMPLOYMENT FOR
INDIVIDUALS WITH DISABILITIES*

- “Sec. 611. *Findings, policies, and purposes.*
- “Sec. 612. *Projects in telecommuting for individuals with disabilities.*
- “Sec. 613. *Projects in self-employment for individuals with disabilities.*
- “Sec. 614. *Discretionary authority for dual-purpose applications.*
- “Sec. 615. *Authorization of appropriations.*

“PART B—PROJECTS WITH INDUSTRY

- “Sec. 621. *Projects with industry.*
- “Sec. 622. *Authorization of appropriations.*

*“PART C—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE
MOST SIGNIFICANT DISABILITIES*

- “Sec. 631. Purpose.*
- “Sec. 632. Allotments.*
- “Sec. 633. Availability of services.*
- “Sec. 634. Eligibility.*
- “Sec. 635. State plan.*
- “Sec. 636. Restriction.*
- “Sec. 637. Savings provision.*
- “Sec. 638. Authorization of appropriations.*

*“TITLE VII—INDEPENDENT LIVING SERVICES AND CENTERS FOR
INDEPENDENT LIVING*

“CHAPTER 1—INDIVIDUALS WITH SIGNIFICANT DISABILITIES

“PART A—GENERAL PROVISIONS

- “Sec. 701. Purpose.*
- “Sec. 702. Definitions.*
- “Sec. 703. Eligibility for receipt of services.*
- “Sec. 704. State plan.*
- “Sec. 705. Statewide Independent Living Council.*
- “Sec. 706. Responsibilities of the Commissioner.*

“PART B—INDEPENDENT LIVING SERVICES

- “Sec. 711. Allotments.*
- “Sec. 712. Payments to States from allotments.*
- “Sec. 713. Authorized uses of funds.*
- “Sec. 714. Authorization of appropriations.*

“PART C—CENTERS FOR INDEPENDENT LIVING

- “Sec. 721. Program authorization.*
- “Sec. 722. Grants to centers for independent living in States in which Federal
funding exceeds State funding.*
- “Sec. 723. Grants to centers for independent living in States in which State
funding equals or exceeds Federal funding.*
- “Sec. 724. Centers operated by State agencies.*
- “Sec. 725. Standards and assurances for centers for independent living.*
- “Sec. 726. Definitions.*
- “Sec. 727. Authorization of appropriations.*

*“CHAPTER 2—INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO
ARE BLIND*

- “Sec. 751. Definition.*
- “Sec. 752. Program of grants.*
- “Sec. 753. Authorization of appropriations.*

1 *“FINDINGS; PURPOSE; POLICY*

2 *“SEC. 2. (a) FINDINGS.—Congress finds that—*

1 “(1) millions of Americans have one or more
2 physical or mental disabilities and the number of
3 Americans with such disabilities is increasing;

4 “(2) individuals with disabilities constitute one
5 of the most disadvantaged groups in society;

6 “(3) disability is a natural part of the human
7 experience and in no way diminishes the right of in-
8 dividuals to—

9 “(A) live independently;

10 “(B) enjoy self-determination;

11 “(C) make choices;

12 “(D) contribute to society;

13 “(E) pursue meaningful careers; and

14 “(F) enjoy full inclusion and integration in
15 the economic, political, social, cultural, and edu-
16 cational mainstream of American society;

17 “(4) increased employment of individuals with
18 disabilities can be achieved through implementation
19 of statewide activities carried out under the Workforce
20 Investment Partnership Act of 1998 that provide
21 meaningful and effective participation for individuals
22 with disabilities in workforce investment activities
23 and activities carried out under the vocational reha-
24 bilitation program established under title I, and
25 through the provision of independent living services,

1 *support services, and meaningful opportunities for*
2 *employment in integrated work settings through the*
3 *provision of reasonable accommodations;*

4 *“(5) individuals with disabilities continually en-*
5 *counter various forms of discrimination in such criti-*
6 *cal areas as employment, housing, public accommoda-*
7 *tions, education, transportation, communication,*
8 *recreation, institutionalization, health services, vot-*
9 *ing, and public services; and*

10 *“(6) the goals of the Nation properly include the*
11 *goal of providing individuals with disabilities with*
12 *the tools necessary to—*

13 *“(A) make informed choices and decisions;*

14 *and*

15 *“(B) achieve equality of opportunity, full*
16 *inclusion and integration in society, employ-*
17 *ment, independent living, and economic and so-*
18 *cial self-sufficiency, for such individuals.*

19 *“(b) PURPOSE.—The purposes of this Act are—*

20 *“(1) to empower individuals with disabilities to*
21 *maximize employment, economic self-sufficiency, inde-*
22 *pendence, and inclusion and integration into society,*
23 *through—*

24 *“(A) statewide activities carried out in ac-*
25 *cordance with the Workforce Investment Partner-*

1 *ship Act of 1998 that include, as integral compo-*
2 *nents, comprehensive and coordinated state-of-*
3 *the-art programs of vocational rehabilitation;*

4 *“(B) independent living centers and serv-*
5 *ices;*

6 *“(C) research;*

7 *“(D) training;*

8 *“(E) demonstration projects; and*

9 *“(F) the guarantee of equal opportunity;*

10 *and*

11 *“(2) to ensure that the Federal Government*
12 *plays a leadership role in promoting the employment*
13 *of individuals with disabilities, especially individuals*
14 *with significant disabilities, and in assisting States*
15 *and providers of services in fulfilling the aspirations*
16 *of such individuals with disabilities for meaningful*
17 *and gainful employment and independent living.*

18 *“(c) POLICY.—It is the policy of the United States that*
19 *all programs, projects, and activities receiving assistance*
20 *under this Act shall be carried out in a manner consistent*
21 *with the principles of—*

22 *“(1) respect for individual dignity, personal re-*
23 *sponsibility, self-determination, and pursuit of mean-*
24 *ingful careers, based on informed choice, of individ-*
25 *uals with disabilities;*

1 “(2) respect for the privacy, rights, and equal ac-
2 cess (including the use of accessible formats), of the
3 individuals;

4 “(3) inclusion, integration, and full participa-
5 tion of the individuals;

6 “(4) support for the involvement of an individ-
7 ual’s representative if an individual with a disability
8 requests, desires, or needs such support; and

9 “(5) support for individual and systemic advoca-
10 cacy and community involvement.

11 “REHABILITATION SERVICES ADMINISTRATION

12 “SEC. 3. (a) There is established in the Office of the
13 Secretary a Rehabilitation Services Administration which
14 shall be headed by a Commissioner (hereinafter in this Act
15 referred to as the ‘Commissioner’) appointed by the Presi-
16 dent by and with the advice and consent of the Senate. Ex-
17 cept for titles IV and V and part A of title VI and as other-
18 wise specifically provided in this Act, such Administration
19 shall be the principal agency, and the Commissioner shall
20 be the principal officer, of such Department for carrying
21 out this Act. The Commissioner shall be an individual with
22 substantial experience in rehabilitation and in rehabilita-
23 tion program management. In the performance of the func-
24 tions of the office, the Commissioner shall be directly re-
25 sponsible to the Secretary or to the Under Secretary or an
26 appropriate Assistant Secretary of such Department, as

1 *designated by the Secretary. The functions of the Commis-*
2 *sioner shall not be delegated to any officer not directly re-*
3 *sponsible, both with respect to program operation and ad-*
4 *ministration, to the Commissioner. Any reference in this*
5 *Act to duties to be carried out by the Commissioner shall*
6 *be considered to be a reference to duties to be carried out*
7 *by the Secretary acting through the Commissioner. In car-*
8 *rying out any of the functions of the office under this Act,*
9 *the Commissioner shall be guided by general policies of the*
10 *National Council on Disability established under title IV*
11 *of this Act.*

12 “(b) *The Secretary shall take whatever action is nec-*
13 *essary to ensure that funds appropriated pursuant to this*
14 *Act, as well as unexpended appropriations for carrying out*
15 *the Vocational Rehabilitation Act (29 U.S.C. 31–42), are*
16 *expended only for the programs, personnel, and administra-*
17 *tion of programs carried out under this Act.*

18 “(c) *The Secretary shall take such action as necessary*
19 *to ensure that—*

20 “(1) *the staffing of the Rehabilitation Services*
21 *Administration shall be in sufficient numbers to meet*
22 *program needs and at levels which will attract and*
23 *maintain the most qualified personnel; and*

24 “(2) *such staff includes individuals who have*
25 *training and experience in the provision of rehabilita-*

1 *tion services and that staff competencies meet profes-*
2 *sional standards.*

3 *“ADVANCE FUNDING*

4 *“SEC. 4. (a) For the purpose of affording adequate no-*
5 *tice of funding available under this Act, appropriations*
6 *under this Act are authorized to be included in the appro-*
7 *priation Act for the fiscal year preceding the fiscal year*
8 *for which they are available for obligation.*

9 *“(b) In order to effect a transition to the advance fund-*
10 *ing method of timing appropriation action, the authority*
11 *provided by subsection (a) of this section shall apply not-*
12 *withstanding that its initial application will result in the*
13 *enactment in the same year (whether in the same appro-*
14 *priation Act or otherwise) of two separate appropriations,*
15 *one for the then current fiscal year and one for the succeed-*
16 *ing fiscal year.*

17 *“JOINT FUNDING*

18 *“SEC. 5. Pursuant to regulations prescribed by the*
19 *President, and to the extent consistent with the other provi-*
20 *sions of this Act, where funds are provided for a single*
21 *project by more than one Federal agency to an agency or*
22 *organization assisted under this Act, the Federal agency*
23 *principally involved may be designated to act for all in ad-*
24 *ministering the funds provided, and, in such cases, a single*
25 *non-Federal share requirement may be established accord-*
26 *ing to the proportion of funds advanced by each agency.*

1 *When the principal agency involved is the Rehabilitation*
2 *Services Administration, it may waive any grant or con-*
3 *tract requirement (as defined by such regulations) under*
4 *or pursuant to any law other than this Act, which require-*
5 *ment is inconsistent with the similar requirements of the*
6 *administering agency under or pursuant to this Act.*

7 **“SEC. 7. DEFINITIONS.**

8 *“For the purposes of this Act:*

9 *“(1) ADMINISTRATIVE COSTS.—The term ‘admin-*
10 *istrative costs’ means expenditures incurred by the*
11 *designated State unit in the performance of adminis-*
12 *trative functions under the vocational rehabilitation*
13 *program carried out under title I, including expenses*
14 *related to program planning, development, monitor-*
15 *ing, and evaluation, including—*

16 *“(A) expenses for—*

17 *“(i) quality assurance;*

18 *“(ii) budgeting, accounting, financial*
19 *management, information systems, and re-*
20 *lated data processing;*

21 *“(iii) provision of information about*
22 *the program to the public;*

23 *“(iv) technical assistance and related*
24 *support services to other State agencies, pri-*
25 *vate nonprofit organizations, and businesses*

1 *and industries, except for technical assist-*
2 *ance and support services described in sec-*
3 *tion 103(b)(5);*

4 “(v) *the State Rehabilitation Council*
5 *and other entities that advise the designated*
6 *State unit with regard to the provision of*
7 *vocational rehabilitation services;*

8 “(vi) *removal of architectural barriers*
9 *in State vocational rehabilitation agency of-*
10 *fices and State operated rehabilitation fa-*
11 *cilities;*

12 “(vii) *operation and maintenance of*
13 *designated State unit facilities, equipment,*
14 *and grounds;*

15 “(viii) *supplies; and*

16 “(ix)(I) *administration of the com-*
17 *prehensive system of personnel development*
18 *described in section 101(a)(7), including*
19 *personnel administration, and administra-*
20 *tion of affirmative action plans;*

21 “(II) *training and staff development;*
22 *and*

23 “(III) *administrative salaries, includ-*
24 *ing clerical and other support staff salaries,*
25 *in support of the administrative functions;*

1 “(B) travel costs related to carrying out the
2 program, other than travel costs related to the
3 provision of services;

4 “(C) costs incurred in conducting reviews of
5 rehabilitation counselor or coordinator deter-
6 minations; and

7 “(D) legal expenses required in the adminis-
8 tration of the program.

9 “(2) *ASSESSMENT FOR DETERMINING ELIGI-*
10 *BILITY AND VOCATIONAL REHABILITATION NEEDS.—*
11 *The term ‘assessment for determining eligibility and*
12 *vocational rehabilitation needs’ means, as appro-*
13 *priate in each case—*

14 “(A)(i) a review of existing data—

15 “(I) to determine whether an individ-
16 ual is eligible for vocational rehabilitation
17 services; and

18 “(II) to assign priority for an order of
19 selection described in section 101(a)(5)(A)
20 in the States that use an order of selection
21 pursuant to section 101(a)(5)(A); and

22 “(ii) to the extent necessary, the provision
23 of appropriate assessment activities to obtain
24 necessary additional data to make such deter-
25 mination and assignment;

1 “(B) to the extent additional data is nec-
2 essary to make a determination of the employ-
3 ment outcomes, and the objectives, nature, and
4 scope of vocational rehabilitation services, to be
5 included in the individualized rehabilitation em-
6 ployment plan of an eligible individual, a com-
7 prehensive assessment to determine the unique
8 strengths, resources, priorities, concerns, abilities,
9 capabilities, interests, and informed choice, in-
10 cluding the need for supported employment, of
11 the eligible individual, which comprehensive as-
12 sessment—

13 “(i) is limited to information that is
14 necessary to identify the rehabilitation
15 needs of the individual and to develop the
16 individualized rehabilitation employment
17 plan of the eligible individual;

18 “(ii) uses, as a primary source of such
19 information, to the maximum extent pos-
20 sible and appropriate and in accordance
21 with confidentiality requirements—

22 “(I) existing information obtained
23 for the purposes of determining the eli-
24 gibility of the individual and assign-
25 ing priority for an order of selection

1 *described in section 101(a)(5)(A) for*
2 *the individual; and*

3 *“(II) such information as can be*
4 *provided by the individual and, where*
5 *appropriate, by the family of the indi-*
6 *vidual;*

7 *“(iii) may include, to the degree need-*
8 *ed to make such a determination, an assess-*
9 *ment of the personality, interests, inter-*
10 *personal skills, intelligence and related*
11 *functional capacities, educational achieve-*
12 *ments, work experience, vocational apti-*
13 *tudes, personal and social adjustments, and*
14 *employment opportunities of the individual,*
15 *and the medical, psychiatric, psychological,*
16 *and other pertinent vocational, educational,*
17 *cultural, social, recreational, and environ-*
18 *mental factors, that affect the employment*
19 *and rehabilitation needs of the individual;*
20 *and*

21 *“(iv) may include, to the degree need-*
22 *ed, an appraisal of the patterns of work be-*
23 *havior of the individual and services needed*
24 *for the individual to acquire occupational*
25 *skills, and to develop work attitudes, work*

1 *habits, work tolerance, and social and be-*
2 *havior patterns necessary for successful job*
3 *performance, including the utilization of*
4 *work in real job situations to assess and de-*
5 *velop the capacities of the individual to per-*
6 *form adequately in a work environment;*

7 “(C) *referral, for the provision of rehabilita-*
8 *tion technology services to the individual, to as-*
9 *sess and develop the capacities of the individual*
10 *to perform in a work environment; and*

11 “(D) *an exploration of the individual’s*
12 *abilities, capabilities, and capacity to perform in*
13 *work situations, through the use of trial work ex-*
14 *periences, including experiences in which the in-*
15 *dividual is provided appropriate supports and*
16 *training.*

17 “(3) *ASSISTIVE TECHNOLOGY DEVICE.—The term*
18 *‘assistive technology device’ has the meaning given*
19 *such term in section 3(2) of the Technology-Related*
20 *Assistance for Individuals With Disabilities Act of*
21 *1988 (29 U.S.C. 2202(2)), except that the reference in*
22 *such section to the term ‘individuals with disabilities’*
23 *shall be deemed to mean more than one individual*
24 *with a disability as defined in paragraph (20)(A).*

1 “(4) *ASSISTIVE TECHNOLOGY SERVICE.*—*The*
2 *term ‘assistive technology service’ has the meaning*
3 *given such term in section 3(3) of the Technology-Related Assistance for Individuals With Disabilities Act*
4 *of 1988 (29 U.S.C. 2202(3)), except that the reference*
5 *in such section—*

7 “(A) *to the term ‘individual with a disability’ shall be deemed to mean an individual with*
8 *a disability, as defined in paragraph (20)(A);*
9 *and*

11 “(B) *to the term ‘individuals with disabilities’ shall be deemed to mean more than one*
12 *such individual.*

14 “(5) *COMMUNITY REHABILITATION PROGRAM.*—
15 *The term ‘community rehabilitation program’ means*
16 *a program that provides directly or facilitates the*
17 *provision of vocational rehabilitation services to individuals with disabilities, and that provides, singly or*
18 *in combination, for an individual with a disability*
19 *to enable the individual to maximize opportunities*
20 *for employment, including career advancement—*

22 “(A) *medical, psychiatric, psychological, social, and vocational services that are provided*
23 *under one management;*

- 1 “(B) testing, fitting, or training in the use
2 of prosthetic and orthotic devices;
- 3 “(C) recreational therapy;
- 4 “(D) physical and occupational therapy;
- 5 “(E) speech, language, and hearing therapy;
- 6 “(F) psychiatric, psychological, and social
7 services, including positive behavior manage-
8 ment;
- 9 “(G) assessment for determining eligibility
10 and vocational rehabilitation needs;
- 11 “(H) rehabilitation technology;
- 12 “(I) job development, placement, and reten-
13 tion services;
- 14 “(J) evaluation or control of specific dis-
15 abilities;
- 16 “(K) orientation and mobility services for
17 individuals who are blind;
- 18 “(L) extended employment;
- 19 “(M) psychosocial rehabilitation services;
- 20 “(N) supported employment services and ex-
21 tended services;
- 22 “(O) services to family members when nec-
23 essary to the vocational rehabilitation of the in-
24 dividual;
- 25 “(P) personal assistance services; or

1 “(Q) *services similar to the services de-*
2 *scribed in one of subparagraphs (A) through (P).*

3 “(6) *CRIMINAL ACT.*—*The term ‘criminal act’*
4 *means any crime, including an act, omission, or pos-*
5 *session under the laws of the United States or a State*
6 *or unit of general local government, which poses a*
7 *substantial threat of personal injury, notwithstanding*
8 *that by reason of age, insanity, or intoxication or oth-*
9 *erwise the person engaging in the act, omission, or*
10 *possession was legally incapable of committing a*
11 *crime.*

12 “(7) *DESIGNATED STATE AGENCY.*—*The term*
13 *‘designated State agency’ means an agency designated*
14 *under section 101(a)(2)(A).*

15 “(8) *DESIGNATED STATE UNIT.*—*The term ‘des-*
16 *ignated State unit’ means—*

17 “(A) *any State agency unit required under*
18 *section 101(a)(2)(B)(ii); or*

19 “(B) *in cases in which no such unit is so*
20 *required, the State agency described in section*
21 *101(a)(2)(B)(i).*

22 “(9) *DISABILITY.*—*The term ‘disability’ means—*

23 “(A) *except as otherwise provided in sub-*
24 *paragraph (B), a physical or mental impair-*

1 *ment that constitutes or results in a substantial*
2 *impediment to employment; or*

3 “(B) *for purposes of sections 2, 14, and 15,*
4 *and titles II, IV, V, and VII, a physical or men-*
5 *tal impairment that substantially limits one or*
6 *more major life activities.*

7 “(10) *DRUG AND ILLEGAL USE OF DRUGS.—*

8 “(A) *DRUG.—The term ‘drug’ means a con-*
9 *trolled substance, as defined in schedules I*
10 *through V of section 202 of the Controlled Sub-*
11 *stances Act (21 U.S.C. 812).*

12 “(B) *ILLEGAL USE OF DRUGS.—The term*
13 *‘illegal use of drugs’ means the use of drugs, the*
14 *possession or distribution of which is unlawful*
15 *under the Controlled Substances Act. Such term*
16 *does not include the use of a drug taken under*
17 *supervision by a licensed health care profes-*
18 *sional, or other uses authorized by the Controlled*
19 *Substances Act or other provisions of Federal*
20 *law.*

21 “(11) *EMPLOYMENT OUTCOME.—The term ‘em-*
22 *ployment outcome’ means, with respect to an individ-*
23 *ual—*

1 “(A) entering or retaining full-time or, if
2 appropriate, part-time competitive employment
3 in the integrated labor market;

4 “(B) satisfying the vocational outcome of
5 supported employment; or

6 “(C) satisfying any other vocational out-
7 come the Secretary may determine to be appro-
8 priate (including satisfying the vocational out-
9 come of self-employment or business ownership),
10 in a manner consistent with this Act.

11 “(12) *ESTABLISHMENT OF A COMMUNITY REHA-*
12 *BILITATION PROGRAM.*—The term ‘establishment of a
13 community rehabilitation program’ includes the ac-
14 quisition, expansion, remodeling, or alteration of ex-
15 isting buildings necessary to adapt them to commu-
16 nity rehabilitation program purposes or to increase
17 their effectiveness for such purposes (subject, however,
18 to such limitations as the Secretary may determine,
19 in accordance with regulations the Secretary shall
20 prescribe, in order to prevent impairment of the objec-
21 tives of, or duplication of, other Federal laws provid-
22 ing Federal assistance in the construction of facilities
23 for community rehabilitation programs), and may in-
24 clude such additional equipment and staffing as the
25 Commissioner considers appropriate.

1 “(13) *EXTENDED SERVICES.*—*The term ‘extended*
2 *services’ means ongoing support services and other*
3 *appropriate services, needed to support and maintain*
4 *an individual with a most significant disability in*
5 *supported employment, that—*

6 “(A) *are provided singly or in combination*
7 *and are organized and made available in such a*
8 *way as to assist an eligible individual in main-*
9 *taining supported employment;*

10 “(B) *are based on a determination of the*
11 *needs of an eligible individual, as specified in an*
12 *individualized rehabilitation employment plan;*
13 *and*

14 “(C) *are provided by a State agency, a non-*
15 *profit private organization, employer, or any*
16 *other appropriate resource, after an individual*
17 *has made the transition from support provided*
18 *by the designated State unit.*

19 “(14) *FEDERAL SHARE.*—

20 “(A) *IN GENERAL.*—*Subject to subpara-*
21 *graph (B), the term ‘Federal share’ means 78.7*
22 *percent.*

23 “(B) *RELATIONSHIP TO EXPENDITURES BY*
24 *A POLITICAL SUBDIVISION.*—*For the purpose of*
25 *determining the non-Federal share with respect*

1 to a State, expenditures by a political subdivi-
2 sion thereof or by a local agency shall be re-
3 garded as expenditures by such State, subject to
4 such limitations and conditions as the Secretary
5 shall by regulation prescribe.

6 “(15) GOVERNOR.—The term ‘Governor’
7 means—

8 “(A) a chief executive officer of a State; or

9 “(B) in the case of a State that, under State
10 law, vests authority for the administration of the
11 activities carried out under this Act in an entity
12 other than the Governor, such as 1 or more
13 houses of the State legislature or an independent
14 board, the chief officer of that entity.

15 “(16) IMPARTIAL HEARING OFFICER.—

16 “(A) IN GENERAL.—The term ‘impartial
17 hearing officer’ means an individual—

18 “(i) who is not an employee of a public
19 agency (other than an administrative law
20 judge, hearing examiner, or employee of an
21 institution of higher education);

22 “(ii) who is not a member of the State
23 Rehabilitation Council described in section
24 105;

1 “(iii) who has not been involved pre-
2 viously in the vocational rehabilitation of
3 the applicant or client;

4 “(iv) who has knowledge of the delivery
5 of vocational rehabilitation services, the
6 State plan under section 101, and the Fed-
7 eral and State rules governing the provision
8 of such services and training with respect to
9 the performance of official duties; and

10 “(v) who has no personal or financial
11 interest that would be in conflict with the
12 objectivity of the individual.

13 “(B) CONSTRUCTION.—An individual shall
14 not be considered to be an employee of a public
15 agency for purposes of subparagraph (A)(i) sole-
16 ly because the individual is paid by the agency
17 to serve as a hearing officer.

18 “(17) INDEPENDENT LIVING CORE SERVICES.—
19 The term ‘independent living core services’ means—

20 “(A) information and referral services;

21 “(B) independent living skills training;

22 “(C) peer counseling (including cross-dis-
23 ability peer counseling); and

24 “(D) individual and systems advocacy.

1 “(18) *INDEPENDENT LIVING SERVICES.*—*The*
2 *term ‘independent living services’ includes—*

3 “(A) *independent living core services; and*

4 “(B)(i) *counseling services, including psy-*
5 *chological, psychotherapeutic, and related serv-*
6 *ices;*

7 “(ii) *services related to securing housing or*
8 *shelter, including services related to community*
9 *group living, and supportive of the purposes of*
10 *this Act and of the titles of this Act, and adapt-*
11 *ive housing services (including appropriate ac-*
12 *commodations to and modifications of any space*
13 *used to serve, or occupied by, individuals with*
14 *disabilities);*

15 “(iii) *rehabilitation technology;*

16 “(iv) *mobility training;*

17 “(v) *services and training for individuals*
18 *with cognitive and sensory disabilities, including*
19 *life skills training, and interpreter and reader*
20 *services;*

21 “(vi) *personal assistance services, including*
22 *attendant care and the training of personnel*
23 *providing such services;*

24 “(vii) *surveys, directories, and other activi-*
25 *ties to identify appropriate housing, recreation*

1 *opportunities, and accessible transportation, and*
2 *other support services;*

3 *“(viii) consumer information programs on*
4 *rehabilitation and independent living services*
5 *available under this Act, especially for minori-*
6 *ties and other individuals with disabilities who*
7 *have traditionally been unserved or underserved*
8 *by programs under this Act;*

9 *“(ix) education and training necessary for*
10 *living in a community and participating in*
11 *community activities;*

12 *“(x) supported living;*

13 *“(xi) transportation, including referral and*
14 *assistance for such transportation and training*
15 *in the use of public transportation vehicles and*
16 *systems;*

17 *“(xii) physical rehabilitation;*

18 *“(xiii) therapeutic treatment;*

19 *“(xiv) provision of needed prostheses and*
20 *other appliances and devices;*

21 *“(xv) individual and group social and rec-*
22 *reational services;*

23 *“(xvi) training to develop skills specifically*
24 *designed for youths who are individuals with*
25 *disabilities to promote self-awareness and esteem,*

1 *develop advocacy and self-empowerment skills,*
2 *and explore career options;*

3 “(xvii) *services for children;*

4 “(xviii) *services under other Federal, State,*
5 *or local programs designed to provide resources,*
6 *training, counseling, or other assistance, of sub-*
7 *stantial benefit in enhancing the independence,*
8 *productivity, and quality of life of individuals*
9 *with disabilities;*

10 “(xix) *appropriate preventive services to de-*
11 *crease the need of individuals assisted under this*
12 *Act for similar services in the future;*

13 “(xx) *community awareness programs to*
14 *enhance the understanding and integration into*
15 *society of individuals with disabilities; and*

16 “(xxi) *such other services as may be nec-*
17 *essary and not inconsistent with the provisions*
18 *of this Act.*

19 “(19) *INDIAN; AMERICAN INDIAN; INDIAN AMER-*
20 *ICAN; INDIAN TRIBE.—*

21 “(A) *IN GENERAL.—The terms ‘Indian’,*
22 *‘American Indian’, and ‘Indian American’ mean*
23 *an individual who is a member of an Indian*
24 *tribe.*

1 “(B) *INDIAN TRIBE.*—*The term ‘Indian*
2 *tribe’ means any Federal or State Indian tribe,*
3 *band, rancheria, pueblo, colony, or community,*
4 *including any Alaskan native village or regional*
5 *village corporation (as defined in or established*
6 *pursuant to the Alaska Native Claims Settlement*
7 *Act).*

8 “(20) *INDIVIDUAL WITH A DISABILITY.*—

9 “(A) *IN GENERAL.*—*Except as otherwise*
10 *provided in subparagraph (B), the term ‘individ-*
11 *ual with a disability’ means any individual*
12 *who—*

13 “(i) *has a physical or mental impair-*
14 *ment which for such individual constitutes*
15 *or results in a substantial impediment to*
16 *employment; and*

17 “(ii) *can benefit in terms of an em-*
18 *ployment outcome from vocational rehabili-*
19 *tation services provided pursuant to title I,*
20 *III, or VI.*

21 “(B) *CERTAIN PROGRAMS; LIMITATIONS ON*
22 *MAJOR LIFE ACTIVITIES.*—*Subject to subpara-*
23 *graphs (C), (D), (E), and (F), the term ‘individ-*
24 *ual with a disability’ means, for purposes of sec-*

1 tions 2, 14, and 15, and titles II, IV, V, and VII
2 of this Act, any person who—

3 “(i) has a physical or mental impair-
4 ment which substantially limits one or more
5 of such person’s major life activities;

6 “(ii) has a record of such an impair-
7 ment; or

8 “(iii) is regarded as having such an
9 impairment.

10 “(C) RIGHTS AND ADVOCACY PROVISIONS.—

11 “(i) IN GENERAL; EXCLUSION OF INDI-
12 VIDUALS ENGAGING IN DRUG USE.—For
13 purposes of title V, the term ‘individual
14 with a disability’ does not include an indi-
15 vidual who is currently engaging in the ille-
16 gal use of drugs, when a covered entity acts
17 on the basis of such use.

18 “(ii) EXCEPTION FOR INDIVIDUALS NO
19 LONGER ENGAGING IN DRUG USE.—Nothing
20 in clause (i) shall be construed to exclude as
21 an individual with a disability an individ-
22 ual who—

23 “(I) has successfully completed a
24 supervised drug rehabilitation program
25 and is no longer engaging in the illegal

1 *use of drugs, or has otherwise been re-*
2 *habilitated successfully and is no*
3 *longer engaging in such use;*

4 *“(II) is participating in a super-*
5 *vised rehabilitation program and is no*
6 *longer engaging in such use; or*

7 *“(III) is erroneously regarded as*
8 *engaging in such use, but is not engag-*
9 *ing in such use;*

10 *except that it shall not be a violation of this*
11 *Act for a covered entity to adopt or admin-*
12 *ister reasonable policies or procedures, in-*
13 *cluding but not limited to drug testing, de-*
14 *signed to ensure that an individual de-*
15 *scribed in subclause (I) or (II) is no longer*
16 *engaging in the illegal use of drugs.*

17 *“(iii) EXCLUSION FOR CERTAIN SERV-*
18 *ICES.—Notwithstanding clause (i), for pur-*
19 *poses of programs and activities providing*
20 *health services and services provided under*
21 *titles I, II, and III, an individual shall not*
22 *be excluded from the benefits of such pro-*
23 *grams or activities on the basis of his or her*
24 *current illegal use of drugs if he or she is*
25 *otherwise entitled to such services.*

1 “(iv) *DISCIPLINARY ACTION.*—For pur-
2 poses of programs and activities providing
3 educational services, local educational agen-
4 cies may take disciplinary action pertain-
5 ing to the use or possession of illegal drugs
6 or alcohol against any student who is an
7 individual with a disability and who cur-
8 rently is engaging in the illegal use of drugs
9 or in the use of alcohol to the same extent
10 that such disciplinary action is taken
11 against students who are not individuals
12 with disabilities. Furthermore, the due proc-
13 ess procedures at section 104.36 of title 34,
14 Code of Federal Regulations (or any cor-
15 responding similar regulation or ruling)
16 shall not apply to such disciplinary actions.

17 “(v) *EMPLOYMENT; EXCLUSION OF AL-*
18 *COHOLICS.*—For purposes of sections 503
19 and 504 as such sections relate to employ-
20 ment, the term ‘individual with a disabil-
21 ity’ does not include any individual who is
22 an alcoholic whose current use of alcohol
23 prevents such individual from performing
24 the duties of the job in question or whose
25 employment, by reason of such current alco-

1 *hol abuse, would constitute a direct threat*
2 *to property or the safety of others.*

3 “(D) *EMPLOYMENT; EXCLUSION OF INDIVID-*
4 *UALS WITH CERTAIN DISEASES OR INFEC-*
5 *TIONS.—For the purposes of sections 503 and*
6 *504, as such sections relate to employment, such*
7 *term does not include an individual who has a*
8 *currently contagious disease or infection and*
9 *who, by reason of such disease or infection,*
10 *would constitute a direct threat to the health or*
11 *safety of other individuals or who, by reason of*
12 *the currently contagious disease or infection, is*
13 *unable to perform the duties of the job.*

14 “(E) *RIGHTS PROVISIONS; EXCLUSION OF*
15 *INDIVIDUALS ON BASIS OF HOMOSEXUALITY OR*
16 *BISEXUALITY.—For the purposes of sections 501,*
17 *503, and 504—*

18 “(i) *for purposes of the application of*
19 *subparagraph (B) to such sections, the term*
20 *‘impairment’ does not include homosexual-*
21 *ity or bisexuality; and*

22 “(ii) *therefore the term ‘individual*
23 *with a disability’ does not include an indi-*
24 *vidual on the basis of homosexuality or bi-*
25 *sexuality.*

1 “(F) *RIGHTS PROVISIONS; EXCLUSION OF*
2 *INDIVIDUALS ON BASIS OF CERTAIN DIS-*
3 *ORDERS.—For the purposes of sections 501, 503,*
4 *and 504, the term ‘individual with a disability’*
5 *does not include an individual on the basis of—*

6 “(i) *transvestism, transsexualism,*
7 *pedophilia, exhibitionism, voyeurism, gen-*
8 *der identity disorders not resulting from*
9 *physical impairments, or other sexual be-*
10 *havior disorders;*

11 “(ii) *compulsive gambling, kleptoma-*
12 *nia, or pyromania; or*

13 “(iii) *psychoactive substance use dis-*
14 *orders resulting from current illegal use of*
15 *drugs.*

16 “(G) *INDIVIDUALS WITH DISABILITIES.—*
17 *The term ‘individuals with disabilities’ means*
18 *more than one individual with a disability.*

19 “(21) *INDIVIDUAL WITH A SIGNIFICANT DISABIL-*
20 *ITY.—*

21 “(A) *IN GENERAL.—Except as provided in*
22 *subparagraph (B) or (C), the term ‘individual*
23 *with a significant disability’ means an individ-*
24 *ual with a disability—*

1 “(i) who has a severe physical or men-
2 tal impairment which seriously limits one
3 or more functional capacities (such as mo-
4 bility, communication, self-care, self-direc-
5 tion, interpersonal skills, work tolerance, or
6 work skills) in terms of an employment out-
7 come;

8 “(ii) whose vocational rehabilitation
9 can be expected to require multiple voca-
10 tional rehabilitation services over an ex-
11 tended period of time; and

12 “(iii) who has one or more physical or
13 mental disabilities resulting from amputa-
14 tion, arthritis, autism, blindness, burn in-
15 jury, cancer, cerebral palsy, cystic fibrosis,
16 deafness, head injury, heart disease, hemi-
17 plegia, hemophilia, respiratory or pul-
18 monary dysfunction, mental retardation,
19 mental illness, multiple sclerosis, muscular
20 dystrophy, musculo-skeletal disorders, neu-
21 rological disorders (including stroke and
22 epilepsy), paraplegia, quadriplegia, and
23 other spinal cord conditions, sickle cell ane-
24 mia, specific learning disability, end-stage
25 renal disease, or another disability or com-

1 *combination of disabilities determined on the*
2 *basis of an assessment for determining eligi-*
3 *bility and vocational rehabilitation needs*
4 *described in subparagraphs (A) and (B) of*
5 *paragraph (2) to cause comparable substan-*
6 *tial functional limitation.*

7 *“(B) INDEPENDENT LIVING SERVICES AND*
8 *CENTERS FOR INDEPENDENT LIVING.—For pur-*
9 *poses of title VII, the term ‘individual with a*
10 *significant disability’ means an individual with*
11 *a severe physical or mental impairment whose*
12 *ability to function independently in the family*
13 *or community or whose ability to obtain, main-*
14 *tain, or advance in employment is substantially*
15 *limited and for whom the delivery of independ-*
16 *ent living services will improve the ability to*
17 *function, continue functioning, or move towards*
18 *functioning independently in the family or com-*
19 *munity or to continue in employment, respec-*
20 *tively.*

21 *“(C) RESEARCH AND TRAINING.—For pur-*
22 *poses of title II, the term ‘individual with a sig-*
23 *nificant disability’ includes an individual de-*
24 *scribed in subparagraph (A) or (B).*

1 “(D) *INDIVIDUALS WITH SIGNIFICANT DIS-*
2 *ABILITIES.—The term ‘individuals with signifi-*
3 *cant disabilities’ means more than one individ-*
4 *ual with a significant disability.*

5 “(E) *INDIVIDUAL WITH A MOST SIGNIFICANT*
6 *DISABILITY.—*

7 “(i) *IN GENERAL.—The term ‘individ-*
8 *ual with a most significant disability’, used*
9 *with respect to an individual in a State,*
10 *means an individual with a significant dis-*
11 *ability who meets criteria established by the*
12 *State under section 101(a)(5)(C).*

13 “(ii) *INDIVIDUALS WITH THE MOST*
14 *SIGNIFICANT DISABILITIES.—The term ‘in-*
15 *dividuals with the most significant disabili-*
16 *ties’ means more than one individual with*
17 *a most significant disability.*

18 “(22) *INDIVIDUAL’S REPRESENTATIVE; APPLI-*
19 *CANT’S REPRESENTATIVE.—*

20 “(A) *INDIVIDUAL’S REPRESENTATIVE.—The*
21 *term ‘individual’s representative’ used with re-*
22 *spect to an eligible individual or other individ-*
23 *ual with a disability, means—*

24 “(i) *any representative chosen by the*
25 *eligible individual or other individual with*

1 *a disability, including a parent, guardian,*
2 *other family member, or advocate; or*

3 “(ii) *if a representative or legal guard-*
4 *ian has been appointed by a court to rep-*
5 *resent the eligible individual or other indi-*
6 *vidual with a disability, the court-ap-*
7 *pointed representative or legal guardian.*

8 “(B) *APPLICANT’S REPRESENTATIVE.—The*
9 *term ‘applicant’s representative’ means—*

10 “(i) *any representative described in*
11 *subparagraph (A)(i) chosen by the appli-*
12 *cant; or*

13 “(ii) *if a representative or legal guard-*
14 *ian has been appointed by a court to rep-*
15 *resent the applicant, the court-appointed*
16 *representative or legal guardian.*

17 “(23) *INSTITUTION OF HIGHER EDUCATION.—*
18 *The term ‘institution of higher education’ has the*
19 *meaning given the term in section 1201(a) of the*
20 *Higher Education Act of 1965 (20 U.S.C. 1141(a)).*

21 “(24) *LOCAL AGENCY.—The term ‘local agency’*
22 *means an agency of a unit of general local govern-*
23 *ment or of an Indian tribe (or combination of such*
24 *units or tribes) which has an agreement with the des-*
25 *ignated State agency to conduct a vocational rehabili-*

1 *tation program under the supervision of such State*
2 *agency in accordance with the State plan approved*
3 *under section 101. Nothing in the preceding sentence*
4 *of this paragraph or in section 101 shall be construed*
5 *to prevent the local agency from arranging to utilize*
6 *another local public or nonprofit agency to provide*
7 *vocational rehabilitation services if such an arrange-*
8 *ment is made part of the agreement specified in this*
9 *paragraph.*

10 *“(25) LOCAL WORKFORCE INVESTMENT PART-*
11 *nership.—The term ‘local workforce investment part-*
12 *nership’ means a local workforce investment partner-*
13 *ship established under section 308 of the Workforce*
14 *Investment Partnership Act of 1998.*

15 *“(26) NONPROFIT.—The term ‘nonprofit’, when*
16 *used with respect to a community rehabilitation pro-*
17 *gram, means a community rehabilitation program*
18 *carried out by a corporation or association, no part*
19 *of the net earnings of which inures, or may lawfully*
20 *inure, to the benefit of any private shareholder or in-*
21 *dividual and the income of which is exempt from tax-*
22 *ation under section 501(c)(3) of the Internal Revenue*
23 *Code of 1986.*

24 *“(27) ONGOING SUPPORT SERVICES.—The term*
25 *‘ongoing support services’ means services—*

1 “(A) provided to individuals with the most
2 significant disabilities;

3 “(B) provided, at a minimum, twice month-
4 ly—

5 “(i) to make an assessment, regarding
6 the employment situation, at the worksite of
7 each such individual in supported employ-
8 ment, or, under special circumstances, espe-
9 cially at the request of the client, off site;
10 and

11 “(ii) based on the assessment, to pro-
12 vide for the coordination or provision of
13 specific intensive services, at or away from
14 the worksite, that are needed to maintain
15 employment stability; and

16 “(C) consisting of—

17 “(i) a particularized assessment sup-
18 plementary to the comprehensive assessment
19 described in paragraph (2)(B);

20 “(ii) the provision of skilled job train-
21 ers who accompany the individual for in-
22 tensive job skill training at the work site;

23 “(iii) job development, job retention,
24 and placement services;

25 “(iv) social skills training;

1 “(v) regular observation or supervision
2 of the individual;

3 “(vi) followup services such as regular
4 contact with the employers, the individuals,
5 the individuals’ representatives, and other
6 appropriate individuals, in order to rein-
7 force and stabilize the job placement;

8 “(vii) facilitation of natural supports
9 at the worksite;

10 “(viii) any other service identified in
11 section 103; or

12 “(ix) a service similar to another serv-
13 ice described in this subparagraph.

14 “(28) *PERSONAL ASSISTANCE SERVICES*.—*The*
15 *term ‘personal assistance services’ means a range of*
16 *services, provided by one or more persons, designed to*
17 *assist an individual with a disability to perform*
18 *daily living activities on or off the job that the indi-*
19 *vidual would typically perform if the individual did*
20 *not have a disability. Such services shall be designed*
21 *to increase the individual’s control in life and ability*
22 *to perform everyday activities on or off the job.*

23 “(29) *PUBLIC OR NONPROFIT*.—*The term ‘public*
24 *or nonprofit’, used with respect to an agency or orga-*
25 *nization, includes an Indian tribe.*

1 “(30) *REHABILITATION TECHNOLOGY.*—*The term*
2 *‘rehabilitation technology’ means the systematic ap-*
3 *plication of technologies, engineering methodologies,*
4 *or scientific principles to meet the needs of and ad-*
5 *dress the barriers confronted by individuals with dis-*
6 *abilities in areas which include education, rehabilita-*
7 *tion, employment, transportation, independent living,*
8 *and recreation. The term includes rehabilitation engi-*
9 *neering, assistive technology devices, and assistive*
10 *technology services.*

11 “(31) *REQUIRES VOCATIONAL REHABILITATION*
12 *SERVICES.*—*The term ‘requires vocational rehabilita-*
13 *tion services’, used with respect to an individual with*
14 *a disability as defined in paragraph (20)(A), means*
15 *that the individual is unable to prepare for, secure,*
16 *retain, or regain employment consistent with the*
17 *strengths, resources, priorities, concerns, abilities, ca-*
18 *pabilities, interests, and informed choice of the indi-*
19 *vidual without vocational rehabilitation services, be-*
20 *cause the individual—*

21 “(A) *has never been employed;*

22 “(B) *has lost employment;*

23 “(C) *is underemployed;*

24 “(D) *is at immediate risk of losing employ-*
25 *ment; or*

1 “(E) receives benefits on the basis of disabil-
2 ity or blindness pursuant to title II or XVI of
3 the Social Security Act (42 U.S.C. 401 et seq. or
4 1381 et seq.), in a case in which the individual
5 intends to achieve an employment outcome con-
6 sistent with the unique strengths, resources, pri-
7 orities, concerns, abilities, capabilities, interests,
8 and informed choice of the individual.

9 “(32) SECRETARY.—The term ‘Secretary’, except
10 when the context otherwise requires, means the Sec-
11 retary of Education.

12 “(33) STATE.—The term ‘State’ includes, in ad-
13 dition to each of the several States of the United
14 States, the District of Columbia, the Commonwealth
15 of Puerto Rico, the United States Virgin Islands,
16 Guam, American Samoa, and the Commonwealth of
17 the Northern Mariana Islands.

18 “(34) STATEWIDE WORKFORCE INVESTMENT
19 PARTNERSHIP.—The term ‘statewide workforce invest-
20 ment partnership’ means a partnership established
21 under section 303 of the Workforce Investment Part-
22 nership Act of 1998.

23 “(35) STATEWIDE WORKFORCE INVESTMENT SYS-
24 TEM.—The term ‘statewide workforce investment sys-

1 *tem’ means a system described in section 301 of the*
2 *Workforce Investment Partnership Act of 1998.*

3 “(36) *SUPPORTED EMPLOYMENT.*—

4 “(A) *IN GENERAL.*—*The term ‘supported*
5 *employment’ means competitive work in inte-*
6 *grated work settings, or employment in inte-*
7 *grated work settings in which individuals are*
8 *working toward competitive work, consistent*
9 *with the strengths, resources, priorities, concerns,*
10 *abilities, capabilities, interests, and informed*
11 *choice of the individuals, for individuals with the*
12 *most significant disabilities—*

13 “(i)(I) *for whom competitive employ-*
14 *ment has not traditionally occurred; or*

15 “(II) *for whom competitive employ-*
16 *ment has been interrupted or intermittent*
17 *as a result of a significant disability; and*

18 “(ii) *who, because of the nature and se-*
19 *verity of their disability, need intensive*
20 *supported employment services for the pe-*
21 *riod, and any extension, described in para-*
22 *graph (37)(C) and extended services after*
23 *the transition described in paragraph*
24 *(13)(C) in order to perform such work.*

1 “(B) *CERTAIN TRANSITIONAL EMPLOY-*
2 *MENT.—Such term includes transitional employ-*
3 *ment for persons who are individuals with the*
4 *most significant disabilities due to mental ill-*
5 *ness.*

6 “(37) *SUPPORTED EMPLOYMENT SERVICES.—The*
7 *term ‘supported employment services’ means ongoing*
8 *support services and other appropriate services needed*
9 *to support and maintain an individual with a most*
10 *significant disability in supported employment,*
11 *that—*

12 “(A) *are provided singly or in combination*
13 *and are organized and made available in such a*
14 *way as to assist an eligible individual to achieve*
15 *competitive employment;*

16 “(B) *are based on a determination of the*
17 *needs of an eligible individual, as specified in an*
18 *individualized rehabilitation employment plan;*
19 *and*

20 “(C) *are provided by the designated State*
21 *unit for a period of time not to extend beyond*
22 *18 months, unless under special circumstances*
23 *the eligible individual and the rehabilitation*
24 *counselor or coordinator jointly agree to extend*
25 *the time in order to achieve the rehabilitation ob-*

1 *jectives identified in the individualized rehabili-*
2 *tation employment plan.*

3 “(38) *TRANSITION SERVICES.*—*The term ‘transi-*
4 *tion services’ means a coordinated set of activities for*
5 *a student, designed within an outcome-oriented proc-*
6 *ess, that promotes movement from school to post*
7 *school activities, including postsecondary education,*
8 *vocational training, integrated employment (includ-*
9 *ing supported employment), continuing and adult*
10 *education, adult services, independent living, or com-*
11 *munity participation. The coordinated set of activi-*
12 *ties shall be based upon the individual student’s*
13 *needs, taking into account the student’s preferences*
14 *and interests, and shall include instruction, commu-*
15 *nity experiences, the development of employment and*
16 *other post school adult living objectives, and, when*
17 *appropriate, acquisition of daily living skills and*
18 *functional vocational evaluation.*

19 “(39) *UNDEREMPLOYED.*—*The term ‘under-*
20 *employed’, used with respect to an individual with a*
21 *disability, as defined in paragraph (20)(A), means a*
22 *situation in which the individual is employed in a*
23 *job that is not consistent with the strengths, resources,*
24 *priorities, concerns, abilities, capabilities, interests,*
25 *and informed choice of the individual.*

1 “(40) *VOCATIONAL REHABILITATION SERVICES.*—

2 *The term ‘vocational rehabilitation services’ means*
3 *those services identified in section 103 which are pro-*
4 *vided to individuals with disabilities under this Act.*

5 “(41) *WORKFORCE INVESTMENT ACTIVITIES.*—

6 *The term ‘workforce investment activities’ has the*
7 *meaning given the term in section 2 of the Workforce*
8 *Investment Partnership Act of 1998 carried out under*
9 *that Act.*

10 “*ALLOTMENT PERCENTAGE*

11 “*SEC. 8. (a)(1) For purposes of section 110, the allot-*
12 *ment percentage for any State shall be 100 per centum less*
13 *that percentage which bears the same ratio to 50 per centum*
14 *as the per capita income of such State bears to the per cap-*
15 *ita income of the United States, except that—*

16 “(A) *the allotment percentage shall in no case be*
17 *more than 75 per centum or less than 33¹/₃ per cen-*
18 *tum; and*

19 “(B) *the allotment percentage for the District of*
20 *Columbia, Puerto Rico, Guam, the Virgin Islands,*
21 *American Samoa, and the Commonwealth of the*
22 *Northern Mariana Islands shall be 75 per centum.*

23 “(2) *The allotment percentages shall be promulgated*
24 *by the Secretary between October 1 and December 31 of each*
25 *even-numbered year, on the basis of the average of the per*
26 *capita incomes of the States and of the United States for*

1 *vision of this Act, except that this section shall not be con-*
2 *strued to limit or reduce fees for services rendered by com-*
3 *munity rehabilitation programs.*

4 “APPLICATION OF OTHER LAWS

5 “SEC. 11. *The provisions of the Act of December 5,*
6 *1974 (Public Law 93–510) and of title V of the Act of Octo-*
7 *ber 15, 1977 (Public Law 95–134) shall not apply to the*
8 *administration of the provisions of this Act or to the admin-*
9 *istration of any program or activity under this Act.*

10 “ADMINISTRATION OF THE ACT

11 “SEC. 12. *(a) In carrying out the purposes of this Act,*
12 *the Commissioner may—*

13 “(1) *provide consultative services and technical*
14 *assistance to public or nonprofit private agencies and*
15 *organizations, including assistance to enable such*
16 *agencies and organizations to facilitate meaningful*
17 *and effective participation by individuals with dis-*
18 *abilities in workforce investment activities;*

19 “(2) *provide short-term training and technical*
20 *instruction, including training for the personnel of*
21 *community rehabilitation programs, centers for inde-*
22 *pendent living, and other providers of services (in-*
23 *cluding job coaches);*

24 “(3) *conduct special projects and demonstrations;*

25 “(4) *collect, prepare, publish, and disseminate*
26 *special educational or informational materials, in-*

1 cluding reports of the projects for which funds are
2 provided under this Act; and

3 “(5) provide monitoring and conduct evalua-
4 tions.

5 “(b)(1) In carrying out the duties under this Act, the
6 Commissioner may utilize the services and facilities of any
7 agency of the Federal Government and of any other public
8 or nonprofit agency or organization, in accordance with
9 agreements between the Commissioner and the head thereof,
10 and may pay therefor, in advance or by way of reimburse-
11 ment, as may be provided in the agreement.

12 “(2) In carrying out the provisions of this Act, the
13 Commissioner shall appoint such task forces as may be nec-
14 essary to collect and disseminate information in order to
15 improve the ability of the Commissioner to carry out the
16 provisions of this Act.

17 “(c) The Commissioner may promulgate such regula-
18 tions as are considered appropriate to carry out the Com-
19 missioner’s duties under this Act.

20 “(d) The Secretary shall promulgate regulations re-
21 garding the requirements for the implementation of an
22 order of selection for vocational rehabilitation services
23 under section 101(a)(5)(A) if such services cannot be pro-
24 vided to all eligible individuals with disabilities who apply
25 for such services.

1 “(c) In preparing the report, the Commissioner shall
 2 annually collect and include in the report information
 3 based on the information submitted by States in accordance
 4 with section 101(a)(10). The Commissioner shall, to the
 5 maximum extent appropriate, include in the report all in-
 6 formation that is required to be submitted in the reports
 7 described in section 321(d) of the Workforce Investment
 8 Partnership Act of 1998 and that pertains to the employ-
 9 ment of individuals with disabilities.

10 “EVALUATION

11 “SEC. 14. (a) For the purpose of improving program
 12 management and effectiveness, the Secretary, in consulta-
 13 tion with the Commissioner, shall evaluate all the programs
 14 authorized by this Act, their general effectiveness in relation
 15 to their cost, their impact on related programs, and their
 16 structure and mechanisms for delivery of services, using ap-
 17 propriate methodology and evaluative research designs. The
 18 Secretary shall establish and use standards for the evalua-
 19 tions required by this subsection. Such an evaluation shall
 20 be conducted by a person not immediately involved in the
 21 administration of the program evaluated.

22 “(b) In carrying out evaluations under this section,
 23 the Secretary shall obtain the opinions of program and
 24 project participants about the strengths and weaknesses of
 25 the programs and projects.

1 “(c) *The Secretary shall take the necessary action to*
2 *assure that all studies, evaluations, proposals, and data*
3 *produced or developed with Federal funds under this Act*
4 *shall become the property of the United States.*

5 “(d) *Such information as the Secretary may determine*
6 *to be necessary for purposes of the evaluations conducted*
7 *under this section shall be made available upon request of*
8 *the Secretary, by the departments and agencies of the execu-*
9 *tive branch.*

10 “(e)(1) *To assess the linkages between vocational reha-*
11 *ilitation services and economic and noneconomic outcomes,*
12 *the Secretary shall continue to conduct a longitudinal study*
13 *of a national sample of applicants for the services.*

14 “(2) *The study shall address factors related to attrition*
15 *and completion of the program through which the services*
16 *are provided and factors within and outside the program*
17 *affecting results. Appropriate comparisons shall be used to*
18 *contrast the experiences of similar persons who do not ob-*
19 *tain the services.*

20 “(3) *The study shall be planned to cover the period*
21 *beginning on the application of individuals with disabili-*
22 *ties for the services, through the eligibility determination*
23 *and provision of services for the individuals, and a further*
24 *period of not less than 2 years after the termination of serv-*
25 *ices.*

1 “(f)(1) *The Commissioner shall identify and dissemi-*
2 *nate information on exemplary practices concerning voca-*
3 *tional rehabilitation.*

4 “(2) *To facilitate compliance with paragraph (1), the*
5 *Commissioner shall conduct studies and analyses that iden-*
6 *tify exemplary practices concerning vocational rehabilita-*
7 *tion, including studies in areas relating to providing in-*
8 *formed choice in the rehabilitation process, promoting con-*
9 *sumer satisfaction, promoting job placement and retention,*
10 *providing supported employment, providing services to par-*
11 *ticular disability populations, financing personal assist-*
12 *ance services, providing assistive technology devices and as-*
13 *sistive technology services, entering into cooperative agree-*
14 *ments, establishing standards and certification for commu-*
15 *nity rehabilitation programs, converting from non-*
16 *integrated to integrated employment, and providing case-*
17 *load management.*

18 “(g) *There are authorized to be appropriated to carry*
19 *out this section such sums as may be necessary.*

20 “*INFORMATION CLEARINGHOUSE*

21 “*SEC. 15. (a) The Secretary shall establish a central*
22 *clearinghouse for information and resource availability for*
23 *individuals with disabilities which shall provide informa-*
24 *tion and data regarding—*

25 “(1) *the location, provision, and availability of*
26 *services and programs for individuals with disabil-*

1 *ities, including such information and data provided*
2 *by statewide partnerships established under section*
3 *303 of the Workforce Investment Partnership Act of*
4 *1998 regarding such services and programs author-*
5 *ized under such Act;*

6 *“(2) research and recent medical and scientific*
7 *developments bearing on disabilities (and their pre-*
8 *vention, amelioration, causes, and cures); and*

9 *“(3) the current numbers of individuals with dis-*
10 *abilities and their needs.*

11 *The clearinghouse shall also provide any other relevant in-*
12 *formation and data which the Secretary considers appro-*
13 *priate.*

14 *“(b) The Commissioner may assist the Secretary to de-*
15 *velop within the Department of Education a coordinated*
16 *system of information and data retrieval, which will have*
17 *the capacity and responsibility to provide information re-*
18 *garding the information and data referred to in subsection*
19 *(a) of this section to the Congress, public and private agen-*
20 *cies and organizations, individuals with disabilities and*
21 *their families, professionals in fields serving such individ-*
22 *uals, and the general public.*

23 *“(c) The office established to carry out the provisions*
24 *of this section shall be known as the ‘Office of Information*
25 *and Resources for Individuals with Disabilities’.*

1 “(d) *There are authorized to be appropriated to carry*
2 *out this section such sums as may be necessary.*

3 “TRANSFER OF FUNDS

4 “SEC. 16. (a) *Except as provided in subsection (b) of*
5 *this section, no funds appropriated under this Act for any*
6 *program or activity may be used for any purpose other than*
7 *that for which the funds were specifically authorized.*

8 “(b) *No more than 1 percent of funds appropriated for*
9 *discretionary grants, contracts, or cooperative agreements*
10 *authorized by this Act may be used for the purpose of pro-*
11 *viding non-Federal panels of experts to review applications*
12 *for such grants, contracts, or cooperative agreements.*

13 “STATE ADMINISTRATION

14 “SEC. 17. *The application of any State rule or policy*
15 *relating to the administration or operation of programs*
16 *funded by this Act (including any rule or policy based on*
17 *State interpretation of any Federal law, regulation, or*
18 *guideline) shall be identified as a State imposed require-*
19 *ment.*

20 “REVIEW OF APPLICATIONS

21 “SEC. 18. *Applications for grants in excess of \$100,000*
22 *in the aggregate authorized to be funded under this Act,*
23 *other than grants primarily for the purpose of conducting*
24 *dissemination or conferences, shall be reviewed by panels*
25 *of experts which shall include a majority of non-Federal*
26 *members. Non-Federal members may be provided travel, per*

1 *diem, and consultant fees not to exceed the daily equivalent*
2 *of the rate of pay for level 4 of the Senior Executive Service*
3 *Schedule under section 5382 of title 5, United States Code.*

4 **“SEC. 19. CARRYOVER.**

5 *“(a) IN GENERAL.—Except as provided in subsection*
6 *(b), and notwithstanding any other provision of law—*

7 *“(1) any funds appropriated for a fiscal year to*
8 *carry out any grant program under part B of title*
9 *I, section 509 (except as provided in section 509(b)),*
10 *part C of title VI, part B or C of chapter 1 of title*
11 *VII, or chapter 2 of title VII (except as provided in*
12 *section 752(b)), including any funds reallocated under*
13 *any such grant program, that are not obligated and*
14 *expended by recipients prior to the beginning of the*
15 *succeeding fiscal year; or*

16 *“(2) any amounts of program income, including*
17 *reimbursement payments under the Social Security*
18 *Act (42 U.S.C. 301 et seq.), received by recipients*
19 *under any grant program specified in paragraph (1)*
20 *that are not obligated and expended by recipients*
21 *prior to the beginning of the fiscal year succeeding the*
22 *fiscal year in which such amounts were received,*
23 *shall remain available for obligation and expenditure by*
24 *such recipients during such succeeding fiscal year.*

1 “(b) *NON-FEDERAL SHARE.*—Such funds shall remain
2 available for obligation and expenditure by a recipient as
3 provided in subsection (a) only to the extent that the recipi-
4 ent complied with any Federal share requirements applica-
5 ble to the program for the fiscal year for which the funds
6 were appropriated.

7 “**SEC. 20. CLIENT ASSISTANCE INFORMATION.**

8 “*All programs, including community rehabilitation*
9 *programs, and projects, that provide services to individuals*
10 *with disabilities under this Act shall advise such individ-*
11 *uals who are applicants for or recipients of the services,*
12 *or the applicants’ representatives or individuals’ represent-*
13 *atives, of the availability and purposes of the client assist-*
14 *ance program under section 112, including information on*
15 *means of seeking assistance under such program.*

16 “**SEC. 21. TRADITIONALLY UNDERSERVED POPULATIONS.**

17 “(a) *FINDINGS.*—With respect to the programs author-
18 ized in titles II through VII, the Congress finds as follows:

19 “(1) *RACIAL PROFILE.*—The racial profile of
20 America is rapidly changing. While the rate of in-
21 crease for white Americans is 3.2 percent, the rate of
22 increase for racial and ethnic minorities is much
23 higher: 38.6 percent for Latinos, 14.6 percent for Afri-
24 can-Americans, and 40.1 percent for Asian-Americans
25 and other ethnic groups. By the year 2000, the Nation

1 *will have 260,000,000 people, one of every three of*
2 *whom will be either African-American, Latino, or*
3 *Asian-American.*

4 “(2) *RATE OF DISABILITY.—Ethnic and racial*
5 *minorities tend to have disabling conditions at a dis-*
6 *proportionately high rate. The rate of work-related*
7 *disability for American Indians is about one and one-*
8 *half times that of the general population. African-*
9 *Americans are also one and one-half times more likely*
10 *to be disabled than whites and twice as likely to be*
11 *significantly disabled.*

12 “(3) *INEQUITABLE TREATMENT.—Patterns of in-*
13 *equitable treatment of minorities have been docu-*
14 *mented in all major junctures of the vocational reha-*
15 *bilitation process. As compared to white Americans,*
16 *a larger percentage of African-American applicants to*
17 *the vocational rehabilitation system is denied accept-*
18 *ance. Of applicants accepted for service, a larger per-*
19 *centage of African-American cases is closed without*
20 *being rehabilitated. Minorities are provided less*
21 *training than their white counterparts. Consistently,*
22 *less money is spent on minorities than on their white*
23 *counterparts.*

24 “(4) *RECRUITMENT.—Recruitment efforts within*
25 *vocational rehabilitation at the level of preservice*

1 *training, continuing education, and in-service train-*
2 *ing must focus on bringing larger numbers of minori-*
3 *ties into the profession in order to provide appro-*
4 *prate practitioner knowledge, role models, and suffi-*
5 *cient manpower to address the clearly changing de-*
6 *mography of vocational rehabilitation.*

7 “(b) *OUTREACH TO MINORITIES.*—

8 “(1) *IN GENERAL.*—*For each fiscal year, the*
9 *Commissioner and the Director of the National Insti-*
10 *tute on Disability and Rehabilitation Research (re-*
11 *ferred to in this subsection as the ‘Director’)* shall re-
12 *serve 1 percent of the funds appropriated for the fiscal*
13 *year for programs authorized under titles II, III, VI,*
14 *and VII to carry out this subsection. The Commis-*
15 *sioner and the Director shall use the reserved funds*
16 *to carry out 1 or more of the activities described in*
17 *paragraph (2) through a grant, contract, or coopera-*
18 *tive agreement.*

19 “(2) *ACTIVITIES.*—*The activities carried out by*
20 *the Commissioner and the Director shall include 1 or*
21 *more of the following:*

22 “(A) *Making awards to minority entities*
23 *and Indian tribes to carry out activities under*
24 *the programs authorized under titles II, III, VI,*
25 *and VII.*

1 “(B) *Making awards to minority entities*
2 *and Indian tribes to conduct research, training,*
3 *technical assistance, or a related activity, to im-*
4 *prove services provided under this Act, especially*
5 *services provided to individuals from minority*
6 *backgrounds.*

7 “(C) *Making awards to entities described in*
8 *paragraph (3) to provide outreach and technical*
9 *assistance to minority entities and Indian tribes*
10 *to promote their participation in activities fund-*
11 *ed under this Act, including assistance to en-*
12 *hance their capacity to carry out such activities.*

13 “(3) *ELIGIBILITY.—To be eligible to receive an*
14 *award under paragraph (2)(C), an entity shall be a*
15 *State or a public or private nonprofit agency or orga-*
16 *nization, such as an institution of higher education*
17 *or an Indian tribe.*

18 “(4) *REPORT.—In each fiscal year, the Commis-*
19 *sioner and the Director shall prepare and submit to*
20 *Congress a report that describes the activities funded*
21 *under this subsection for the preceding fiscal year.*

22 “(5) *DEFINITIONS.—In this subsection:*

23 “(A) *HISTORICALLY BLACK COLLEGE OR*
24 *UNIVERSITY.—The term ‘historically Black col-*
25 *lege or university’ means a part B institution,*

1 *as defined in section 322(2) of the Higher Edu-*
 2 *cation Act of 1965 (20 U.S.C. 1061(2)).*

3 “(B) *MINORITY ENTITY.*—*The term ‘minor-*
 4 *ity entity’ means an entity that is a historically*
 5 *Black college or university, a Hispanic-serving*
 6 *institution of higher education, an American In-*
 7 *Indian tribal college or university, or another in-*
 8 *stitution of higher education whose minority stu-*
 9 *dent enrollment is at least 50 percent.*

10 “(c) *DEMONSTRATION.*—*In awarding grants, or enter-*
 11 *ing into contracts or cooperative agreements under titles I,*
 12 *II, III, VI, and VII, and section 509, the Commissioner and*
 13 *the Director, in appropriate cases, shall require applicants*
 14 *to demonstrate how the applicants will address, in whole*
 15 *or in part, the needs of individuals with disabilities from*
 16 *minority backgrounds.”.*

17 **SEC. 604. VOCATIONAL REHABILITATION SERVICES.**

18 *Title I of the Rehabilitation Act of 1973 (29 U.S.C.*
 19 *720 et seq.) is amended to read as follows:*

20 **“TITLE I—VOCATIONAL**
 21 **REHABILITATION SERVICES**

22 **“PART A—GENERAL PROVISIONS**

23 **“SEC. 100. DECLARATION OF POLICY; AUTHORIZATION OF**
 24 **APPROPRIATIONS.**

25 “(a) *FINDINGS; PURPOSE; POLICY.*—

1 “(1) *FINDINGS.—Congress finds that—*

2 “(A) *work—*

3 “(i) *is a valued activity, both for indi-*
4 *viduals and society; and*

5 “(ii) *fulfills the need of an individual*
6 *to be productive, promotes independence, en-*
7 *hances self-esteem, and allows for participa-*
8 *tion in the mainstream of life in the United*
9 *States;*

10 “(B) *as a group, individuals with disabili-*
11 *ties experience staggering levels of unemploy-*
12 *ment and poverty;*

13 “(C) *individuals with disabilities, including*
14 *individuals with the most significant disabilities,*
15 *have demonstrated their ability to achieve gain-*
16 *ful employment in integrated settings if appro-*
17 *priate services and supports are provided;*

18 “(D) *reasons for significant numbers of in-*
19 *dividuals with disabilities not working, or work-*
20 *ing at levels not commensurate with their abili-*
21 *ties and capabilities, include—*

22 “(i) *discrimination;*

23 “(ii) *lack of accessible and available*
24 *transportation;*

1 “(iii) fear of losing health coverage
2 under the medicare and medicaid programs
3 carried out under titles XVIII and XIX of
4 the Social Security Act (42 U.S.C. 1395 et
5 seq. and 1396 et seq.) or fear of losing pri-
6 vate health insurance; and

7 “(iv) lack of education, training, and
8 supports to meet job qualification standards
9 necessary to secure, retain, regain, or ad-
10 vance in employment;

11 “(E) enforcement of title V and of the Amer-
12 icans with Disabilities Act of 1990 (42 U.S.C.
13 12101 et seq.) holds the promise of ending dis-
14 crimination for individuals with disabilities;

15 “(F) the provision of workforce investment
16 activities and vocational rehabilitation services
17 can enable individuals with disabilities, includ-
18 ing individuals with the most significant disabili-
19 ties, to pursue meaningful careers by securing
20 gainful employment commensurate with their
21 abilities and capabilities; and

22 “(G) linkages between the vocational reha-
23 bilitation programs established under this title
24 and other components of the statewide workforce
25 investment system are critical to ensure effective

1 *and meaningful participation by individuals*
2 *with disabilities in workforce investment activi-*
3 *ties.*

4 “(2) *PURPOSE.*—*The purpose of this title is to*
5 *assist States in operating statewide comprehensive,*
6 *coordinated, effective, efficient, and accountable pro-*
7 *grams of vocational rehabilitation, each of which is—*

8 “(A) *an integral part of a statewide work-*
9 *force investment system; and*

10 “(B) *designed to assess, plan, develop, and*
11 *provide vocational rehabilitation services for in-*
12 *dividuals with disabilities, consistent with their*
13 *strengths, resources, priorities, concerns, abilities,*
14 *capabilities, interests, and informed choice, so*
15 *that such individuals may prepare for and en-*
16 *gage in gainful employment.*

17 “(3) *POLICY.*—*It is the policy of the United*
18 *States that such a program shall be carried out in a*
19 *manner consistent with the following principles:*

20 “(A) *Individuals with disabilities, includ-*
21 *ing individuals with the most significant disabili-*
22 *ties, are generally presumed to be capable of en-*
23 *gaging in gainful employment and the provision*
24 *of individualized vocational rehabilitation serv-*

1 *ices can improve their ability to become gain-*
2 *fully employed.*

3 *“(B) Individuals with disabilities must be*
4 *provided the opportunities to obtain gainful em-*
5 *ployment in integrated settings.*

6 *“(C) Individuals who are applicants for*
7 *such programs or eligible to participate in such*
8 *programs must be active and full partners, in*
9 *collaboration with qualified vocational rehabili-*
10 *tation professionals, in the vocational rehabilita-*
11 *tion process, making meaningful and informed*
12 *choices—*

13 *“(i) during assessments for determin-*
14 *ing eligibility and vocational rehabilitation*
15 *needs; and*

16 *“(ii) in the selection of employment*
17 *outcomes for the individuals, services needed*
18 *to achieve the outcomes, entities providing*
19 *such services, and the methods used to se-*
20 *cure such services.*

21 *“(D) Families and other natural supports*
22 *can play important roles in the success of a vo-*
23 *ccational rehabilitation program, if the individ-*
24 *ual with a disability involved requests, desires,*
25 *or needs such supports.*

1 “(E) Vocational rehabilitation counselors
2 that are trained and prepared in accordance
3 with State policies and procedures as described
4 in section 101(a)(7)(A)(iii) (referred to individ-
5 ually in this title as a ‘qualified vocational reha-
6 bilitation counselor’), other qualified rehabilita-
7 tion personnel, and other qualified personnel fa-
8 cilitate the accomplishment of the employment
9 outcomes and objectives of an individual.

10 “(F) Individuals with disabilities and the
11 individuals’ representatives are full partners in
12 a vocational rehabilitation program and must be
13 involved on a regular basis and in a meaningful
14 manner with respect to policy development and
15 implementation.

16 “(G) Accountability measures must facili-
17 tate the accomplishment of the goals and objec-
18 tives of the program, including providing voca-
19 tional rehabilitation services to, among others,
20 individuals with the most significant disabilities.

21 “(b) AUTHORIZATION OF APPROPRIATIONS.—

22 “(1) IN GENERAL.—For the purpose of making
23 grants to States under part B to assist States in
24 meeting the costs of vocational rehabilitation services
25 provided in accordance with State plans under sec-

1 *tion 101, there are authorized to be appropriated such*
2 *sums as may be necessary for fiscal years 1998*
3 *through 2004, except that the amount to be appro-*
4 *priated for a fiscal year shall not be less than the*
5 *amount of the appropriation under this paragraph*
6 *for the immediately preceding fiscal year, increased*
7 *by the percentage change in the Consumer Price Index*
8 *determined under subsection (c) for the immediately*
9 *preceding fiscal year.*

10 *“(2) REFERENCE.—The reference in paragraph*
11 *(1) to grants to States under part B shall not be con-*
12 *sidered to refer to grants under section 112.*

13 *“(c) CONSUMER PRICE INDEX.—*

14 *“(1) PERCENTAGE CHANGE.—No later than No-*
15 *vember 15 of each fiscal year (beginning with fiscal*
16 *year 1979), the Secretary of Labor shall publish in*
17 *the Federal Register the percentage change in the*
18 *Consumer Price Index published for October of the*
19 *preceding fiscal year and October of the fiscal year in*
20 *which such publication is made.*

21 *“(2) APPLICATION.—*

22 *“(A) INCREASE.—If in any fiscal year the*
23 *percentage change published under paragraph*
24 *(1) indicates an increase in the Consumer Price*
25 *Index, then the amount to be appropriated under*

1 *subsection (b)(1) for the subsequent fiscal year*
2 *shall be at least the amount appropriated under*
3 *subsection (b)(1) for the fiscal year in which the*
4 *publication is made under paragraph (1) in-*
5 *creased by such percentage change.*

6 “(B) *NO INCREASE OR DECREASE.—If in*
7 *any fiscal year the percentage change published*
8 *under paragraph (1) does not indicate an in-*
9 *crease in the Consumer Price Index, then the*
10 *amount to be appropriated under subsection*
11 *(b)(1) for the subsequent fiscal year shall be at*
12 *least the amount appropriated under subsection*
13 *(b)(1) for the fiscal year in which the publication*
14 *is made under paragraph (1).*

15 “(3) *DEFINITION.—For purposes of this section,*
16 *the term ‘Consumer Price Index’ means the Consumer*
17 *Price Index for All Urban Consumers, published*
18 *monthly by the Bureau of Labor Statistics.*

19 “(d) *EXTENSION.—*

20 “(1) *IN GENERAL.—*

21 “(A) *AUTHORIZATION OR DURATION OF*
22 *PROGRAM.—Unless the Congress in the regular*
23 *session which ends prior to the beginning of the*
24 *terminal fiscal year—*

1 “(i) of the authorization of appropria-
2 tions for the program authorized by the
3 State grant program under part B of this
4 title; or

5 “(ii) of the duration of the program
6 authorized by the State grant program
7 under part B of this title;

8 has passed legislation which would have the effect
9 of extending the authorization or duration (as
10 the case may be) of such program, such author-
11 ization or duration is automatically extended for
12 1 additional year for the program authorized by
13 this title.

14 “(B) CALCULATION.—The amount author-
15 ized to be appropriated for the additional fiscal
16 year described in subparagraph (A) shall be an
17 amount equal to the amount appropriated for
18 such program for fiscal year 2004, increased by
19 the percentage change in the Consumer Price
20 Index determined under subsection (c) for the
21 immediately preceding fiscal year, if the percent-
22 age change indicates an increase.

23 “(2) CONSTRUCTION.—

24 “(A) PASSAGE OF LEGISLATION.—For the
25 purposes of paragraph (1)(A), Congress shall not

1 *be deemed to have passed legislation unless such*
2 *legislation becomes law.*

3 “(B) *ACTS OR DETERMINATIONS OF COM-*
4 *MISSIONER.—In any case where the Commis-*
5 *sioner is required under an applicable statute to*
6 *carry out certain acts or make certain deter-*
7 *minations which are necessary for the continu-*
8 *ation of the program authorized by this title, if*
9 *such acts or determinations are required during*
10 *the terminal year of such program, such acts and*
11 *determinations shall be required during any fis-*
12 *cal year in which the extension described in that*
13 *part of paragraph (1) that follows clause (ii) of*
14 *paragraph (1)(A) is in effect.*

15 **“SEC. 101. STATE PLANS.**

16 “(a) *PLAN REQUIREMENTS.—*

17 “(1) *IN GENERAL.—*

18 “(A) *SUBMISSION.—To be eligible to par-*
19 *ticipate in programs under this title, a State*
20 *shall submit to the Commissioner a State plan*
21 *for vocational rehabilitation services that meets*
22 *the requirements of this section, on the same date*
23 *that the State submits a State plan under sec-*
24 *tion 304 of the Workforce Investment Partner-*
25 *ship Act of 1998.*

1 “(B) *NONDUPLICATION.*—*The State shall*
2 *not be required to submit, in the State plan for*
3 *vocational rehabilitation services, policies, proce-*
4 *dures, or descriptions required under this title*
5 *that have been previously submitted to the Com-*
6 *missioner and that demonstrate that such State*
7 *meets the requirements of this title, including*
8 *any policies, procedures, or descriptions submit-*
9 *ted under this title as in effect on the day before*
10 *the effective date of the Rehabilitation Act*
11 *Amendments of 1998.*

12 “(C) *DURATION.*—*The State plan shall re-*
13 *main in effect subject to the submission of such*
14 *modifications as the State determines to be nec-*
15 *essary or as the Commissioner may require based*
16 *on a change in State policy, a change in Federal*
17 *law (including regulations), an interpretation of*
18 *this Act by a Federal court or the highest court*
19 *of the State, or a finding by the Commissioner*
20 *of State noncompliance with the requirements of*
21 *this Act, until the State submits and receives ap-*
22 *proval of a new State plan.*

23 “(2) *DESIGNATED STATE AGENCY; DESIGNATED*
24 *STATE UNIT.*—

1 “(A) *DESIGNATED STATE AGENCY.*—*The*
2 *State plan shall designate a State agency as the*
3 *sole State agency to administer the plan, or to*
4 *supervise the administration of the plan by a*
5 *local agency, except that—*

6 “(i) *where, under State law, the State*
7 *agency for individuals who are blind or an-*
8 *other agency that provides assistance or*
9 *services to adults who are blind is author-*
10 *ized to provide vocational rehabilitation*
11 *services to individuals who are blind, that*
12 *agency may be designated as the sole State*
13 *agency to administer the part of the plan*
14 *under which vocational rehabilitation serv-*
15 *ices are provided for individuals who are*
16 *blind (or to supervise the administration of*
17 *such part by a local agency) and a separate*
18 *State agency may be designated as the sole*
19 *State agency to administer or supervise the*
20 *administration of the rest of the State plan;*

21 “(ii) *the Commissioner, on the request*
22 *of a State, may authorize the designated*
23 *State agency to share funding and adminis-*
24 *trative responsibility with another agency of*
25 *the State or with a local agency in order to*

1 *permit the agencies to carry out a joint pro-*
2 *gram to provide services to individuals with*
3 *disabilities, and may waive compliance,*
4 *with respect to vocational rehabilitation*
5 *services furnished under the joint program,*
6 *with the requirement of paragraph (4) that*
7 *the plan be in effect in all political subdivi-*
8 *sions of the State; and*

9 *“(iii) in the case of American Samoa,*
10 *the appropriate State agency shall be the*
11 *Governor of American Samoa.*

12 *“(B) DESIGNATED STATE UNIT.—The State*
13 *agency designated under subparagraph (A) shall*
14 *be—*

15 *“(i) a State agency primarily con-*
16 *cerned with vocational rehabilitation, or vo-*
17 *cational and other rehabilitation, of indi-*
18 *viduals with disabilities; or*

19 *“(ii) if not such an agency, the State*
20 *agency (or each State agency if 2 are so*
21 *designated) shall include a vocational reha-*
22 *bilitation bureau, division, or other organi-*
23 *zational unit that—*

24 *“(I) is primarily concerned with*
25 *vocational rehabilitation, or vocational*

1 *and other rehabilitation, of individuals*
2 *with disabilities, and is responsible for*
3 *the vocational rehabilitation program*
4 *of the designated State agency;*

5 *“(II) has a full-time director;*

6 *“(III) has a staff employed on the*
7 *rehabilitation work of the organiza-*
8 *tional unit all or substantially all of*
9 *whom are employed full time on such*
10 *work; and*

11 *“(IV) is located at an organiza-*
12 *tional level and has an organizational*
13 *status within the designated State*
14 *agency comparable to that of other*
15 *major organizational units of the des-*
16 *ignated State agency.*

17 *“(C) RESPONSIBILITY FOR SERVICES FOR*
18 *THE BLIND.—If the State has designated only 1*
19 *State agency pursuant to subparagraph (A), the*
20 *State may assign responsibility for the part of*
21 *the plan under which vocational rehabilitation*
22 *services are provided for individuals who are*
23 *blind to an organizational unit of the designated*
24 *State agency and assign responsibility for the*
25 *rest of the plan to another organizational unit of*

1 *the designated State agency, with the provisions*
2 *of subparagraph (B) applying separately to each*
3 *of the designated State units.*

4 “(3) *NON-FEDERAL SHARE.*—*The State plan*
5 *shall provide for financial participation by the State,*
6 *or if the State so elects, by the State and local agen-*
7 *cies, to provide the amount of the non-Federal share*
8 *of the cost of carrying out part B.*

9 “(4) *STATEWIDENESS.*—*The State plan shall*
10 *provide that the plan shall be in effect in all political*
11 *subdivisions of the State, except that in the case of*
12 *any activity that, in the judgment of the Commis-*
13 *sioner, is likely to assist in promoting the vocational*
14 *rehabilitation of substantially larger numbers of indi-*
15 *viduals with disabilities or groups of individuals with*
16 *disabilities, the Commissioner may waive compliance*
17 *with the requirement that the plan be in effect in all*
18 *political subdivisions of the State to the extent and*
19 *for such period as may be provided in accordance*
20 *with regulations prescribed by the Commissioner. The*
21 *Commissioner may waive compliance with the re-*
22 *quirement only if the non-Federal share of the cost of*
23 *the vocational rehabilitation services is provided from*
24 *funds made available by a local agency (including, to*
25 *the extent permitted by such regulations, funds con-*

1 *tributed to such agency by a private agency, organi-*
2 *zation, or individual).*

3 *“(5) ORDER OF SELECTION FOR VOCATIONAL RE-*
4 *HABILITATION SERVICES.—In the event that voca-*
5 *tional rehabilitation services cannot be provided to all*
6 *eligible individuals with disabilities in the State who*
7 *apply for the services, the State plan shall—*

8 *“(A) show the order to be followed in select-*
9 *ing eligible individuals to be provided vocational*
10 *rehabilitation services;*

11 *“(B) provide the justification for the order*
12 *of selection;*

13 *“(C) include an assurance that, in accord-*
14 *ance with criteria established by the State for the*
15 *order of selection, individuals with the most sig-*
16 *nificant disabilities will be selected first for the*
17 *provision of vocational rehabilitation services;*
18 *and*

19 *“(D) provide that eligible individuals, who*
20 *do not meet the order of selection criteria, shall*
21 *have access to services provided through the in-*
22 *formation and referral system implemented*
23 *under paragraph (20).*

24 *“(6) METHODS FOR ADMINISTRATION.—*

1 “(A) *IN GENERAL.*—*The State plan shall*
2 *provide for such methods of administration as*
3 *are found by the Commissioner to be necessary*
4 *for the proper and efficient administration of the*
5 *plan.*

6 “(B) *EMPLOYMENT OF INDIVIDUALS WITH*
7 *DISABILITIES.*—*The State plan shall provide*
8 *that the designated State agency, and entities*
9 *carrying out community rehabilitation programs*
10 *in the State, who are in receipt of assistance*
11 *under this title shall take affirmative action to*
12 *employ and advance in employment qualified in-*
13 *dividuals with disabilities covered under, and on*
14 *the same terms and conditions as set forth in,*
15 *section 503.*

16 “(C) *PERSONNEL AND PROGRAM STAND-*
17 *ARDS FOR COMMUNITY REHABILITATION PRO-*
18 *GRAMS.*—*The State plan shall provide that the*
19 *designated State unit shall establish, maintain,*
20 *and implement minimum standards for commu-*
21 *nity rehabilitation programs providing services*
22 *to individuals under this title, including—*

23 “(i) *standards—*

24 “(I) *governing community reha-*
25 *bilitation programs and qualified per-*

1 sonnel utilized for the provision of vo-
2 cational rehabilitation services through
3 such programs; and

4 “(II) providing, to the extent that
5 providers of vocational rehabilitation
6 services utilize personnel who do not
7 meet the highest requirements in the
8 State applicable to a particular profes-
9 sion or discipline, that the providers
10 shall take steps to ensure the retraining
11 or hiring of personnel so that such per-
12 sonnel meet appropriate professional
13 standards in the State; and

14 “(ii) minimum standards to ensure the
15 availability of personnel, to the maximum
16 extent feasible, trained to communicate in
17 the native language or mode of communica-
18 tion of an individual receiving services
19 through such programs.

20 “(D) *FACILITIES*.—The State plan shall
21 provide that facilities used in connection with
22 the delivery of services assisted under the State
23 plan shall comply with the Act entitled ‘An Act
24 to insure that certain buildings financed with
25 Federal funds are so designed and constructed as

1 to be accessible to the physically handicapped’,
2 approved on August 12, 1968 (commonly known
3 as the ‘Architectural Barriers Act of 1968’), with
4 section 504, and with the Americans with Dis-
5 abilities Act of 1990.

6 “(7) *COMPREHENSIVE SYSTEM OF PERSONNEL*
7 *DEVELOPMENT.*—The State plan shall include—

8 “(A) a description, consistent with the pur-
9 poses of this Act, of a comprehensive system of
10 personnel development for personnel employed by
11 the designated State unit and involved in carry-
12 ing out this title, which, at a minimum, shall
13 consist of—

14 “(i) a description of the procedures
15 and activities the designated State agency
16 will implement and undertake to address
17 the current and projected needs for person-
18 nel, and training needs of such personnel,
19 in the designated State unit to ensure that
20 the personnel are adequately trained and
21 prepared;

22 “(ii) a plan to coordinate and facili-
23 tate efforts between the designated State
24 unit and institutions of higher education
25 and professional associations to recruit, pre-

1 *pare, and retain qualified personnel, in-*
2 *cluding personnel from culturally or lin-*
3 *guistically diverse backgrounds, and person-*
4 *nel that include individuals with disabil-*
5 *ities;*

6 *“(iii) a description of policies and pro-*
7 *cedures on the establishment and mainte-*
8 *nance of reasonable standards to ensure that*
9 *personnel, including professionals and*
10 *paraprofessionals, are adequately trained*
11 *and prepared, including—*

12 *“(I) standards that are consistent*
13 *with any national or State approved*
14 *or recognized certification, licensing,*
15 *registration, or other comparable re-*
16 *quirements that apply to the area in*
17 *which such personnel are providing vo-*
18 *catinal rehabilitation services; and*

19 *“(II) to the extent that such*
20 *standards are not based on the highest*
21 *requirements in the State applicable to*
22 *a particular profession or discipline,*
23 *the steps the State will take to ensure*
24 *the retraining or hiring of personnel*
25 *within the designated State unit so*

1 that such personnel meet appropriate
2 professional standards in the State;

3 “(iv) a description of a system for
4 evaluating the performance of vocational re-
5 habilitation counselors, coordinators, and
6 other personnel used in the State, including
7 a description of how the system facilitates
8 the accomplishment of the purpose and pol-
9 icy of this title, including the policy of serv-
10 ing individuals with the most significant
11 disabilities;

12 “(v) a description of standards to en-
13 sure the availability of personnel within the
14 designated State unit who are, to the maxi-
15 mum extent feasible, trained to commu-
16 nicate in the native language or mode of
17 communication of an applicant or eligible
18 individual; and

19 “(vi) a detailed description, including
20 a budget, of how the funds reserved under
21 subparagraph (B) will be expended to carry
22 out the comprehensive system for personnel
23 development, including the provision of in-
24 service training for personnel of the des-
25 ignated State unit;

1 “(B) assurances that—

2 “*(i) at a minimum, the State will re-*
3 *serve from the allotment made to the State*
4 *under section 110 an amount to carry out*
5 *the comprehensive system of personnel devel-*
6 *opment, including the provision of in-serv-*
7 *ice training for personnel of the designated*
8 *State unit;*

9 “*(ii) for fiscal year 1999, the amount*
10 *reserved will be equal to the amount of the*
11 *funds the State received for fiscal year 1998*
12 *to provide in-service training under section*
13 *302, or for any State that did not receive*
14 *those funds for fiscal year 1998, an amount*
15 *determined by the Commissioner; and*

16 “*(iii) for each subsequent year, the*
17 *amount reserved under this subparagraph*
18 *will be equal to the amount reserved under*
19 *this subparagraph for the previous fiscal*
20 *year, increased by the percentage change in*
21 *the Consumer Price Index published under*
22 *section 100(c) in such previous fiscal year,*
23 *if the percentage change indicates an in-*
24 *crease; and*

1 “(C) an assurance that the standards adopt-
2 ed by a State in accordance with subparagraph
3 (A)(iii) shall not permit discrimination on the
4 basis of disability with regard to training and
5 hiring.

6 “(8) COMPARABLE SERVICES AND BENEFITS.—

7 “(A) DETERMINATION OF AVAILABILITY.—

8 “(i) IN GENERAL.—The State plan
9 shall include an assurance that, prior to
10 providing any vocational rehabilitation
11 service to an eligible individual, except
12 those services specified in paragraph (5)(D)
13 and in paragraphs (1) through (4) and (14)
14 of section 103(a), the designated State unit
15 will determine whether comparable services
16 and benefits are available under any other
17 program (other than a program carried out
18 under this title) unless such a determina-
19 tion would interrupt or delay—

20 “(I) the progress of the individual
21 toward achieving the employment out-
22 come identified in the individualized
23 rehabilitation employment plan of the
24 individual in accordance with section
25 102(b); or

1 “(II) *the provision of such service*
2 *to any individual at extreme medical*
3 *risk.*

4 “(i) *AWARDS AND SCHOLARSHIPS.—*
5 *For purposes of clause (i), comparable bene-*
6 *fits do not include awards and scholarships*
7 *based on merit.*

8 “(B) *INTERAGENCY AGREEMENT.—The*
9 *State plan shall include an assurance that the*
10 *Governor of the State or the designee of the Gov-*
11 *ernor will ensure that an interagency agreement*
12 *or other mechanism for interagency coordination*
13 *takes effect between any appropriate public en-*
14 *tity, including a component of the statewide*
15 *workforce investment system, and the designated*
16 *State unit, in order to ensure the provision of*
17 *vocational rehabilitation services described in*
18 *subparagraph (A) (other than those services spec-*
19 *ified in paragraph (5)(D), and in paragraphs*
20 *(1) through (4) and (14) of section 103(a)), that*
21 *are included in the individualized rehabilitation*
22 *employment plan of an eligible individual, in-*
23 *cluding the provision of such vocational rehabili-*
24 *tation services during the pendency of any dis-*

1 *pute described in clause (iii). Such agreement or*
2 *mechanism shall include the following:*

3 “(i) *AGENCY FINANCIAL RESPONSIBIL-*
4 *ITY.—An identification of, or a description*
5 *of a method for defining, the financial re-*
6 *sponsibility of such public entity for provid-*
7 *ing such services, and a provision stating*
8 *that the financial responsibility of such*
9 *public entity for providing such services, in-*
10 *cluding the financial responsibility of the*
11 *State agency responsible for administering*
12 *the medicaid program under title XIX of*
13 *the Social Security Act (42 U.S.C. 1396 et*
14 *seq.), other public agencies, and public in-*
15 *stitutions of higher education, shall precede*
16 *the financial responsibility of the designated*
17 *State unit especially with regard to the pro-*
18 *vision of auxiliary aids and services to the*
19 *maximum extent allowed by law.*

20 “(ii) *CONDITIONS, TERMS, AND PROCE-*
21 *DURES OF REIMBURSEMENT.—Information*
22 *specifying the conditions, terms, and proce-*
23 *dures under which a designated State unit*
24 *shall pursue and obtain reimbursement by*

1 *other public agencies for providing such*
2 *services.*

3 “(iii) *INTERAGENCY DISPUTES.*—*Information specifying procedures for resolving*
4 *interagency disputes under the agreement or*
5 *other mechanism (including procedures*
6 *under which the designated State unit may*
7 *initiate proceedings to secure reimburse-*
8 *ment from other agencies or otherwise im-*
9 *plement the provisions of the agreement or*
10 *mechanism).*

11 “(iv) *COORDINATION OF SERVICES*
12 *PROCEDURES.*—*Information specifying poli-*
13 *cies and procedures for agencies to deter-*
14 *mine and identify the interagency coordina-*
15 *tion responsibilities of each agency to pro-*
16 *motivate the coordination and timely delivery*
17 *of vocational rehabilitation services (except*
18 *those services specified in paragraph (5)(D)*
19 *and in paragraphs (1) through (4) and (14)*
20 *of section 103(a)).*

21 “(C) *RESPONSIBILITIES OF OTHER AGEN-*
22 *CIES.*—

23 “(i) *RESPONSIBILITIES UNDER OTHER*
24 *LAW.*—*Notwithstanding subparagraph (B),*
25

1 *if any public agency other than a des-*
2 *ignated State unit is obligated under Fed-*
3 *eral or State law, or assigned responsibility*
4 *under State policy or under this paragraph,*
5 *to provide or pay for any services that are*
6 *also considered to be vocational rehabilita-*
7 *tion services (other than those specified in*
8 *paragraph (5)(D) and in paragraphs (1)*
9 *through (4) and (14) of section 103(a)),*
10 *such public agency shall fulfill that obliga-*
11 *tion or responsibility, either directly or by*
12 *contract or other arrangement.*

13 *“(i) REIMBURSEMENT.—In a case in*
14 *which a public agency other than the des-*
15 *ignated State unit fails to fulfill the finan-*
16 *cial responsibility of the agency described in*
17 *this paragraph to provide services described*
18 *in clause (i), the designated State unit may*
19 *claim reimbursement from such public*
20 *agency for such services. Such public agency*
21 *shall reimburse the designated State unit*
22 *pursuant to the terms of the interagency*
23 *agreement or other mechanism in effect*
24 *under this paragraph according to the pro-*

1 *cedures established pursuant to subpara-*
2 *graph (B)(ii).*

3 *“(D) METHODS.—The Governor of a State*
4 *may meet the requirements of subparagraph (B)*
5 *through—*

6 *“(i) a State statute or regulation;*

7 *“(ii) a signed agreement between the*
8 *respective agency officials that clearly iden-*
9 *tifies the responsibilities of each agency re-*
10 *lating to the provision of services; or*

11 *“(iii) another appropriate method, as*
12 *determined by the designated State unit.*

13 *“(9) INDIVIDUALIZED REHABILITATION EMPLOY-*
14 *MENT PLAN.—*

15 *“(A) DEVELOPMENT AND IMPLEMENTA-*
16 *TION.—The State plan shall include an assur-*
17 *ance that an individualized rehabilitation em-*
18 *ployment plan meeting the requirements of sec-*
19 *tion 102(b) will be developed and implemented*
20 *in a timely manner for an individual subsequent*
21 *to the determination of the eligibility of the indi-*
22 *vidual for services under this title, except that in*
23 *a State operating under an order of selection de-*
24 *scribed in paragraph (5), the plan will be devel-*

1 *oped and implemented only for individuals meet-*
2 *ing the order of selection criteria of the State.*

3 *“(B) PROVISION OF SERVICES.—The State*
4 *plan shall include an assurance that such serv-*
5 *ices will be provided in accordance with the pro-*
6 *visions of the individualized rehabilitation em-*
7 *ployment plan.*

8 *“(10) REPORTING REQUIREMENTS.—*

9 *“(A) IN GENERAL.—The State plan shall*
10 *include an assurance that the designated State*
11 *agency will submit reports in the form and level*
12 *of detail and at the time required by the Com-*
13 *missioner regarding applicants for, and eligible*
14 *individuals receiving, services under this title.*

15 *“(B) ANNUAL REPORTING.—In specifying*
16 *the information to be submitted in the reports,*
17 *the Commissioner shall require annual reporting*
18 *on the eligible individuals receiving the services,*
19 *on those specific data elements described in sec-*
20 *tion 321(d)(2) of the Workforce Investment Part-*
21 *nership Act of 1998 that are determined by the*
22 *Secretary to be relevant in assessing the perform-*
23 *ance of designated State units in carrying out*
24 *the vocational rehabilitation program established*
25 *under this title.*

1 “(C) *ADDITIONAL DATA.*—*In specifying the*
2 *information required to be submitted in the re-*
3 *ports, the Commissioner shall require additional*
4 *data with regard to applicants and eligible indi-*
5 *viduals related to—*

6 “(i) *the number of applicants and the*
7 *number of individuals determined to be eli-*
8 *gible or ineligible for the program carried*
9 *out under this title, including—*

10 “(I) *the number of individuals de-*
11 *termined to be ineligible because they*
12 *did not require vocational rehabilita-*
13 *tion services, as provided in section*
14 *102(a); and*

15 “(II) *the number of individuals*
16 *determined, on the basis of clear and*
17 *convincing evidence, to be too severely*
18 *disabled to benefit in terms of an em-*
19 *ployment outcome from vocational re-*
20 *habilitation services;*

21 “(ii) *the number of individuals who re-*
22 *ceived vocational rehabilitation services*
23 *through the program, including—*

24 “(I) *the number who received*
25 *services under paragraph (5)(D), but*

1 *not assistance under an individualized*
2 *rehabilitation employment plan; and*

3 *“(II) the number who received as-*
4 *stance under an individualized reha-*
5 *bilitation employment plan consistent*
6 *with section 102(b);*

7 *“(iii) the number of individuals receiv-*
8 *ing public assistance and the amount of the*
9 *public assistance on the date of application*
10 *and on the last date of participation in the*
11 *program carried out under this title;*

12 *“(iv) the number of individuals with*
13 *disabilities who ended their participation*
14 *in the program and the number who*
15 *achieved employment outcomes after receiv-*
16 *ing vocational rehabilitation services; and*

17 *“(v) the number of individuals who*
18 *ended their participation in the program*
19 *and who were employed 6 months and 12*
20 *months after securing or regaining employ-*
21 *ment, or, in the case of individuals whose*
22 *employment outcome was to retain or ad-*
23 *vance in employment, who were employed 6*
24 *months and 12 months after achieving their*
25 *employment outcome, including—*

1 “(I) the number of such individ-
2 uals who earned the minimum wage
3 rate specified in section 6(a)(1) of the
4 Fair Labor Standards Act of 1938 (29
5 U.S.C. 206(a)(1)) or another wage level
6 set by the Commissioner, during such
7 employment;

8 “(II) the number of such individ-
9 uals who received employment benefits
10 from an employer during such employ-
11 ment; and

12 “(III) the number of such individ-
13 uals whose public assistance was ter-
14 minated or reduced after such partici-
15 pation.

16 “(D) COSTS AND RESULTS.—The Commis-
17 sioner shall also require that the designated
18 State agency include in the reports information
19 on—

20 “(i) the costs under this title of con-
21 ducting administration, providing assess-
22 ment services, counseling and guidance, and
23 other direct services provided by designated
24 State agency staff, providing services pur-
25 chased under individualized rehabilitation

1 *employment plans, supporting small busi-*
2 *ness enterprises, establishing, developing,*
3 *and improving community rehabilitation*
4 *programs, and providing other services to*
5 *groups; and*

6 “(ii) *the results of annual evaluation*
7 *by the State of program effectiveness under*
8 *paragraph (15)(E).*

9 “(E) *ADDITIONAL INFORMATION.—The*
10 *Commissioner shall require that each designated*
11 *State unit include in the reports additional in-*
12 *formation related to the applicants and eligible*
13 *individuals, obtained either through a complete*
14 *count or sampling, including—*

15 “(i) *information on—*

16 “(I) *age, gender, race, ethnicity,*
17 *education, type of impairment, severity*
18 *of disability, and whether the individ-*
19 *uals are students described in clause*
20 *(i) or (ii)(II) of paragraph (11)(D);*

21 “(II) *dates of application, deter-*
22 *mination of eligibility or ineligibility,*
23 *initiation of the individualized reha-*
24 *bilitation employment plan, and ter-*

1 *mination of participation in the pro-*
2 *gram;*

3 *“(III) earnings at the time of ap-*
4 *plication for the program and termi-*
5 *nation of participation in the pro-*
6 *gram;*

7 *“(IV) work status and occupation;*

8 *“(V) types of services, including*
9 *assistive technology services and assist-*
10 *ive technology devices, provided under*
11 *the program;*

12 *“(VI) types of public or private*
13 *programs or agencies that furnished*
14 *services under the program; and*

15 *“(VII) the reasons for individuals*
16 *terminating participation in the pro-*
17 *gram without achieving an employ-*
18 *ment outcome; and*

19 *“(ii) information necessary to deter-*
20 *mine the success of the State in meeting—*

21 *“(I) the State performance meas-*
22 *ures established under section 321(b) of*
23 *the Workforce Investment Partnership*
24 *Act of 1998 to the extent the measures*

1 are applicable to individuals with dis-
2 abilities; and

3 “(II) the standards and indicators
4 established pursuant to section 106.

5 “(F) *COMPLETENESS AND CONFIDENTIAL-*
6 *ITY.*—The State plan shall include an assurance
7 that the information submitted in the reports
8 will include a complete count, except as provided
9 in subparagraph (E), of the applicants and eli-
10 gible individuals, in a manner permitting the
11 greatest possible cross-classification of data and
12 that the identity of each individual for which in-
13 formation is supplied under this paragraph will
14 be kept confidential.

15 “(11) *COOPERATION, COLLABORATION, AND CO-*
16 *ORDINATION.*—

17 “(A) *COOPERATIVE AGREEMENTS WITH*
18 *OTHER COMPONENTS OF STATEWIDE WORKFORCE*
19 *INVESTMENT SYSTEMS.*—The State plan shall
20 provide that the designated State unit or des-
21 ignated State agency shall enter into a coopera-
22 tive agreement with other entities that are com-
23 ponents of the statewide workforce investment
24 system of the State, regarding the system, which
25 agreement may provide for—

1 “(i) provision of intercomponent staff
2 training and technical assistance with re-
3 gard to—

4 “(I) the availability and benefits
5 of, and information on eligibility
6 standards for, vocational rehabilitation
7 services; and

8 “(II) the promotion of equal, effec-
9 tive, and meaningful participation by
10 individuals with disabilities in work-
11 force investment activities in the State
12 through the promotion of program ac-
13 cessibility, the use of nondiscrim-
14 inatory policies and procedures, and
15 the provision of reasonable accom-
16 modations, auxiliary aids and services,
17 and rehabilitation technology, for indi-
18 viduals with disabilities;

19 “(ii) use of information and financial
20 management systems that link all compo-
21 nents of the statewide workforce investment
22 system, that link the components to other
23 electronic networks, including nonvisual
24 electronic networks, and that relate to such
25 subjects as labor market information, and

1 *information on job vacancies, career plan-*
2 *ning, and workforce investment activities;*

3 *“(iii) use of customer service features*
4 *such as common intake and referral proce-*
5 *dures, customer databases, resource infor-*
6 *mation, and human services hotlines;*

7 *“(iv) establishment of cooperative ef-*
8 *forts with employers to—*

9 *“(I) facilitate job placement; and*

10 *“(II) carry out any other activi-*
11 *ties that the designated State unit and*
12 *the employers determine to be appro-*
13 *priate;*

14 *“(v) identification of staff roles, re-*
15 *sponsibilities, and available resources, and*
16 *specification of the financial responsibility*
17 *of each component of the statewide work-*
18 *force investment system with regard to pay-*
19 *ing for necessary services (consistent with*
20 *State law and Federal requirements); and*

21 *“(vi) specification of procedures for re-*
22 *solving disputes among such components.*

23 *“(B) REPLICATION OF COOPERATIVE*
24 *AGREEMENTS.—The State plan shall provide for*
25 *the replication of such cooperative agreements at*

1 *the local level between individual offices of the*
2 *designated State unit and local entities carrying*
3 *out activities through the statewide workforce in-*
4 *vestment system.*

5 “(C) *INTERAGENCY COOPERATION WITH*
6 *OTHER AGENCIES.—The State plan shall include*
7 *descriptions of interagency cooperation with, and*
8 *utilization of the services and facilities of, the*
9 *Federal, State, and local agencies and programs*
10 *that are not carrying out activities through the*
11 *statewide workforce investment system.*

12 “(D) *COORDINATION WITH EDUCATION OF-*
13 *FICIALS.—The State plan shall contain plans,*
14 *policies, and procedures for coordination between*
15 *the designated State agency and education offi-*
16 *cial that are designed to facilitate the transition*
17 *of students who are individuals with disabilities*
18 *described in section 7(20)(B) from the receipt of*
19 *educational services in school to the receipt of vo-*
20 *ccational rehabilitation services under this title,*
21 *including information on a formal interagency*
22 *agreement with the State educational agency*
23 *that, at a minimum, provides for—*

24 “(i) *consultation and technical assist-*
25 *ance to assist educational agencies in plan-*

1 *ning for the transition of students who are*
2 *individuals with disabilities described in*
3 *section 7(20)(B) from school to post-school*
4 *activities, including vocational rehabilita-*
5 *tion services;*

6 *“(ii)(I) transition planning by person-*
7 *nel of the designated State agency and edu-*
8 *cational agency personnel for students with*
9 *disabilities described in clause (i) that fa-*
10 *ilitates the development and completion of*
11 *their individualized education programs*
12 *under section 614(d) of the Individuals with*
13 *Disabilities Education Act (as added by sec-*
14 *tion 101 of Public Law 105–17); and*

15 *“(II) transition planning and services*
16 *for students who are eligible to receive serv-*
17 *ices under this title and who will be exiting*
18 *school in the school year in which the plan-*
19 *ning and services are provided;*

20 *“(iii) the roles and responsibilities, in-*
21 *cluding financial responsibilities, of each*
22 *agency, including provisions for determin-*
23 *ing State lead agencies and qualified per-*
24 *sonnel responsible for the transition services*
25 *described in clause (ii)(II); and*

1 “(iv) procedures for outreach to and
2 identification of students with disabilities
3 described in clause (ii)(II) who need the
4 transition services.

5 “(E) COORDINATION WITH STATEWIDE
6 INDEPENDENT LIVING COUNCILS AND INDEPEND-
7 ENT LIVING CENTERS.—The State plan shall in-
8 clude an assurance that the designated State
9 unit, the Statewide Independent Living Council
10 established under section 705, and the independ-
11 ent living centers described in part C of title VII
12 within the State have developed working rela-
13 tionships and coordinate their activities.

14 “(F) COOPERATIVE AGREEMENT WITH RE-
15 CIPIENTS OF GRANTS FOR SERVICES TO AMER-
16 ICAN INDIANS.—In applicable cases, the State
17 plan shall include an assurance that the State
18 has entered into a formal cooperative agreement
19 with each grant recipient in the State that re-
20 ceives funds under part C. The agreement shall
21 describe strategies for collaboration and coordi-
22 nation in providing vocational rehabilitation
23 services to American Indians who are individ-
24 uals with disabilities, including—

1 “(i) strategies for interagency referral
2 and information sharing that will assist in
3 eligibility determinations and the develop-
4 ment of individualized rehabilitation em-
5 ployment plans;

6 “(ii) procedures for ensuring that
7 American Indians who are individuals with
8 disabilities and are living near a reserva-
9 tion or tribal service area are provided vo-
10 cational rehabilitation services; and

11 “(iii) provisions for sharing resources
12 in cooperative studies and assessments, joint
13 training activities, and other collaborative
14 activities designed to improve the provision
15 of services to American Indians who are in-
16 dividuals with disabilities.

17 “(12) RESIDENCY.—The State plan shall include
18 an assurance that the State will not impose a resi-
19 dence requirement that excludes from services pro-
20 vided under the plan any individual who is present
21 in the State.

22 “(13) SERVICES TO AMERICAN INDIANS.—The
23 State plan shall include an assurance that, except as
24 otherwise provided in part C, the designated State
25 agency will provide vocational rehabilitation services

1 to American Indians who are individuals with dis-
2 abilities residing in the State to the same extent as
3 the designated State agency provides such services to
4 other significant populations of individuals with dis-
5 abilities residing in the State.

6 “(14) ANNUAL REVIEW OF INDIVIDUALS IN EX-
7 TENDED EMPLOYMENT OR OTHER EMPLOYMENT
8 UNDER SPECIAL CERTIFICATE PROVISIONS OF THE
9 FAIR LABOR STANDARDS ACT OF 1938.—The State
10 plan shall provide for—

11 “(A) an annual review and reevaluation of
12 the status of each individual with a disability
13 served under this title who has achieved an em-
14 ployment outcome either in an extended employ-
15 ment setting in a community rehabilitation pro-
16 gram or any other employment under section
17 14(c) of the Fair Labor Standards Act (29
18 U.S.C. 214(c)) for 2 years after the achievement
19 of the outcome (and annually thereafter if re-
20 quested by the individual or, if appropriate, the
21 individual’s representative), to determine the in-
22 terests, priorities, and needs of the individual
23 with respect to competitive employment or train-
24 ing for competitive employment;

1 “(B) input into the review and reevalua-
2 tion, and a signed acknowledgment that such re-
3 view and reevaluation have been conducted, by
4 the individual with a disability, or, if appro-
5 priate, the individual’s representative; and

6 “(C) maximum efforts, including the identi-
7 fication and provision of vocational rehabilita-
8 tion services, reasonable accommodations, and
9 other necessary support services, to assist the in-
10 dividuals described in subparagraph (A) in en-
11 gaging in competitive employment.

12 “(15) ANNUAL STATE GOALS AND REPORTS OF
13 PROGRESS.—

14 “(A) ASSESSMENTS AND ESTIMATES.—The
15 State plan shall—

16 “(i) include the results of a comprehen-
17 sive, statewide assessment, jointly conducted
18 by the designated State unit and the State
19 Rehabilitation Council (if the State has
20 such a Council) every 3 years, describing
21 the rehabilitation needs of individuals with
22 disabilities residing within the State, par-
23 ticularly the vocational rehabilitation serv-
24 ices needs of—

1 “(I) individuals with the most
2 significant disabilities, including their
3 need for supported employment serv-
4 ices;

5 “(II) individuals with disabilities
6 who are minorities and individuals
7 with disabilities who have been
8 unserved or underserved by the voca-
9 tional rehabilitation program carried
10 out under this title; and

11 “(III) individuals with disabili-
12 ties served through other components
13 of the statewide workforce investment
14 system (other than the vocational reha-
15 bilitation program), as identified by
16 such individuals and personnel assist-
17 ing such individuals through the com-
18 ponents;

19 “(ii) include an assessment of the need
20 to establish, develop, or improve community
21 rehabilitation programs within the State;
22 and

23 “(iii) provide that the State shall sub-
24 mit to the Commissioner a report contain-
25 ing information regarding updates to the

1 *assessments, for any year in which the State*
2 *updates the assessments.*

3 “(B) *ANNUAL ESTIMATES.*—*The State plan*
4 *shall include, and shall provide that the State*
5 *shall annually submit a report to the Commis-*
6 *sioner that includes, State estimates of—*

7 “(i) *the number of individuals in the*
8 *State who are eligible for services under this*
9 *title;*

10 “(ii) *the number of such individuals*
11 *who will receive services provided with*
12 *funds provided under part B and under*
13 *part C of title VI, including, if the des-*
14 *ignated State agency uses an order of selec-*
15 *tion in accordance with paragraph (5), esti-*
16 *mates of the number of individuals to be*
17 *served under each priority category within*
18 *the order; and*

19 “(iii) *the costs of the services described*
20 *in clause (i), including, if the designated*
21 *State agency uses an order of selection in*
22 *accordance with paragraph (5), the service*
23 *costs for each priority category within the*
24 *order.*

25 “(C) *GOALS AND PRIORITIES.*—

1 “(i) *IN GENERAL.*—*The State plan*
2 *shall identify the goals and priorities of the*
3 *State in carrying out the program. The*
4 *goals and priorities shall be jointly devel-*
5 *oped, agreed to, and reviewed annually by*
6 *the designated State unit and the State Re-*
7 *habilitation Council, if the State has such a*
8 *Council. Any revisions to the goals and pri-*
9 *orities shall be jointly agreed to by the des-*
10 *ignated State unit and the State Rehabili-*
11 *tation Council, if the State has such a*
12 *Council. The State plan shall provide that*
13 *the State shall submit to the Commissioner*
14 *a report containing information regarding*
15 *revisions in the goals and priorities, for any*
16 *year in which the State revises the goals*
17 *and priorities.*

18 “(ii) *BASIS.*—*The State goals and pri-*
19 *orities shall be based on an analysis of—*

20 “(I) *the comprehensive assessment*
21 *described in subparagraph (A), includ-*
22 *ing any updates to the assessment;*

23 “(II) *the performance of the State*
24 *on the standards and indicators estab-*
25 *lished under section 106; and*

1 “(III) other available information
2 on the operation and the effectiveness
3 of the vocational rehabilitation pro-
4 gram carried out in the State, includ-
5 ing any reports received from the State
6 Rehabilitation Council, under section
7 105(c) and the findings and rec-
8 ommendations from monitoring activi-
9 ties conducted under section 107.

10 “(iii) SERVICE AND OUTCOME GOALS
11 FOR CATEGORIES IN ORDER OF SELEC-
12 TION.—If the designated State agency uses
13 an order of selection in accordance with
14 paragraph (5), the State shall also identify
15 in the State plan service and outcome goals
16 and the time within which these goals may
17 be achieved for individuals in each priority
18 category within the order.

19 “(D) STRATEGIES.—The State plan shall
20 contain a description of the strategies the State
21 will use to address the needs identified in the as-
22 sessment conducted under subparagraph (A) and
23 achieve the goals and priorities identified in sub-
24 paragraph (C), including—

1 “(i) the methods to be used to expand
2 and improve services to individuals with
3 disabilities, including how a broad range of
4 assistive technology services and assistive
5 technology devices will be provided to such
6 individuals at each stage of the rehabilita-
7 tion process and how such services and de-
8 vices will be provided to such individuals
9 on a statewide basis;

10 “(ii) outreach procedures to identify
11 and serve individuals with disabilities who
12 are minorities and individuals with disabili-
13 ties who have been unserved or underserved
14 by the vocational rehabilitation program;

15 “(iii) where necessary, the plan of the
16 State for establishing, developing, or im-
17 proving community rehabilitation pro-
18 grams;

19 “(iv) strategies to improve the perform-
20 ance of the State with respect to the evalua-
21 tion standards and performance indicators
22 established pursuant to section 106; and

23 “(v) strategies for assisting entities
24 carrying out other components of the state-
25 wide workforce investment system (other

1 *than the vocational rehabilitation program)*
2 *in assisting individuals with disabilities.*

3 “(E) *EVALUATION AND REPORTS OF*
4 *PROGRESS.—The State plan shall—*

5 “(i) *include the results of an evalua-*
6 *tion of the effectiveness of the vocational re-*
7 *habilitation program, and a joint report by*
8 *the designated State unit and the State Re-*
9 *habilitation Council, if the State has such a*
10 *Council, to the Commissioner on the*
11 *progress made in improving the effectiveness*
12 *from the previous year, which evaluation*
13 *and report shall include—*

14 “(I) *an evaluation of the extent to*
15 *which the goals identified in subpara-*
16 *graph (C) were achieved;*

17 “(II) *a description of strategies*
18 *that contributed to achieving the goals;*

19 “(III) *to the extent to which the*
20 *goals were not achieved, a description*
21 *of the factors that impeded that*
22 *achievement; and*

23 “(IV) *an assessment of the per-*
24 *formance of the State on the standards*

1 *and indicators established pursuant to*
2 *section 106; and*

3 “(ii) *provide that the designated State*
4 *unit and the State Rehabilitation Council,*
5 *if the State has such a Council, shall jointly*
6 *submit to the Commissioner an annual re-*
7 *port that contains the information described*
8 *in clause (i).*

9 “(16) *PUBLIC COMMENT.—The State plan*
10 *shall—*

11 “(A) *provide that the designated State agen-*
12 *cy, prior to the adoption of any policies or pro-*
13 *cedures governing the provision of vocational re-*
14 *habilitation services under the State plan (in-*
15 *cluding making any amendment to such policies*
16 *and procedures), shall conduct public meetings*
17 *throughout the State, after providing adequate*
18 *notice of the meetings, to provide the public, in-*
19 *cluding individuals with disabilities, an oppor-*
20 *tunity to comment on the policies or procedures,*
21 *and actively consult with the Director of the cli-*
22 *ent assistance program carried out under section*
23 *112, and, as appropriate, Indian tribes, tribal*
24 *organizations, and Native Hawaiian organiza-*
25 *tions on the policies or procedures; and*

1 “(B) provide that the designated State
2 agency (or each designated State agency if 2
3 agencies are designated) and any sole agency ad-
4 ministering the plan in a political subdivision of
5 the State, shall take into account, in connection
6 with matters of general policy arising in the ad-
7 ministration of the plan, the views of—

8 “(i) individuals and groups of individ-
9 uals who are recipients of vocational reha-
10 bilitation services, or in appropriate cases,
11 the individuals’ representatives;

12 “(ii) personnel working in programs
13 that provide vocational rehabilitation serv-
14 ices to individuals with disabilities;

15 “(iii) providers of vocational rehabili-
16 tation services to individuals with disabili-
17 ties;

18 “(iv) the director of the client assist-
19 ance program; and

20 “(v) the State Rehabilitation Council,
21 if the State has such a Council.

22 “(17) PROHIBITION ON USE OF FUNDS FOR CON-
23 STRUCTION OF FACILITIES.—The State plan shall
24 contain an assurance that the State will not use any

1 *funds made available under this title for the construc-*
2 *tion of facilities.*

3 “(18) *INNOVATION AND EXPANSION ACTIVI-*
4 *TIES.—The State plan shall—*

5 “(A) *include an assurance that the State*
6 *will reserve and use a portion of the funds allot-*
7 *ted to the State under section 110—*

8 “(i) *for the development and imple-*
9 *mentation of innovative approaches to ex-*
10 *pend and improve the provision of voca-*
11 *tional rehabilitation services to individuals*
12 *with disabilities under this title, particu-*
13 *larly individuals with the most significant*
14 *disabilities, consistent with the findings of*
15 *the statewide assessment and goals and pri-*
16 *orities of the State as described in para-*
17 *graph (15); and*

18 “(ii) *to support the funding of—*

19 “(I) *the State Rehabilitation*
20 *Council, if the State has such a Coun-*
21 *cil, consistent with the plan prepared*
22 *under section 105(d)(1); and*

23 “(II) *the Statewide Independent*
24 *Living Council, consistent with the*
25 *plan prepared under section 705(e)(1);*

1 “(B) include a description of how the re-
2 served funds will be utilized; and

3 “(C) provide that the State shall submit to
4 the Commissioner an annual report containing a
5 description of how the reserved funds will be uti-
6 lized.

7 “(19) CHOICE.—The State plan shall include an
8 assurance that applicants and eligible individuals or,
9 as appropriate, the applicants’ representatives or in-
10 dividuals’ representatives, will be provided informa-
11 tion and support services to assist the applicants and
12 individuals in exercising informed choice throughout
13 the rehabilitation process, consistent with the provi-
14 sions of section 102(d).

15 “(20) INFORMATION AND REFERRAL SERVICES.—

16 “(A) IN GENERAL.—The State plan shall
17 include an assurance that the designated State
18 agency will implement an information and refer-
19 ral system adequate to ensure that individuals
20 with disabilities will be provided accurate voca-
21 tional rehabilitation information, using appro-
22 priate modes of communication, to assist such
23 individuals in preparing for, securing, retaining,
24 or regaining employment, and will be appro-
25 priately referred to Federal and State programs

1 *(other than the vocational rehabilitation pro-*
2 *gram carried out under this title), including*
3 *other components of the statewide workforce in-*
4 *vestment system in the State.*

5 “(B) *SERVICES.*—*In providing activities*
6 *through the system established under subpara-*
7 *graph (A), the State may include services con-*
8 *sisting of the provision of individualized counsel-*
9 *ing and guidance, individualized vocational ex-*
10 *ploration, supervised job placement referrals, and*
11 *assistance in securing reasonable accommoda-*
12 *tions for eligible individuals who do not meet the*
13 *order of selection criteria used by the State, to*
14 *the extent that such services are not purchased by*
15 *the designated State unit.*

16 “(21) *STATE INDEPENDENT CONSUMER-CON-*
17 *TROLLED COMMISSION; STATE REHABILITATION COUN-*
18 *CIL.*—

19 “(A) *COMMISSION OR COUNCIL.*—*The State*
20 *plan shall provide that either—*

21 “(i) *the designated State agency is an*
22 *independent commission that—*

23 “(I) *is responsible under State*
24 *law for operating, or overseeing the op-*

1 *eration of, the vocational rehabilitation*
2 *program in the State;*

3 *“(II) is consumer-controlled by*
4 *persons who—*

5 *“(aa) are individuals with*
6 *physical or mental impairments*
7 *that substantially limit major life*
8 *activities; and*

9 *“(bb) represent individuals*
10 *with a broad range of disabilities,*
11 *unless the designated State unit*
12 *under the direction of the commis-*
13 *sion is the State agency for indi-*
14 *viduals who are blind;*

15 *“(III) includes family members,*
16 *advocates, or other representatives, of*
17 *individuals with mental impairments;*
18 *and*

19 *“(IV) undertakes the functions set*
20 *forth in section 105(c)(4); or*

21 *“(ii) the State has established a State*
22 *Rehabilitation Council that meets the cri-*
23 *teria set forth in section 105 and the des-*
24 *ignated State unit—*

1 “(I) in accordance with para-
2 graph (15), jointly develops, agrees to,
3 and reviews annually State goals and
4 priorities, and jointly submits annual
5 reports of progress with the Council;

6 “(II) regularly consults with the
7 Council regarding the development, im-
8 plementation, and revision of State
9 policies and procedures of general ap-
10 plicability pertaining to the provision
11 of vocational rehabilitation services;

12 “(III) includes in the State plan
13 and in any revision to the State plan,
14 a summary of input provided by the
15 Council, including recommendations
16 from the annual report of the Council
17 described in section 105(c)(5), the re-
18 view and analysis of consumer satis-
19 faction described in section 105(c)(4),
20 and other reports prepared by the
21 Council, and the response of the des-
22 ignated State unit to such input and
23 recommendations, including expla-
24 nations for rejecting any input or rec-
25 ommendation; and

1 “(IV) transmits to the Council—

2 “*(aa) all plans, reports, and*
3 *other information required under*
4 *this title to be submitted to the*
5 *Secretary;*

6 “*(bb) all policies, and infor-*
7 *mation on all practices and proce-*
8 *dures, of general applicability*
9 *provided to or used by rehabilita-*
10 *tion personnel in carrying out*
11 *this title; and*

12 “*(cc) copies of due process*
13 *hearing decisions issued under*
14 *this title, which shall be transmit-*
15 *ted in such a manner as to ensure*
16 *that the identity of the partici-*
17 *pants in the hearings is kept con-*
18 *fidential.*

19 “(B) *MORE THAN 1 DESIGNATED STATE*
20 *AGENCY.—In the case of a State that, under sec-*
21 *tion 101(a)(2), designates a State agency to ad-*
22 *minister the part of the State plan under which*
23 *vocational rehabilitation services are provided*
24 *for individuals who are blind (or to supervise the*
25 *administration of such part by a local agency)*

1 *and designates a separate State agency to ad-*
2 *minister the rest of the State plan, the State*
3 *shall either establish a State Rehabilitation*
4 *Council for each of the 2 agencies that does not*
5 *meet the requirements in subparagraph (A)(i), or*
6 *establish 1 State Rehabilitation Council for both*
7 *agencies if neither agency meets the requirements*
8 *of subparagraph (A)(i).*

9 “(22) *SUPPORTED EMPLOYMENT STATE PLAN*
10 *SUPPLEMENT.—The State plan shall include an as-*
11 *urance that the State has an acceptable plan for car-*
12 *rying out part C of title VI, including the use of*
13 *funds under that part to supplement funds made*
14 *available under part B of this title to pay for the cost*
15 *of services leading to supported employment.*

16 “(23) *ELECTRONIC AND INFORMATION TECH-*
17 *NOLOGY REGULATIONS.—The State plan shall include*
18 *an assurance that the State, and any recipient or*
19 *subrecipient of funds made available to the State*
20 *under this title—*

21 “(A) *will comply with the requirements of*
22 *section 508, including the regulations established*
23 *under that section; and*

24 “(B) *will designate an employee to coordi-*
25 *nate efforts to comply with section 508 and will*

1 *adopt grievance procedures that incorporate due*
2 *process standards and provide for the prompt*
3 *and equitable resolution of complaints concern-*
4 *ing such requirements.*

5 “(24) *ANNUAL UPDATES.*—*The plan shall in-*
6 *clude an assurance that the State will submit to the*
7 *Commissioner reports containing annual updates of*
8 *the information required under paragraph (7) (relat-*
9 *ing to a comprehensive system of personnel develop-*
10 *ment) and any other updates of the information re-*
11 *quired under this section that are requested by the*
12 *Commissioner, and annual reports as provided in*
13 *paragraphs (15) (relating to assessments, estimates,*
14 *goals and priorities, and reports of progress) and (18)*
15 *(relating to innovation and expansion), at such time*
16 *and in such manner as the Secretary may determine*
17 *to be appropriate.*

18 “(b) *APPROVAL; DISAPPROVAL OF THE STATE PLAN.*—

19 “(1) *APPROVAL.*—*The Commissioner shall ap-*
20 *prove any plan that the Commissioner finds fulfills*
21 *the conditions specified in this section, and shall dis-*
22 *approve any plan that does not fulfill such condi-*
23 *tions.*

24 “(2) *DISAPPROVAL.*—*Prior to disapproval of the*
25 *State plan, the Commissioner shall notify the State of*

1 *the intention to disapprove the plan and shall afford*
2 *the State reasonable notice and opportunity for a*
3 *hearing.*

4 **“SEC. 102. ELIGIBILITY AND INDIVIDUALIZED REHABILITA-**
5 **TION EMPLOYMENT PLAN.**

6 “(a) *ELIGIBILITY.*—

7 “(1) *CRITERION FOR ELIGIBILITY.*—*An individ-*
8 *ual is eligible for assistance under this title if the in-*
9 *dividual—*

10 “(A) *is an individual with a disability*
11 *under section 7(20)(A); and*

12 “(B) *requires vocational rehabilitation serv-*
13 *ices to prepare for, secure, retain, or regain em-*
14 *ployment.*

15 “(2) *PRESUMPTION OF BENEFIT.*—

16 “(A) *DEMONSTRATION.*—*For purposes of*
17 *this section, an individual shall be presumed to*
18 *be an individual that can benefit in terms of an*
19 *employment outcome from vocational rehabilita-*
20 *tion services under section 7(20)(A), unless the*
21 *designated State unit involved can demonstrate*
22 *by clear and convincing evidence that such indi-*
23 *vidual is incapable of benefiting in terms of an*
24 *employment outcome from vocational rehabilita-*

1 *tion services due to the severity of the disability*
2 *of the individual.*

3 “(B) *METHODS.*—*In making the dem-*
4 *onstration required under subparagraph (A), the*
5 *designated State unit shall explore the individ-*
6 *ual’s abilities, capabilities, and capacity to per-*
7 *form in work situations, through the use of trial*
8 *work experiences, as described in section 7(2)(D),*
9 *with appropriate supports provided through the*
10 *designated State unit, except under limited cir-*
11 *cumstances when an individual can not take ad-*
12 *vantage of such experiences. Such experiences*
13 *shall be of sufficient variety and over a sufficient*
14 *period of time to determine the eligibility of the*
15 *individual or to determine the existence of clear*
16 *and convincing evidence that the individual is*
17 *incapable of benefiting in terms of an employ-*
18 *ment outcome from vocational rehabilitation*
19 *services due to the severity of the disability of the*
20 *individual.*

21 “(3) *PRESUMPTION OF ELIGIBILITY.*—*For pur-*
22 *poses of this section, an individual who has a disabili-*
23 *ty or is blind as determined pursuant to title II or*
24 *title XVI of the Social Security Act (42 U.S.C. 401*
25 *et seq. and 1381 et seq.) shall be—*

1 “(A) considered to be an individual with a
2 significant disability under section 7(21)(A);
3 and

4 “(B) presumed to be eligible for vocational
5 rehabilitation services under this title (provided
6 that the individual intends to achieve an em-
7 ployment outcome consistent with the unique
8 strengths, resources, priorities, concerns, abilities,
9 capabilities, interests, and informed choice of the
10 individual) unless the designated State unit in-
11 volved can demonstrate by clear and convincing
12 evidence that such individual is incapable of
13 benefiting in terms of an employment outcome
14 from vocational rehabilitation services due to the
15 severity of the disability of the individual in ac-
16 cordance with paragraph (2).

17 “(4) USE OF EXISTING INFORMATION.—

18 “(A) IN GENERAL.—To the maximum ex-
19 tent appropriate and consistent with the require-
20 ments of this part, for purposes of determining
21 the eligibility of an individual for vocational re-
22 habilitation services under this title and develop-
23 ing the individualized rehabilitation employment
24 plan described in subsection (b) for the individ-
25 ual, the designated State unit shall use informa-

1 *tion that is existing and current (as of the date*
2 *of the determination of eligibility or of the devel-*
3 *opment of the individualized rehabilitation em-*
4 *ployment plan), including information available*
5 *from other programs and providers, particularly*
6 *information used by education officials and the*
7 *Social Security Administration, information*
8 *provided by the individual and the family of the*
9 *individual, and information obtained under the*
10 *assessment for determining eligibility and voca-*
11 *tional rehabilitation needs.*

12 *“(B) DETERMINATIONS BY OFFICIALS OF*
13 *OTHER AGENCIES.—Determinations made by of-*
14 *ficials of other agencies, particularly education*
15 *officials described in section 101(a)(11)(D), re-*
16 *garding whether an individual satisfies 1 or*
17 *more factors relating to whether an individual is*
18 *an individual with a disability under section*
19 *7(20)(A) or an individual with a significant dis-*
20 *ability under section 7(21)(A) shall be used, to*
21 *the extent appropriate and consistent with the*
22 *requirements of this part, in assisting the des-*
23 *ignated State unit in making such determina-*
24 *tions.*

1 “(C) *BASIS.*—*The determination of eligi-*
2 *bility for vocational rehabilitation services shall*
3 *be based on—*

4 “(i) *the review of existing data de-*
5 *scribed in section 7(2)(A)(i); and*

6 “(ii) *to the extent that such data is un-*
7 *available or insufficient for determining eli-*
8 *gibility, the provision of assessment activi-*
9 *ties described in section 7(2)(A)(ii).*

10 “(5) *DETERMINATION OF INELIGIBILITY.*—*If an*
11 *individual who applies for services under this title is*
12 *determined, based on the review of existing data and,*
13 *to the extent necessary, the assessment activities de-*
14 *scribed in section 7(2)(A)(ii), not to be eligible for the*
15 *services, or if an eligible individual receiving services*
16 *under an individualized rehabilitation employment*
17 *plan is determined to be no longer eligible for the*
18 *services—*

19 “(A) *the ineligibility determination in-*
20 *volved shall be made only after providing an op-*
21 *portunity for full consultation with the individ-*
22 *ual or, as appropriate, the individual’s rep-*
23 *resentative;*

24 “(B) *the individual or, as appropriate, the*
25 *individual’s representative, shall be informed in*

1 *writing (supplemented as necessary by other ap-*
2 *propriate modes of communication consistent*
3 *with the informed choice of the individual) of the*
4 *ineligibility determination, including—*

5 *“(i) the reasons for the determination;*

6 *and*

7 *“(ii) a description of the means by*
8 *which the individual may express, and seek*
9 *a remedy for, any dissatisfaction with the*
10 *determination, including the procedures for*
11 *review by an impartial hearing officer*
12 *under subsection (c);*

13 *“(C) the individual shall be provided with*
14 *a description of services available from the client*
15 *assistance program under section 112 and infor-*
16 *mation on how to contact that program; and*

17 *“(D) any ineligibility determination that is*
18 *based on a finding that the individual is incapa-*
19 *ble of benefiting in terms of an employment out-*
20 *come shall be reviewed—*

21 *“(i) within 12 months; and*

22 *“(ii) annually thereafter, if such a re-*
23 *view is requested by the individual or, if*
24 *appropriate, by the individual’s representa-*
25 *tive.*

1 “(6) *TIMEFRAME FOR MAKING AN ELIGIBILITY*
2 *DETERMINATION.*—*The designated State unit shall de-*
3 *termine whether an individual is eligible for voca-*
4 *tional rehabilitation services under this title within a*
5 *reasonable period of time, not to exceed 60 days, after*
6 *the individual has submitted an application for the*
7 *services unless—*

8 “(A) *exceptional and unforeseen cir-*
9 *cumstances beyond the control of the designated*
10 *State unit preclude making an eligibility deter-*
11 *mination within 60 days and the designated*
12 *State unit and the individual agree to a specific*
13 *extension of time; or*

14 “(B) *the designated State unit is exploring*
15 *an individual’s abilities, capabilities, and capac-*
16 *ity to perform in work situations under para-*
17 *graph (2)(B).*

18 “(b) *DEVELOPMENT OF AN INDIVIDUALIZED REHA-*
19 *BILITATION EMPLOYMENT PLAN.*—

20 “(1) *OPTIONS FOR DEVELOPING AN INDIVIDUAL-*
21 *IZED REHABILITATION EMPLOYMENT PLAN.*—*If an in-*
22 *dividual is determined to be eligible for vocational re-*
23 *habilitation services as described in subsection (a), the*
24 *designated State unit shall complete the assessment*
25 *for determining eligibility and vocational rehabilita-*

1 *tion needs, as appropriate, and shall provide the eli-*
2 *gible individual or the individual’s representative, in*
3 *writing and in an appropriate mode of communica-*
4 *tion, with information on the individual’s options for*
5 *developing an individualized rehabilitation employ-*
6 *ment plan, including—*

7 *“(A) information on the availability of as-*
8 *sistance, to the extent determined to be appro-*
9 *priate by the eligible individual, from a quali-*
10 *fied vocational rehabilitation counselor in devel-*
11 *oping all or part of the individualized rehabili-*
12 *tation employment plan for the individual, and*
13 *the availability of technical assistance in devel-*
14 *oping all or part of the individualized rehabili-*
15 *tation employment plan for the individual;*

16 *“(B) a description of the full range of com-*
17 *ponents that shall be included in an individual-*
18 *ized rehabilitation employment plan;*

19 *“(C) as appropriate—*

20 *“(i) an explanation of agency guide-*
21 *lines and criteria associated with financial*
22 *commitments concerning an individualized*
23 *rehabilitation employment plan;*

1 “(ii) additional information the eligi-
2 ble individual requests or the designated
3 State unit determines to be necessary; and

4 “(iii) information on the availability
5 of assistance in completing designated State
6 agency forms required in developing an in-
7 dividualized rehabilitation employment
8 plan; and

9 “(D)(i) a description of the rights and rem-
10 edies available to such an individual including,
11 if appropriate, recourse to the processes set forth
12 in subsection (c); and

13 “(ii) a description of the availability of a
14 client assistance program established pursuant to
15 section 112 and information about how to con-
16 tact the client assistance program.

17 “(2) MANDATORY PROCEDURES.—

18 “(A) WRITTEN DOCUMENT.—An individual-
19 ized rehabilitation employment plan shall be a
20 written document prepared on forms provided by
21 the designated State unit.

22 “(B) INFORMED CHOICE.—An individual-
23 ized rehabilitation employment plan shall be de-
24 veloped and implemented in a manner that af-
25 fords eligible individuals the opportunity to exer-

1 *cise informed choice in selecting an employment*
2 *outcome, the specific vocational rehabilitation*
3 *services to be provided under the plan, the entity*
4 *that will provide the vocational rehabilitation*
5 *services, and the methods used to procure the*
6 *services, consistent with subsection (d).*

7 “(C) *SIGNATORIES.*—*An individualized re-*
8 *habilitation employment plan shall be—*

9 “(i) *agreed to, and signed by, such eli-*
10 *gible individual or, as appropriate, the in-*
11 *dividual’s representative; and*

12 “(ii) *approved and signed by a quali-*
13 *fied vocational rehabilitation counselor em-*
14 *ployed by the designated State unit.*

15 “(D) *COPY.*—*A copy of the individualized*
16 *rehabilitation employment plan for an eligible*
17 *individual shall be provided to the individual or,*
18 *as appropriate, to the individual’s representa-*
19 *tive, in writing and, if appropriate, in the na-*
20 *tive language or mode of communication of the*
21 *individual or, as appropriate, of the individual’s*
22 *representative.*

23 “(E) *REVIEW AND AMENDMENT.*—*The indi-*
24 *vidualized rehabilitation employment plan shall*
25 *be—*

1 “(i) reviewed at least annually by—

2 “(I) a qualified vocational reha-
3 bilitation counselor; and

4 “(II) the eligible individual or, as
5 appropriate, the individual’s represent-
6 ative; and

7 “(ii) amended, as necessary, by the in-
8 dividual or, as appropriate, the individual’s
9 representative, in collaboration with a rep-
10 resentative of the designated State agency or
11 a qualified vocational rehabilitation coun-
12 selor employed by the designated State unit,
13 if there are substantive changes in the em-
14 ployment outcome, the vocational rehabilita-
15 tion services to be provided, or the service
16 providers of the services (which amendments
17 shall not take effect until agreed to and
18 signed by the eligible individual or, as ap-
19 propriate, the individual’s representative,
20 and by a qualified vocational rehabilitation
21 counselor employed by the designated State
22 unit).

23 “(3) MANDATORY COMPONENTS OF AN INDIVID-
24 UALIZED REHABILITATION EMPLOYMENT PLAN.—Re-
25 gardless of the approach selected by an eligible indi-

1 *vidual to develop an individualized rehabilitation em-*
2 *ployment plan, an individualized rehabilitation em-*
3 *ployment plan shall, at a minimum, contain manda-*
4 *tory components consisting of—*

5 *“(A) a description of the specific employ-*
6 *ment outcome that is chosen by the eligible indi-*
7 *vidual, consistent with the unique strengths, re-*
8 *sources, priorities, concerns, abilities, capabili-*
9 *ties, interests, and informed choice of the eligible*
10 *individual, and, to the maximum extent appro-*
11 *priate, results in employment in an integrated*
12 *setting;*

13 *“(B)(i) a description of the specific voca-*
14 *tional rehabilitation services that are—*

15 *“(I) needed to achieve the employment*
16 *outcome, including, as appropriate, the pro-*
17 *vision of assistive technology devices and as-*
18 *sistive technology services, and personal as-*
19 *sistance services, including training in the*
20 *management of such services; and*

21 *“(II) provided in the most integrated*
22 *setting that is appropriate for the service*
23 *involved and is consistent with the informed*
24 *choice of the eligible individual; and*

1 “(i) timelines for the achievement of the
2 employment outcome and for the initiation of the
3 services;

4 “(C) a description of the entity chosen by
5 the eligible individual or, as appropriate, the in-
6 dividual’s representative, that will provide the
7 vocational rehabilitation services, and the meth-
8 ods used to procure such services;

9 “(D) a description of criteria to evaluate
10 progress toward achievement of the employment
11 outcome;

12 “(E) the terms and conditions of the indi-
13 vidualized rehabilitation employment plan, in-
14 cluding, as appropriate, information describ-
15 ing—

16 “(i) the responsibilities of the des-
17 ignated State unit;

18 “(ii) the responsibilities of the eligible
19 individual, including—

20 “(I) the responsibilities the eligi-
21 ble individual will assume in relation
22 to the employment outcome of the indi-
23 vidual;

1 “(II) if applicable, the participa-
2 tion of the eligible individual in pay-
3 ing for the costs of the plan; and

4 “(III) the responsibility of the eli-
5 gible individual with regard to apply-
6 ing for and securing comparable bene-
7 fits as described in section 101(a)(8);
8 and

9 “(iii) the responsibilities of other enti-
10 ties as the result of arrangements made pur-
11 suant to comparable services or benefits re-
12 quirements as described in section
13 101(a)(8);

14 “(F) for an eligible individual with the
15 most significant disabilities for whom an em-
16 ployment outcome in a supported employment
17 setting has been determined to be appropriate,
18 information identifying—

19 “(i) the extended services needed by the
20 eligible individual; and

21 “(ii) the source of extended services or,
22 to the extent that the source of the extended
23 services cannot be identified at the time of
24 the development of the individualized reha-
25 bilitation employment plan, a description of

1 *the basis for concluding that there is a rea-*
2 *sonable expectation that such source will be-*
3 *come available; and*

4 “(G) *as determined to be necessary, a state-*
5 *ment of projected need for post-employment serv-*
6 *ices.*

7 “(c) *PROCEDURES.—*

8 “(1) *IN GENERAL.—Each State shall establish*
9 *procedures for mediation of, and procedures for re-*
10 *view through an impartial due process hearing of, de-*
11 *terminations made by personnel of the designated*
12 *State unit that affect the provision of vocational reha-*
13 *ilitation services to applicants or eligible individ-*
14 *uals.*

15 “(2) *NOTIFICATION.—*

16 “(A) *RIGHTS AND ASSISTANCE.—The proce-*
17 *dures shall provide that an applicant or an eli-*
18 *gible individual or, as appropriate, the appli-*
19 *cant’s representative or individual’s representa-*
20 *tive shall be notified of—*

21 “(i) *the right to obtain review of deter-*
22 *minations described in paragraph (1) in an*
23 *impartial due process hearing under para-*
24 *graph (5);*

1 “(ii) the right to pursue mediation
2 with respect to the determinations under
3 paragraph (4); and

4 “(iii) the availability of assistance
5 from the client assistance program under
6 section 112.

7 “(B) *TIMING.*—Such notification shall be
8 provided in writing—

9 “(i) at the time an individual applies
10 for vocational rehabilitation services pro-
11 vided under this title;

12 “(ii) at the time the individualized re-
13 habilitation employment plan for the indi-
14 vidual is developed; and

15 “(iii) upon reduction, suspension, or
16 cessation of vocational rehabilitation serv-
17 ices for the individual.

18 “(3) *EVIDENCE AND REPRESENTATION.*—The
19 procedures required under this subsection shall, at a
20 minimum—

21 “(A) provide an opportunity for an appli-
22 cant or an eligible individual, or, as appro-
23 priate, the applicant’s representative or individ-
24 ual’s representative, to submit at the mediation
25 session or hearing evidence and information to

1 *support the position of the applicant or eligible*
2 *individual; and*

3 “(B) *include provisions to allow an appli-*
4 *cant or an eligible individual to be represented*
5 *in the mediation session or hearing by a person*
6 *selected by the applicant or eligible individual.*

7 “(4) *MEDIATION.—*

8 “(A) *PROCEDURES.—Each State shall en-*
9 *sure that procedures are established and imple-*
10 *mented under this subsection to allow parties de-*
11 *scribed in paragraph (1) to disputes involving*
12 *any determination described in paragraph (1) to*
13 *resolve such disputes through a mediation proc-*
14 *ess that, at a minimum, shall be available when-*
15 *ever a hearing is requested under this subsection.*

16 “(B) *REQUIREMENTS.—Such procedures*
17 *shall ensure that the mediation process—*

18 “(i) *is voluntary on the part of the*
19 *parties;*

20 “(ii) *is not used to deny or delay the*
21 *right of an individual to a hearing under*
22 *this subsection, or to deny any other right*
23 *afforded under this title; and*

1 “(iii) is conducted by a qualified and
2 impartial mediator who is trained in effec-
3 tive mediation techniques.

4 “(C) *LIST OF MEDIATORS.*—The State shall
5 maintain a list of individuals who are qualified
6 mediators and knowledgeable in laws (including
7 regulations) relating to the provision of voca-
8 tional rehabilitation services under this title,
9 from which the mediators described in subpara-
10 graph (B) shall be selected.

11 “(D) *COST.*—The State shall bear the cost
12 of the mediation process.

13 “(E) *SCHEDULING.*—Each session in the
14 mediation process shall be scheduled in a timely
15 manner and shall be held in a location that is
16 convenient to the parties to the dispute.

17 “(F) *AGREEMENT.*—An agreement reached
18 by the parties to the dispute in the mediation
19 process shall be set forth in a written mediation
20 agreement.

21 “(G) *CONFIDENTIALITY.*—Discussions that
22 occur during the mediation process shall be con-
23 fidential and may not be used as evidence in
24 any subsequent due process hearing or civil pro-
25 ceeding. The parties to the mediation process

1 *may be required to sign a confidentiality pledge*
2 *prior to the commencement of such process.*

3 “(H) *CONSTRUCTION.*—*Nothing in this sub-*
4 *section shall be construed to preclude the parties*
5 *to such a dispute from informally resolving the*
6 *dispute prior to proceedings under this para-*
7 *graph or paragraph (5), if the informal process*
8 *used is not used to deny or delay the right of the*
9 *applicant or eligible individual to a hearing*
10 *under this subsection or to deny any other right*
11 *afforded under this title.*

12 “(5) *HEARINGS.*—

13 “(A) *OFFICER.*—*A due process hearing de-*
14 *scribed in paragraph (2) shall be conducted by*
15 *an impartial hearing officer who shall issue a*
16 *decision based on the provisions of the approved*
17 *State plan, this Act (including regulations im-*
18 *plementing this Act), and State regulations and*
19 *policies that are consistent with the Federal re-*
20 *quirements specified in this title. The officer*
21 *shall provide the decision in writing to the ap-*
22 *applicant or eligible individual, or, as appropriate,*
23 *the applicant’s representative or individual’s*
24 *representative, and to the designated State unit.*

1 “(B) *LIST.*—*The designated State unit shall*
2 *maintain a list of qualified impartial hearing*
3 *officers who are knowledgeable in laws (includ-*
4 *ing regulations) relating to the provision of voca-*
5 *tional rehabilitation services under this title*
6 *from which the officer described in subparagraph*
7 *(A) shall be selected. For the purposes of main-*
8 *taining such list, impartial hearing officers shall*
9 *be identified jointly by—*

10 “(i) *the designated State unit; and*

11 “(ii) *members of the Council or com-*
12 *mission, as appropriate, described in sec-*
13 *tion 101(a)(21).*

14 “(C) *SELECTION.*—*Such an impartial hear-*
15 *ing officer shall be selected to hear a particular*
16 *case relating to a determination—*

17 “(i) *on a random basis; or*

18 “(ii) *by agreement between—*

19 “(I) *the Director of the designated*
20 *State unit and the individual with a*
21 *disability; or*

22 “(II) *in appropriate cases, the Di-*
23 *rector and the individual’s representa-*
24 *tive.*

1 “(D) *PROCEDURES FOR SEEKING RE-*
2 *VIEW.—A State may establish procedures to en-*
3 *able a party involved in a hearing under this*
4 *paragraph to seek an impartial review of the de-*
5 *cision of the hearing officer under subparagraph*
6 *(A) by—*

7 “(i) *the chief official of the designated*
8 *State agency if the State has established*
9 *both a designated State agency and a des-*
10 *ignated State unit under section 101(a)(2);*
11 *or*

12 “(ii) *an official from the office of the*
13 *Governor.*

14 “(E) *REVIEW REQUEST.—If the State estab-*
15 *lishes impartial review procedures under sub-*
16 *paragraph (D), either party may request the re-*
17 *view of the decision of the hearing officer within*
18 *20 days after the decision.*

19 “(F) *REVIEWING OFFICIAL.—The reviewing*
20 *official described in subparagraph (D) shall—*

21 “(i) *in conducting the review, provide*
22 *an opportunity for the submission of addi-*
23 *tional evidence and information relevant to*
24 *a final decision concerning the matter*
25 *under review;*

1 “(ii) not overturn or modify the deci-
2 sion of the hearing officer, or part of the de-
3 cision, that supports the position of the ap-
4 plicant or eligible individual unless the re-
5 viewing official concludes, based on clear
6 and convincing evidence, that the decision
7 of the impartial hearing officer is clearly
8 erroneous on the basis of being contrary to
9 the approved State plan, this Act (including
10 regulations implementing this Act) or any
11 State regulation or policy that is consistent
12 with the Federal requirements specified in
13 this title; and

14 “(iii) make a final decision with re-
15 spect to the matter in a timely manner and
16 provide such decision in writing to the ap-
17 plicant or eligible individual, or, as appro-
18 priate, the applicant’s representative or in-
19 dividual’s representative, and to the des-
20 ignated State unit, including a full report
21 of the findings and the grounds for such de-
22 cision.

23 “(G) *FINALITY OF HEARING DECISION.*—A
24 decision made after a hearing under subpara-
25 graph (A) shall be final, except that a party may

1 *request an impartial review if the State has es-*
2 *tablished procedures for such review under sub-*
3 *paragraph (D) and a party involved in a hear-*
4 *ing may bring a civil action under subpara-*
5 *graph (J).*

6 “(H) *FINALITY OF REVIEW.*—*A decision*
7 *made under subparagraph (F) shall be final un-*
8 *less such a party brings a civil action under sub-*
9 *paragraph (J).*

10 “(I) *IMPLEMENTATION.*—*If a party brings a*
11 *civil action under subparagraph (J) to challenge*
12 *a final decision of a hearing officer under sub-*
13 *paragraph (A) or to challenge a final decision of*
14 *a State reviewing official under subparagraph*
15 *(F), the final decision involved shall be imple-*
16 *mented pending review by the court.*

17 “(J) *CIVIL ACTION.*—

18 “(i) *IN GENERAL.*—*Any party ag-*
19 *grieved by a final decision described in sub-*
20 *paragraph (I), may bring a civil action for*
21 *review of such decision. The action may be*
22 *brought in any State court of competent ju-*
23 *risdiction or in a district court of the*
24 *United States of competent jurisdiction*

1 *without regard to the amount in con-*
2 *troversy.*

3 “(ii) *PROCEDURE.—In any action*
4 *brought under this subparagraph, the*
5 *court—*

6 “(I) *shall receive the records relat-*
7 *ing to the hearing under subparagraph*
8 *(A) and the records relating to the*
9 *State review under subparagraphs (D)*
10 *through (F), if applicable;*

11 “(II) *shall hear additional evi-*
12 *dence at the request of a party to the*
13 *action; and*

14 “(III) *basing the decision of the*
15 *court on the preponderance of the evi-*
16 *dence, shall grant such relief as the*
17 *court determines to be appropriate.*

18 “(6) *HEARING BOARD.—*

19 “(A) *IN GENERAL.—A fair hearing board,*
20 *established by a State before January 1, 1985,*
21 *and authorized under State law to review deter-*
22 *minations or decisions under this Act, is author-*
23 *ized to carry out the responsibilities of the im-*
24 *partial hearing officer under this subsection.*

1 “(B) *APPLICATION.*—*The provisions of*
2 *paragraphs (1), (2), and (3) that relate to due*
3 *process hearings do not apply, and paragraph*
4 *(5) (other than subparagraph (J)) does not*
5 *apply, to any State to which subparagraph (A)*
6 *applies.*

7 “(7) *IMPACT ON PROVISION OF SERVICES.*—*Un-*
8 *less the individual with a disability so requests, or,*
9 *in an appropriate case, the individual’s representa-*
10 *tive, so requests, pending a decision by a mediator,*
11 *hearing officer, or reviewing officer under this sub-*
12 *section, the designated State unit shall not institute*
13 *a suspension, reduction, or termination of services*
14 *being provided for the individual, including evalua-*
15 *tion and assessment services and plan development,*
16 *unless such services have been obtained through mis-*
17 *representation, fraud, collusion, or criminal conduct*
18 *on the part of the individual, or the individual’s rep-*
19 *resentative.*

20 “(8) *INFORMATION COLLECTION AND REPORT.*—

21 “(A) *IN GENERAL.*—*The Director of the des-*
22 *ignated State unit shall collect information de-*
23 *scribed in subparagraph (B) and prepare and*
24 *submit to the Commissioner a report containing*
25 *such information. The Commissioner shall pre-*

1 *pare a summary of the information furnished*
2 *under this paragraph and include the summary*
3 *in the annual report submitted under section 13.*
4 *The Commissioner shall also collect copies of the*
5 *final decisions of impartial hearing officers con-*
6 *ducting hearings under this subsection and State*
7 *officials conducting reviews under this sub-*
8 *section.*

9 “(B) *INFORMATION.*—*The information re-*
10 *quired to be collected under this subsection in-*
11 *cludes—*

12 “(i) *a copy of the standards used by*
13 *State reviewing officials for reviewing deci-*
14 *sions made by impartial hearing officers*
15 *under this subsection;*

16 “(ii) *information on the number of*
17 *hearings and reviews sought from the im-*
18 *partial hearing officers and the State re-*
19 *viewing officials, including the type of com-*
20 *plaints and the issues involved;*

21 “(iii) *information on the number of*
22 *hearing decisions made under this sub-*
23 *section that were not reviewed by the State*
24 *reviewing officials; and*

1 “(iv) information on the number of the
2 hearing decisions that were reviewed by the
3 State reviewing officials, and, based on such
4 reviews, the number of hearing decisions
5 that were—

6 “(I) sustained in favor of an ap-
7 plicant or eligible individual;

8 “(II) sustained in favor of the des-
9 ignated State unit;

10 “(III) reversed in whole or in
11 part in favor of the applicant or eligi-
12 ble individual; and

13 “(IV) reversed in whole or in part
14 in favor of the designated State unit.

15 “(C) CONFIDENTIALITY.—The confidential-
16 ity of records of applicants and eligible individ-
17 uals maintained by the designated State unit
18 shall not preclude the access of the Commissioner
19 to those records for the purposes described in sub-
20 paragraph (A).

21 “(d) POLICIES AND PROCEDURES.—Each designated
22 State agency, in consultation with the State Rehabilitation
23 Council, if the State has such a council, shall, consistent
24 with section 100(a)(3)(C), develop and implement written
25 policies and procedures that enable each individual who is

1 *an applicant for or eligible to receive vocational rehabilita-*
2 *tion services under this title to exercise informed choice*
3 *throughout the vocational rehabilitation process carried out*
4 *under this title, including policies and procedures that re-*
5 *quire the designated State agency—*

6 “(1) *to inform each such applicant and eligible*
7 *individual (including students with disabilities de-*
8 *scribed in section 101(a)(11)(D)(ii)(II) who are mak-*
9 *ing the transition from programs under the respon-*
10 *sibility of an educational agency to programs under*
11 *the responsibility of the designated State unit),*
12 *through appropriate modes of communication, about*
13 *the availability of, and opportunities to exercise, in-*
14 *formed choice, including the availability of support*
15 *services for individuals with cognitive or other dis-*
16 *abilities who require assistance in exercising informed*
17 *choice, throughout the vocational rehabilitation proc-*
18 *ess;*

19 “(2) *to assist applicants and eligible individuals*
20 *in exercising informed choice in decisions related to*
21 *the provision of assessment services under this title;*

22 “(3) *to develop and implement flexible procure-*
23 *ment policies and methods that facilitate the provi-*
24 *sion of services, and that afford eligible individuals*

1 *meaningful choices among the methods used to pro-*
2 *cure services, under this title;*

3 *“(4) to provide or assist eligible individuals in*
4 *acquiring information that enables those individuals*
5 *to exercise informed choice under this title in the se-*
6 *lection of—*

7 *“(A) the employment outcome;*

8 *“(B) the specific vocational rehabilitation*
9 *services needed to achieve the employment out-*
10 *come;*

11 *“(C) the entity that will provide the serv-*
12 *ices;*

13 *“(D) the employment setting and the set-*
14 *tings in which the services will be provided; and*

15 *“(E) the methods available for procuring*
16 *the services; and*

17 *“(5) to ensure that the availability and scope of*
18 *informed choice provided under this section is consist-*
19 *ent with the obligations of the designated State agen-*
20 *cy under this title.*

21 **“SEC. 103. VOCATIONAL REHABILITATION SERVICES.**

22 *“(a) VOCATIONAL REHABILITATION SERVICES FOR IN-*
23 *DIVIDUALS.—Vocational rehabilitation services provided*
24 *under this title are any services described in an individual-*
25 *ized rehabilitation employment plan necessary to assist an*

1 *individual with a disability in preparing for, securing, re-*
2 *taining, or regaining an employment outcome that is con-*
3 *sistent with the strengths, resources, priorities, concerns,*
4 *abilities, capabilities, interests, and informed choice of the*
5 *individual, including—*

6 “(1) *an assessment for determining eligibility*
7 *and vocational rehabilitation needs by qualified per-*
8 *sonnel, including, if appropriate, an assessment by*
9 *personnel skilled in rehabilitation technology;*

10 “(2) *counseling and guidance, including infor-*
11 *mation and support services to assist an individual*
12 *in exercising informed choice consistent with the pro-*
13 *visions of section 102(d);*

14 “(3) *referral and other services to secure needed*
15 *services from other agencies through agreements devel-*
16 *oped under section 101(b)(11), if such services are not*
17 *available under this title;*

18 “(4) *job-related services, including job search and*
19 *placement assistance, job retention services, followup*
20 *services, and follow-along services;*

21 “(5) *vocational and other training services, in-*
22 *cluding the provision of personal and vocational ad-*
23 *justment services, books, tools, and other training ma-*
24 *terials, except that no training services provided at*
25 *an institution of higher education shall be paid for*

1 *with funds under this title unless maximum efforts*
2 *have been made by the designated State unit and the*
3 *individual to secure grant assistance, in whole or in*
4 *part, from other sources to pay for such training;*

5 *“(6) to the extent that financial support is not*
6 *readily available from a source (such as through*
7 *health insurance of the individual or through com-*
8 *parable services and benefits consistent with section*
9 *101(a)(8)(A)), other than the designated State unit,*
10 *diagnosis and treatment of physical and mental im-*
11 *pairments, including—*

12 *“(A) corrective surgery or therapeutic treat-*
13 *ment necessary to correct or substantially modify*
14 *a physical or mental condition that constitutes a*
15 *substantial impediment to employment, but is of*
16 *such a nature that such correction or modifica-*
17 *tion may reasonably be expected to eliminate or*
18 *reduce such impediment to employment within a*
19 *reasonable length of time;*

20 *“(B) necessary hospitalization in connection*
21 *with surgery or treatment;*

22 *“(C) prosthetic and orthotic devices;*

23 *“(D) eyeglasses and visual services as pre-*
24 *scribed by qualified personnel who meet State li-*

1 *censure laws and who are selected by the individ-*
2 *ual;*

3 “(E) *special services (including transplan-*
4 *tation and dialysis), artificial kidneys, and sup-*
5 *plies necessary for the treatment of individuals*
6 *with end-stage renal disease; and*

7 “(F) *diagnosis and treatment for mental*
8 *and emotional disorders by qualified personnel*
9 *who meet State licensure laws;*

10 “(7) *maintenance for additional costs incurred*
11 *while participating in an assessment for determining*
12 *eligibility and vocational rehabilitation needs or*
13 *while receiving services under an individualized reha-*
14 *bilitation employment plan;*

15 “(8) *transportation, including adequate training*
16 *in the use of public transportation vehicles and sys-*
17 *tems, that is provided in connection with the provi-*
18 *sion of any other service described in this section and*
19 *needed by the individual to achieve an employment*
20 *outcome;*

21 “(9) *on-the-job or other related personal assist-*
22 *ance services provided while an individual is receiv-*
23 *ing other services described in this section;*

24 “(10) *interpreter services provided by qualified*
25 *personnel for individuals who are deaf or hard of*

1 *hearing, and reader services for individuals who are*
2 *determined to be blind, after an examination by*
3 *qualified personnel who meet State licensure laws;*

4 *“(11) rehabilitation teaching services, and ori-*
5 *entation and mobility services, for individuals who*
6 *are blind;*

7 *“(12) occupational licenses, tools, equipment,*
8 *and initial stocks and supplies;*

9 *“(13) technical assistance and other consultation*
10 *services to conduct market analyses, develop business*
11 *plans, and otherwise provide resources, to the extent*
12 *such resources are authorized to be provided under the*
13 *statewide workforce investment system, to eligible in-*
14 *dividuals who are pursuing self-employment or estab-*
15 *lishing a small business operation as an employment*
16 *outcome;*

17 *“(14) rehabilitation technology, including tele-*
18 *communications, sensory, and other technological aids*
19 *and devices;*

20 *“(15) transition services for students with dis-*
21 *abilities described in section 101(a)(11)(D)(ii)(II),*
22 *that facilitate the achievement of the employment out-*
23 *come identified in the individualized rehabilitation*
24 *employment plan;*

25 *“(16) supported employment services;*

1 “(17) services to the family of an individual
2 with a disability necessary to assist the individual to
3 achieve an employment outcome; and

4 “(18) specific post-employment services necessary
5 to assist an individual with a disability to, retain,
6 regain, or advance in employment.

7 “(b) VOCATIONAL REHABILITATION SERVICES FOR
8 GROUPS OF INDIVIDUALS.—Vocational rehabilitation serv-
9 ices provided for the benefit of groups of individuals with
10 disabilities may also include the following:

11 “(1) In the case of any type of small business op-
12 erated by individuals with significant disabilities the
13 operation of which can be improved by management
14 services and supervision provided by the designated
15 State agency, the provision of such services and su-
16 pervision, along or together with the acquisition by
17 the designated State agency of vending facilities or
18 other equipment and initial stocks and supplies.

19 “(2) The establishment, development, or improve-
20 ment of community rehabilitation programs, that
21 promise to contribute substantially to the rehabilita-
22 tion of a group of individuals but that are not related
23 directly to the individualized rehabilitation employ-
24 ment plan of any 1 individual with a disability.

1 *Such programs shall be used to provide services that*
2 *promote integration and competitive employment.*

3 *“(3) The use of telecommunications systems (in-*
4 *cluding telephone, television, satellite, radio, and*
5 *other similar systems) that have the potential for sub-*
6 *stantially improving delivery methods of activities de-*
7 *scribed in this section and developing appropriate*
8 *programming to meet the particular needs of individ-*
9 *uals with disabilities.*

10 *“(4)(A) Special services to provide nonvisual ac-*
11 *cess to information for individuals who are blind, in-*
12 *cluding the use of telecommunications, Braille, sound*
13 *recordings, or other appropriate media.*

14 *“(B) Captioned television, films, or video cas-*
15 *settes for individuals who are deaf or hard of hearing.*

16 *“(C) Tactile materials for individuals who are*
17 *deaf-blind.*

18 *“(D) Other special services that provide informa-*
19 *tion through tactile, vibratory, auditory, and visual*
20 *media.*

21 *“(5) Technical assistance and support services to*
22 *businesses that are not subject to title I of the Ameri-*
23 *cans with Disabilities Act of 1990 (42 U.S.C. 12111*
24 *et seq.) and that are seeking to employ individuals*
25 *with disabilities.*

1 “(6) *Consultative and technical assistance serv-*
2 *ices to assist educational agencies in planning for the*
3 *transition of students with disabilities described in*
4 *section 101(a)(11)(D)(i) from school to post-school ac-*
5 *tivities, including employment.*

6 **“SEC. 104. NON-FEDERAL SHARE FOR ESTABLISHMENT OF**
7 **PROGRAM.**

8 “*For the purpose of determining the amount of pay-*
9 *ments to States for carrying out part B of this title (or*
10 *to an Indian tribe under part C), the non-Federal share,*
11 *subject to such limitations and conditions as may be pre-*
12 *scribed in regulations by the Commissioner, shall include*
13 *contributions of funds made by any private agency, organi-*
14 *zation, or individual to a State or local agency to assist*
15 *in meeting the costs of establishment of a community reha-*
16 *bilitation program, which would be regarded as State or*
17 *local funds except for the condition, imposed by the contrib-*
18 *utor, limiting use of such funds to establishment of such*
19 *a program.*

20 **“SEC. 105. STATE REHABILITATION COUNCIL.**

21 “(a) *ESTABLISHMENT.—*

22 “(1) *IN GENERAL.—Except as provided in sec-*
23 *tion 101(a)(21)(A)(i), to be eligible to receive finan-*
24 *cial assistance under this title a State shall establish*

1 *a State Rehabilitation Council (referred to in this sec-*
2 *tion as the ‘Council’) in accordance with this section.*

3 “(2) *SEPARATE AGENCY FOR INDIVIDUALS WHO*
4 *ARE BLIND.—A State that designates a State agency*
5 *to administer the part of the State plan under which*
6 *vocational rehabilitation services are provided for in-*
7 *dividuals who are blind under section 101(a)(2)(A)(i)*
8 *may establish a separate Council in accordance with*
9 *this section to perform the duties of such a Council*
10 *with respect to such State agency.*

11 “(b) *COMPOSITION AND APPOINTMENT.—*

12 “(1) *COMPOSITION.—*

13 “(A) *IN GENERAL.—Except in the case of a*
14 *separate Council established under subsection*
15 *(a)(2), the Council shall be composed of—*

16 “(i) *at least one representative of the*
17 *Statewide Independent Living Council es-*
18 *tablished under section 705, which rep-*
19 *resentative may be the chairperson or other*
20 *designee of the Council;*

21 “(ii) *at least one representative of a*
22 *parent training and information center es-*
23 *tablished pursuant to section 682(a) of the*
24 *Individuals with Disabilities Education Act*
25 *(as added by section 101 of the Individuals*

1 *with Disabilities Education Act Amend-*
2 *ments of 1997; Public Law 105–17);*

3 “(iii) *at least one representative of the*
4 *client assistance program established under*
5 *section 112;*

6 “(iv) *at least one vocational rehabilita-*
7 *tion counselor, with knowledge of and expe-*
8 *rience with vocational rehabilitation pro-*
9 *grams, who shall serve as an ex officio, non-*
10 *voting member of the Council if the coun-*
11 *selor is an employee of the designated State*
12 *agency;*

13 “(v) *at least one representative of com-*
14 *munity rehabilitation program service pro-*
15 *viders;*

16 “(vi) *four representatives of business,*
17 *industry, and labor;*

18 “(vii) *representatives of disability ad-*
19 *vocacy groups representing a cross section*
20 *of—*

21 “(I) *individuals with physical,*
22 *cognitive, sensory, and mental disabil-*
23 *ities; and*

24 “(II) *individuals’ representatives*
25 *of individuals with disabilities who*

1 *have difficulty in representing them-*
2 *selves or are unable due to their dis-*
3 *abilities to represent themselves;*

4 “(viii) *current or former applicants*
5 *for, or recipients of, vocational rehabilita-*
6 *tion services;*

7 “(ix) *in a State in which one or more*
8 *projects are carried out under section 121,*
9 *at least one representative of the directors of*
10 *the projects;*

11 “(x) *at least one representative of the*
12 *State educational agency responsible for the*
13 *public education of students with disabil-*
14 *ities who are eligible to receive services*
15 *under this title and part B of the Individ-*
16 *uals with Disabilities Education Act; and*

17 “(xi) *at least one representative of the*
18 *statewide workforce investment partnership.*

19 “(B) *SEPARATE COUNCIL.—In the case of a*
20 *separate Council established under subsection*
21 *(a)(2), the Council shall be composed of—*

22 “(i) *at least one representative de-*
23 *scribed in subparagraph (A)(i);*

24 “(ii) *at least one representative de-*
25 *scribed in subparagraph (A)(ii);*

1 “(iii) at least one representative de-
2 scribed in subparagraph (A)(iii);

3 “(iv) at least one vocational rehabilita-
4 tion counselor described in subparagraph
5 (A)(iv), who shall serve as described in such
6 subparagraph;

7 “(v) at least one representative de-
8 scribed in subparagraph (A)(v);

9 “(vi) four representatives described in
10 subparagraph (A)(vi);

11 “(vii) at least one representative of a
12 disability advocacy group representing in-
13 dividuals who are blind;

14 “(viii) at least one individual’s rep-
15 resentative, of an individual who—

16 “(I) is an individual who is blind
17 and has multiple disabilities; and

18 “(II) has difficulty in represent-
19 ing himself or herself or is unable due
20 to disabilities to represent himself or
21 herself;

22 “(ix) applicants or recipients described
23 in subparagraph (A)(viii);

1 “(x) in a State described in subpara-
2 graph (A)(ix), at least one representative
3 described in such subparagraph;

4 “(xi) at least one representative de-
5 scribed in subparagraph (A)(x); and

6 “(xii) at least one representative de-
7 scribed in subparagraph (A)(xi).

8 “(C) *EXCEPTION.*—*In the case of a separate*
9 *Council established under subsection (a)(2), any*
10 *Council that is required by State law, as in ef-*
11 *fect on the date of enactment of the Rehabilita-*
12 *tion Act Amendments of 1992, to have fewer*
13 *than 15 members shall be deemed to be in com-*
14 *pliance with subparagraph (B) if the Council—*

15 “(i) meets the requirements of subpara-
16 graph (B), other than the requirements of
17 clauses (vi) and (ix) of such subparagraph;
18 and

19 “(ii) includes at least—

20 “(I) one representative described
21 in subparagraph (B)(vi); and

22 “(II) one applicant or recipient
23 described in subparagraph (B)(ix).

1 “(2) *EX OFFICIO MEMBER.*—*The Director of the*
2 *designated State unit shall be an ex officio, nonvoting*
3 *member of the Council.*

4 “(3) *APPOINTMENT.*—*Members of the Council*
5 *shall be appointed by the Governor. The Governor*
6 *shall select members after soliciting recommendations*
7 *from representatives of organizations representing a*
8 *broad range of individuals with disabilities and orga-*
9 *nizations interested in individuals with disabilities.*
10 *In selecting members, the Governor shall consider, to*
11 *the greatest extent practicable, the extent to which mi-*
12 *nority populations are represented on the Council.*

13 “(4) *QUALIFICATIONS.*—*A majority of Council*
14 *members shall be persons who are—*

15 “(A) *individuals with disabilities described*
16 *in section 7(20)(A); and*

17 “(B) *not employed by the designated State*
18 *unit.*

19 “(5) *CHAIRPERSON.*—

20 “(A) *IN GENERAL.*—*Except as provided in*
21 *subparagraph (B), the Council shall select a*
22 *chairperson from among the membership of the*
23 *Council.*

24 “(B) *DESIGNATION BY GOVERNOR.*—*In*
25 *States in which the chief executive officer does*

1 *not have veto power pursuant to State law, the*
2 *Governor shall designate a member of the Coun-*
3 *cil to serve as the chairperson of the Council or*
4 *shall require the Council to so designate such a*
5 *member.*

6 “(6) *TERMS OF APPOINTMENT.—*

7 “(A) *LENGTH OF TERM.—Each member of*
8 *the Council shall serve for a term of not more*
9 *than 3 years, except that—*

10 “(i) *a member appointed to fill a va-*
11 *cancy occurring prior to the expiration of*
12 *the term for which a predecessor was ap-*
13 *pointed, shall be appointed for the remain-*
14 *der of such term; and*

15 “(ii) *the terms of service of the mem-*
16 *bers initially appointed shall be (as speci-*
17 *fied by the Governor) for such fewer number*
18 *of years as will provide for the expiration*
19 *of terms on a staggered basis.*

20 “(B) *NUMBER OF TERMS.—No member of*
21 *the Council, other than a representative described*
22 *in clause (iii) or (ix) of paragraph (1)(A), or*
23 *clause (iii) or (x) of paragraph (1)(B), may*
24 *serve more than two consecutive full terms.*

25 “(7) *VACANCIES.—*

1 “(A) *IN GENERAL.*—*Except as provided in*
2 *subparagraph (B), any vacancy occurring in the*
3 *membership of the Council shall be filled in the*
4 *same manner as the original appointment. The*
5 *vacancy shall not affect the power of the remain-*
6 *ing members to execute the duties of the Council.*

7 “(B) *DELEGATION.*—*The Governor may del-*
8 *egate the authority to fill such a vacancy to the*
9 *remaining members of the Council after making*
10 *the original appointment.*

11 “(c) *FUNCTIONS OF COUNCIL.*—*The Council shall,*
12 *after consulting with the statewide workforce investment*
13 *partnership—*

14 “(1) *review, analyze, and advise the designated*
15 *State unit regarding the performance of the respon-*
16 *sibilities of the unit under this title, particularly re-*
17 *sponsibilities relating to—*

18 “(A) *eligibility (including order of selec-*
19 *tion);*

20 “(B) *the extent, scope, and effectiveness of*
21 *services provided; and*

22 “(C) *functions performed by State agencies*
23 *that affect or that potentially affect the ability of*
24 *individuals with disabilities in achieving em-*
25 *ployment outcomes under this title;*

1 “(2) in partnership with the designated State
2 unit—

3 “(A) develop, agree to, and review State
4 goals and priorities in accordance with section
5 101(a)(15)(C); and

6 “(B) evaluate the effectiveness of the voca-
7 tional rehabilitation program and submit re-
8 ports of progress to the Commissioner in accord-
9 ance with section 101(a)(15)(E);

10 “(3) advise the designated State agency and the
11 designated State unit regarding activities authorized
12 to be carried out under this title, and assist in the
13 preparation of the State plan and amendments to the
14 plan, applications, reports, needs assessments, and
15 evaluations required by this title;

16 “(4) to the extent feasible, conduct a review and
17 analysis of the effectiveness of, and consumer satisfac-
18 tion with—

19 “(A) the functions performed by the des-
20 ignated State agency;

21 “(B) vocational rehabilitation services pro-
22 vided by State agencies and other public and
23 private entities responsible for providing voca-
24 tional rehabilitation services to individuals with
25 disabilities under this Act; and

1 “(C) employment outcomes achieved by eli-
2 gible individuals receiving services under this
3 title, including the availability of health and
4 other employment benefits in connection with
5 such employment outcomes;

6 “(5) prepare and submit an annual report to the
7 Governor and the Commissioner on the status of voca-
8 tional rehabilitation programs operated within the
9 State, and make the report available to the public;

10 “(6) to avoid duplication of efforts and enhance
11 the number of individuals served, coordinate activities
12 with the activities of other councils within the State,
13 including the Statewide Independent Living Council
14 established under section 705, the advisory panel es-
15 tablished under section 612(a)(21) of the Individual
16 with Disabilities Education Act (as amended by sec-
17 tion 101 of the Individuals with Disabilities Edu-
18 cation Act Amendments of 1997; Public Law 105–17),
19 the State Developmental Disabilities Council de-
20 scribed in section 124 of the Developmental Disabil-
21 ities Assistance and Bill of Rights Act (42 U.S.C.
22 6024), the State mental health planning council es-
23 tablished under section 1914(a) of the Public Health
24 Service Act (42 U.S.C. 300x–4(a)), and the statewide
25 workforce investment partnership;

1 “(7) provide for coordination and the establish-
2 ment of working relationships between the designated
3 State agency and the Statewide Independent Living
4 Council and centers for independent living within the
5 State; and

6 “(8) perform such other functions, consistent
7 with the purpose of this title, as the State Rehabilita-
8 tion Council determines to be appropriate, that are
9 comparable to the other functions performed by the
10 Council.

11 “(d) *RESOURCES.*—

12 “(1) *PLAN.*—The Council shall prepare, in con-
13 junction with the designated State unit, a plan for
14 the provision of such resources, including such staff
15 and other personnel, as may be necessary and suffi-
16 cient to carry out the functions of the Council under
17 this section. The resource plan shall, to the maximum
18 extent possible, rely on the use of resources in exist-
19 ence during the period of implementation of the plan.

20 “(2) *RESOLUTION OF DISAGREEMENTS.*—To the
21 extent that there is a disagreement between the Coun-
22 cil and the designated State unit in regard to the re-
23 sources necessary to carry out the functions of the
24 Council as set forth in this section, the disagreement

1 *shall be resolved by the Governor consistent with*
2 *paragraph (1).*

3 “(3) *SUPERVISION AND EVALUATION.—Each*
4 *Council shall, consistent with State law, supervise*
5 *and evaluate such staff and other personnel as may*
6 *be necessary to carry out its functions under this sec-*
7 *tion.*

8 “(4) *PERSONNEL CONFLICT OF INTEREST.—*
9 *While assisting the Council in carrying out its duties,*
10 *staff and other personnel shall not be assigned duties*
11 *by the designated State unit or any other agency or*
12 *office of the State, that would create a conflict of in-*
13 *terest.*

14 “(e) *CONFLICT OF INTEREST.—No member of the*
15 *Council shall cast a vote on any matter that would provide*
16 *direct financial benefit to the member or otherwise give the*
17 *appearance of a conflict of interest under State law.*

18 “(f) *MEETINGS.—The Council shall convene at least 4*
19 *meetings a year in such places as it determines to be nec-*
20 *essary to conduct Council business and conduct such forums*
21 *or hearings as the Council considers appropriate. The meet-*
22 *ings, hearings, and forums shall be publicly announced. The*
23 *meetings shall be open and accessible to the general public*
24 *unless there is a valid reason for an executive session.*

1 *for the vocational rehabilitation program carried*
2 *out under this title.*

3 “(B) *REVIEW AND REVISION.*—*Effective*
4 *September 30, 1998, the Commissioner shall re-*
5 *view and, if necessary, revise the evaluation*
6 *standards and performance indicators every 3*
7 *years. Any revisions of the standards and indi-*
8 *cators shall be developed with input from State*
9 *vocational rehabilitation agencies, related profes-*
10 *sional and consumer organizations, recipients of*
11 *vocational rehabilitation services, and other in-*
12 *terested parties. Any revisions of the standards*
13 *and indicators shall be subject to the publication,*
14 *review, and comment provisions of paragraph*
15 *(3).*

16 “(C) *BASES.*—*Effective July 1, 1999, to the*
17 *maximum extent practicable, the standards and*
18 *indicators shall be consistent with the core indi-*
19 *cators of performance established under section*
20 *321(b) of the Workforce Investment Partnership*
21 *Act of 1998.*

22 “(2) *MEASURES.*—*The standards and indicators*
23 *shall include outcome and related measures of pro-*
24 *gram performance that facilitate the accomplishment*
25 *of the purpose and policy of this title.*

1 “(3) *COMMENT.*—*The standards and indicators*
2 *shall be developed with input from State vocational*
3 *rehabilitation agencies, related professional and con-*
4 *sumer organizations, recipients of vocational rehabili-*
5 *tation services, and other interested parties. The Com-*
6 *missioner shall publish in the Federal Register a no-*
7 *tice of intent to regulate regarding the development of*
8 *proposed standards and indicators. Proposed stand-*
9 *ards and indicators shall be published in the Federal*
10 *Register for review and comment. Final standards*
11 *and indicators shall be published in the Federal Reg-*
12 *ister.*

13 “(b) *COMPLIANCE.*—

14 “(1) *STATE REPORTS.*—*In accordance with regu-*
15 *lations established by the Secretary, each State shall*
16 *report to the Commissioner after the end of each fiscal*
17 *year the extent to which the State is in compliance*
18 *with the standards and indicators.*

19 “(2) *PROGRAM IMPROVEMENT.*—

20 “(A) *PLAN.*—*If the Commissioner deter-*
21 *mines that the performance of any State is below*
22 *established standards, the Commissioner shall*
23 *provide technical assistance to the State, and the*
24 *State and the Commissioner shall jointly develop*
25 *a program improvement plan outlining the spe-*

1 *cific actions to be taken by the State to improve*
2 *program performance.*

3 “(B) *REVIEW.*—*The Commissioner shall—*

4 “(i) *review the program improvement*
5 *efforts of the State on a biannual basis and,*
6 *if necessary, request the State to make fur-*
7 *ther revisions to the plan to improve per-*
8 *formance; and*

9 “(ii) *continue to conduct such reviews*
10 *and request such revisions until the State*
11 *sustains satisfactory performance over a pe-*
12 *riod of more than 1 year.*

13 “(c) *WITHHOLDING.*—*If the Commissioner determines*
14 *that a State whose performance falls below the established*
15 *standards has failed to enter into a program improvement*
16 *plan, or is not complying substantially with the terms and*
17 *conditions of such a program improvement plan, the Com-*
18 *missioner shall, consistent with subsections (c) and (d) of*
19 *section 107, reduce or make no further payments to the*
20 *State under this program, until the State has entered into*
21 *an approved program improvement plan, or satisfies the*
22 *Commissioner that the State is complying substantially*
23 *with the terms and conditions of such a program improve-*
24 *ment plan, as appropriate.*

1 “(d) *REPORT TO CONGRESS.*—Beginning in fiscal
2 year 1999, the Commissioner shall include in each annual
3 report to the Congress under section 13 an analysis of pro-
4 gram performance, including relative State performance,
5 based on the standards and indicators.

6 **“SEC. 107. MONITORING AND REVIEW.**

7 “(a) *IN GENERAL.*—

8 “(1) *DUTIES.*—In carrying out the duties of the
9 Commissioner under this title, the Commissioner
10 shall—

11 “(A) provide for the annual review and
12 periodic onsite monitoring of programs under
13 this title; and

14 “(B) determine whether, in the administra-
15 tion of the State plan, a State is complying sub-
16 stantially with the provisions of such plan and
17 with evaluation standards and performance in-
18 dicators established under section 106.

19 “(2) *PROCEDURES FOR REVIEWS.*—In conduct-
20 ing reviews under this section the Commissioner shall
21 consider, at a minimum—

22 “(A) State policies and procedures;

23 “(B) guidance materials;

24 “(C) decisions resulting from hearings con-
25 ducted in accordance with due process;

1 “(D) State goals established under section
2 101(a)(15) and the extent to which the State has
3 achieved such goals;

4 “(E) plans and reports prepared under sec-
5 tion 106(b);

6 “(F) consumer satisfaction reviews and
7 analyses described in section 105(c)(4);

8 “(G) information provided by the State Re-
9 habilitation Council established under section
10 105, if the State has such a Council, or by the
11 commission described in section
12 101(a)(21)(A)(i), if the State has such a commis-
13 sion;

14 “(H) reports; and

15 “(I) budget and financial management
16 data.

17 “(3) PROCEDURES FOR MONITORING.—In con-
18 ducting monitoring under this section the Commis-
19 sioner shall conduct—

20 “(A) onsite visits, including onsite reviews
21 of records to verify that the State is following re-
22 quirements regarding the order of selection set
23 forth in section 101(a)(5)(A);

24 “(B) public hearings and other strategies
25 for collecting information from the public;

1 “(C) meetings with the State Rehabilitation
2 Council, if the State has such a Council or with
3 the commission described in section
4 101(a)(21)(A)(i), if the State has such a commis-
5 sion;

6 “(D) reviews of individual case files, includ-
7 ing individualized rehabilitation employment
8 plans and ineligibility determinations; and

9 “(E) meetings with rehabilitation counselors
10 and other personnel.

11 “(4) AREAS OF INQUIRY.—In conducting the re-
12 view and monitoring, the Commissioner shall exam-
13 ine—

14 “(A) the eligibility process;

15 “(B) the provision of services, including, if
16 applicable, the order of selection;

17 “(C) whether the personnel evaluation sys-
18 tem described in section 101(a)(7)(A)(iv) facili-
19 tates the accomplishments of the program;

20 “(D) such other areas as may be identified
21 by the public or through meetings with the State
22 Rehabilitation Council, if the State has such a
23 Council or with the commission described in sec-
24 tion 101(a)(21)(A)(i), if the State has such a
25 commission; and

1 “(E) such other areas of inquiry as the
2 Commissioner may consider appropriate.

3 “(5) *REPORTS.*—If the Commissioner issues a re-
4 port detailing the findings of an annual review or on-
5 site monitoring conducted under this section, the re-
6 port shall be made available to the State Rehabilita-
7 tion Council, if the State has such a Council.

8 “(b) *TECHNICAL ASSISTANCE.*—The Commissioner
9 shall—

10 “(1) provide technical assistance to programs
11 under this title regarding improving the quality of
12 vocational rehabilitation services provided; and

13 “(2) provide technical assistance and establish a
14 corrective action plan for a program under this title
15 if the Commissioner finds that the program fails to
16 comply substantially with the provisions of the State
17 plan, or with evaluation standards or performance
18 indicators established under section 106, in order to
19 ensure that such failure is corrected as soon as prac-
20 ticable.

21 “(c) *FAILURE TO COMPLY WITH PLAN.*—

22 “(1) *WITHHOLDING PAYMENTS.*—Whenever the
23 Commissioner, after providing reasonable notice and
24 an opportunity for a hearing to the State agency ad-

1 *ministering or supervising the administration of the*
2 *State plan approved under section 101, finds that—*

3 “(A) *the plan has been so changed that it*
4 *no longer complies with the requirements of sec-*
5 *tion 101(a); or*

6 “(B) *in the administration of the plan there*
7 *is a failure to comply substantially with any*
8 *provision of such plan or with an evaluation*
9 *standard or performance indicator established*
10 *under section 106,*

11 *the Commissioner shall notify such State agency that*
12 *no further payments will be made to the State under*
13 *this title (or, in the discretion of the Commissioner,*
14 *that such further payments will be reduced, in accord-*
15 *ance with regulations the Commissioner shall pre-*
16 *scribe, or that further payments will not be made to*
17 *the State only for the projects under the parts of the*
18 *State plan affected by such failure), until the Com-*
19 *missioner is satisfied there is no longer any such fail-*
20 *ure.*

21 “(2) *PERIOD.—Until the Commissioner is so sat-*
22 *isfied, the Commissioner shall make no further pay-*
23 *ments to such State under this title (or shall reduce*
24 *payments or limit payments to projects under those*

1 *parts of the State plan in which there is no such fail-*
2 *ure).*

3 “(3) *DISBURSAL OF WITHHELD FUNDS.*—*The*
4 *Commissioner may, in accordance with regulations*
5 *the Secretary shall prescribe, disburse any funds*
6 *withheld from a State under paragraph (1) to any*
7 *public or nonprofit private organization or agency*
8 *within such State or to any political subdivision of*
9 *such State submitting a plan meeting the require-*
10 *ments of section 101(a). The Commissioner may not*
11 *make any payment under this paragraph unless the*
12 *entity to which such payment is made has provided*
13 *assurances to the Commissioner that such entity will*
14 *contribute, for purposes of carrying out such plan, the*
15 *same amount as the State would have been obligated*
16 *to contribute if the State received such payment.*

17 “(d) *REVIEW.*—

18 “(1) *PETITION.*—*Any State that is dissatisfied*
19 *with a final determination of the Commissioner*
20 *under section 101(b) or subsection (c) may file a peti-*
21 *tion for judicial review of such determination in the*
22 *United States Court of Appeals for the circuit in*
23 *which the State is located. Such a petition may be*
24 *filed only within the 30-day period beginning on the*
25 *date that notice of such final determination was re-*

1 *ceived by the State. The clerk of the court shall trans-*
2 *mit a copy of the petition to the Commissioner or to*
3 *any officer designated by the Commissioner for that*
4 *purpose. In accordance with section 2112 of title 28,*
5 *United States Code, the Commissioner shall file with*
6 *the court a record of the proceeding on which the*
7 *Commissioner based the determination being appealed*
8 *by the State. Until a record is so filed, the Commis-*
9 *sioner may modify or set aside any determination*
10 *made under such proceedings.*

11 *“(2) SUBMISSIONS AND DETERMINATIONS.—If,*
12 *in an action under this subsection to review a final*
13 *determination of the Commissioner under section*
14 *101(b) or subsection (c), the petitioner or the Commis-*
15 *sioner applies to the court for leave to have additional*
16 *oral submissions or written presentations made re-*
17 *specting such determination, the court may, for good*
18 *cause shown, order the Commissioner to provide with-*
19 *in 30 days an additional opportunity to make such*
20 *submissions and presentations. Within such period,*
21 *the Commissioner may revise any findings of fact,*
22 *modify or set aside the determination being reviewed,*
23 *or make a new determination by reason of the addi-*
24 *tional submissions and presentations, and shall file*
25 *such modified or new determination, and any revised*

1 *findings of fact, with the return of such submissions*
2 *and presentations. The court shall thereafter review*
3 *such new or modified determination.*

4 “(3) *STANDARDS OF REVIEW.*—

5 “(A) *IN GENERAL.*—*Upon the filing of a pe-*
6 *tition under paragraph (1) for judicial review of*
7 *a determination, the court shall have jurisdic-*
8 *tion—*

9 “(i) *to grant appropriate relief as pro-*
10 *vided in chapter 7 of title 5, United States*
11 *Code, except for interim relief with respect*
12 *to a determination under subsection (c);*
13 *and*

14 “(ii) *except as otherwise provided in*
15 *subparagraph (B), to review such deter-*
16 *mination in accordance with chapter 7 of*
17 *title 5, United States Code.*

18 “(B) *SUBSTANTIAL EVIDENCE.*—*Section 706*
19 *of title 5, United States Code, shall apply to the*
20 *review of any determination under this sub-*
21 *section, except that the standard for review pre-*
22 *scribed by paragraph (2)(E) of such section 706*
23 *shall not apply and the court shall hold unlawful*
24 *and set aside such determination if the court*
25 *finds that the determination is not supported by*

1 *substantial evidence in the record of the proceed-*
2 *ing submitted pursuant to paragraph (1), as*
3 *supplemented by any additional submissions and*
4 *presentations filed under paragraph (2).*

5 **“SEC. 108. EXPENDITURE OF CERTAIN AMOUNTS.**

6 “(a) *EXPENDITURE.*—*Amounts described in subsection*
7 *(b) may not be expended by a State for any purpose other*
8 *than carrying out programs for which the State receives*
9 *financial assistance under this title, under part C of title*
10 *VI, or under title VII.*

11 “(b) *AMOUNTS.*—*The amounts referred to in subsection*
12 *(a) are amounts provided to a State under the Social Secu-*
13 *rity Act (42 U.S.C. 301 et seq.) as reimbursement for the*
14 *expenditure of payments received by the State from allot-*
15 *ments under section 110 of this Act.*

16 **“SEC. 109. TRAINING OF EMPLOYERS WITH RESPECT TO**
17 ***AMERICANS WITH DISABILITIES ACT OF 1990.***

18 “A State may expend payments received under section
19 111—

20 “(1) *to carry out a program to train employers*
21 *with respect to compliance with the requirements of*
22 *title I of the Americans with Disabilities Act of 1990*
23 *(42 U.S.C. 12111 et seq.); and*

1 “(2) to inform employers of the existence of the
2 program and the availability of the services of the
3 program.

4 “PART B—BASIC VOCATIONAL REHABILITATION SERVICES
5 “STATE ALLOTMENTS

6 “SEC. 110. (a)(1) Subject to the provisions of sub-
7 section (c), for each fiscal year beginning before October 1,
8 1978, each State shall be entitled to an allotment of an
9 amount bearing the same ratio to the amount authorized
10 to be appropriated under section 100(b)(1) for allotment
11 under this section as the product of—

12 “(A) the population of the State; and

13 “(B) the square of its allotment percentage,
14 bears to the sum of the corresponding products for all the
15 States.

16 “(2)(A) For each fiscal year beginning on or after Oc-
17 tober 1, 1978, each State shall be entitled to an allotment
18 in an amount equal to the amount such State received
19 under paragraph (1) for the fiscal year ending September
20 30, 1978, and an additional amount determined pursuant
21 to subparagraph (B) of this paragraph.

22 “(B) For each fiscal year beginning on or after October
23 1, 1978, each State shall be entitled to an allotment, from
24 any amount authorized to be appropriated for such fiscal
25 year under section 100(b)(1) for allotment under this sec-

1 *tion in excess of the amount appropriated under section*
2 *100(b)(1)(A) for the fiscal year ending September 30, 1978,*
3 *in an amount equal to the sum of—*

4 “(i) *an amount bearing the same ratio to 50 per-*
5 *cent of such excess amount as the product of the popu-*
6 *lation of the State and the square of its allotment per-*
7 *centage bears to the sum of the corresponding prod-*
8 *ucts for all the States; and*

9 “(ii) *an amount bearing the same ratio to 50*
10 *percent of such excess amount as the product of the*
11 *population of the State and its allotment percentage*
12 *bears to the sum of the corresponding products for all*
13 *the States.*

14 “(3) *The sum of the payment to any State (other than*
15 *Guam, American Samoa, the Virgin Islands, and the Com-*
16 *monwealth of the Northern Mariana Islands) under this*
17 *subsection for any fiscal year which is less than one-third*
18 *of 1 percent of the amount appropriated under section*
19 *100(b)(1), or \$3,000,000, whichever is greater, shall be in-*
20 *creased to that amount, the total of the increases thereby*
21 *required being derived by proportionately reducing the al-*
22 *lotment to each of the remaining such States under this sub-*
23 *section, but with such adjustments as may be necessary to*
24 *prevent the sum of the allotments made under this sub-*

1 *section to any such remaining State from being thereby re-*
2 *duced to less than that amount.*

3 “(b)(1) *Not later than forty-five days prior to the end*
4 *of the fiscal year, the Commissioner shall determine, after*
5 *reasonable opportunity for the submission to the Commis-*
6 *sioner of comments by the State agency administering or*
7 *supervising the program established under this title, that*
8 *any payment of an allotment to a State under section*
9 *111(a) for any fiscal year will not be utilized by such State*
10 *in carrying out the purposes of this title.*

11 “(2) *As soon as practicable but not later than the end*
12 *of the fiscal year, the Commissioner shall make such amount*
13 *available for carrying out the purposes of this title to one*
14 *or more other States to the extent the Commissioner deter-*
15 *mines such other State will be able to use such additional*
16 *amount during that fiscal year or the subsequent fiscal year*
17 *for carrying out such purposes. The Commissioner shall*
18 *make such amount available only if such other State will*
19 *be able to make sufficient payments from non-Federal*
20 *sources to pay for the non-Federal share of the cost of voca-*
21 *tional rehabilitation services under the State plan for the*
22 *fiscal year for which the amount was appropriated.*

23 “(3) *For the purposes of this part, any amount made*
24 *available to a State for any fiscal year pursuant to this*
25 *subsection shall be regarded as an increase of such State’s*

1 allotment (as determined under the preceding provisions of
2 this section) for such year.

3 “(c)(1) For fiscal year 1987 and for each subsequent
4 fiscal year, the Commissioner shall reserve from the amount
5 appropriated under section 100(b)(1) for allotment under
6 this section a sum, determined under paragraph (2), to
7 carry out the purposes of part C.

8 “(2) The sum referred to in paragraph (1) shall be,
9 as determined by the Secretary—

10 “(A) not less than three-quarters of 1 percent
11 and not more than 1.5 percent of the amount referred
12 to in paragraph (1), for fiscal year 1998; and

13 “(B) not less than 1 percent and not more than
14 1.5 percent of the amount referred to in paragraph
15 (1), for each of fiscal years 1999 through 2004.

16 “PAYMENTS TO STATES

17 “SEC. 111. (a)(1) Except as provided in paragraph
18 (2), from each State’s allotment under this part for any
19 fiscal year, the Commissioner shall pay to a State an
20 amount equal to the Federal share of the cost of vocational
21 rehabilitation services under the plan for that State ap-
22 proved under section 101, including expenditures for the ad-
23 ministration of the State plan.

24 “(2)(A) The total of payments under paragraph (1)
25 to a State for a fiscal year may not exceed its allotment
26 under subsection (a) of section 110 for such year.

1 “(B) For fiscal year 1994 and each fiscal year there-
2 after, the amount otherwise payable to a State for a fiscal
3 year under this section shall be reduced by the amount by
4 which expenditures from non-Federal sources under the
5 State plan under this title for the previous fiscal year are
6 less than the total of such expenditures for the second fiscal
7 year preceding the previous fiscal year.

8 “(C) The Commissioner may waive or modify any re-
9 quirement or limitation under paragraphs (A) and (B) if
10 the Commissioner determines that a waiver or modification
11 is an equitable response to exceptional or uncontrollable cir-
12 cumstances affecting the State.

13 “(b) The method of computing and paying amounts
14 pursuant to subsection (a) shall be as follows:

15 “(1) The Commissioner shall, prior to the begin-
16 ning of each calendar quarter or other period pre-
17 scribed by the Commissioner, estimate the amount to
18 be paid to each State under the provisions of such
19 subsection for such period, such estimate to be based
20 on such records of the State and information fur-
21 nished by it, and such other investigation as the Com-
22 missioner may find necessary.

23 “(2) The Commissioner shall pay, from the allot-
24 ment available therefor, the amount so estimated by
25 the Commissioner for such period, reduced or in-

1 *creased, as the case may be, by any sum (not pre-*
2 *viously adjusted under this paragraph) by which the*
3 *Commissioner finds that the estimate of the amount*
4 *to be paid the State for any prior period under such*
5 *subsection was greater or less than the amount which*
6 *should have been paid to the State for such prior pe-*
7 *riod under such subsection. Such payment shall be*
8 *made prior to audit or settlement by the General Ac-*
9 *counting Office, shall be made through the disbursing*
10 *facilities of the Treasury Department, and shall be*
11 *made in such installments as the Commissioner may*
12 *determine.*

13 *“CLIENT ASSISTANCE PROGRAM*

14 *“SEC. 112. (a) From funds appropriated under sub-*
15 *section (h), the Secretary shall, in accordance with this sec-*
16 *tion, make grants to States to establish and carry out client*
17 *assistance programs to provide assistance in informing and*
18 *advising all clients and client applicants of all available*
19 *benefits under this Act, and, upon request of such clients*
20 *or client applicants, to assist and advocate for such clients*
21 *or applicants in their relationships with projects, programs,*
22 *and services provided under this Act, including assistance*
23 *and advocacy in pursuing legal, administrative, or other*
24 *appropriate remedies to ensure the protection of the rights*
25 *of such individuals under this Act and to facilitate access*
26 *to the services funded under this Act through individual*

1 *and systemic advocacy. The client assistance program shall*
2 *provide information on the available services and benefits*
3 *under this Act and title I of the Americans with Disabilities*
4 *Act of 1990 (42 U.S.C. 12111 et seq.) to individuals with*
5 *disabilities in the State, especially with regard to individ-*
6 *uals with disabilities who have traditionally been unserved*
7 *or underserved by vocational rehabilitation programs. In*
8 *providing assistance and advocacy under this subsection*
9 *with respect to services under this title, a client assistance*
10 *program may provide the assistance and advocacy with re-*
11 *spect to services that are directly related to facilitating the*
12 *employment of the individual.*

13 “(b) No State may receive payments from its allotment
14 under this Act in any fiscal year unless the State has in
15 effect not later than October 1, 1984, a client assistance pro-
16 gram which—

17 “(1) has the authority to pursue legal, adminis-
18 trative, and other appropriate remedies to ensure the
19 protection of rights of individuals with disabilities
20 who are receiving treatments, services, or rehabilita-
21 tion under this Act within the State; and

22 “(2) meets the requirements of designation under
23 subsection (c).

24 “(c)(1)(A) The Governor shall designate a public or
25 private agency to conduct the client assistance program

1 *under this section. Except as provided in the last sentence*
2 *of this subparagraph, the Governor shall designate an agen-*
3 *cy which is independent of any agency which provides*
4 *treatment, services, or rehabilitation to individuals under*
5 *this Act. If there is an agency in the State which has, or*
6 *had, prior to the date of enactment of the Rehabilitation*
7 *Amendments of 1984, served as a client assistance agency*
8 *under this section and which received Federal financial as-*
9 *sistance under this Act, the Governor may, in the initial*
10 *designation, designate an agency which provides treatment,*
11 *services, or rehabilitation to individuals with disabilities*
12 *under this Act.*

13 “(B)(i) *The Governor may not redesignate the agency*
14 *designated under subparagraph (A) without good cause and*
15 *unless—*

16 “(I) *the Governor has given the agency 30 days*
17 *notice of the intention to make such redesignation, in-*
18 *cluding specification of the good cause for such redesi-*
19 *gnation and an opportunity to respond to the asser-*
20 *tion that good cause has been shown;*

21 “(II) *individuals with disabilities or the individ-*
22 *uals’ representatives have timely notice of the redesi-*
23 *gnation and opportunity for public comment; and*

1 “(III) the agency has the opportunity to appeal
2 to the Commissioner on the basis that the redesigna-
3 tion was not for good cause.

4 “(ii) If, after the date of enactment of the Rehabilita-
5 tion Act Amendments of 1998—

6 “(I) a designated State agency undergoes any
7 change in the organizational structure of the agency
8 that results in the creation of 1 or more new State
9 agencies or departments or results in the merger of
10 the designated State agency with 1 or more other
11 State agencies or departments; and

12 “(II) an agency (including an office or other
13 unit) within the designated State agency was con-
14 ducting a client assistance program before the change
15 under the last sentence of subparagraph (A),

16 the Governor shall redesignate the agency conducting the
17 program. In conducting the redesignation, the Governor
18 shall designate to conduct the program an agency that is
19 independent of any agency that provides treatment, serv-
20 ices, or rehabilitation to individuals with disabilities under
21 this Act.

22 “(2) In carrying out the provisions of this section, the
23 Governor shall consult with the director of the State voca-
24 tional rehabilitation agency, the head of the developmental
25 disability protection and advocacy agency, and with rep-

1 *representatives of professional and consumer organizations*
2 *servicing individuals with disabilities in the State.*

3 “(3) *The agency designated under this subsection shall*
4 *be accountable for the proper use of funds made available*
5 *to the agency.*

6 “(d) *The agency designated under subsection (c) of this*
7 *section may not bring any class action in carrying out its*
8 *responsibilities under this section.*

9 “(e)(1)(A) *The Secretary shall allot the sums appro-*
10 *priated for each fiscal year under this section among the*
11 *States on the basis of relative population of each State, ex-*
12 *cept that no State shall receive less than \$50,000.*

13 “(B) *The Secretary shall allot \$30,000 each to Amer-*
14 *ican Samoa, Guam, the Virgin Islands, and the Common-*
15 *wealth of the Northern Mariana Islands.*

16 “(C) *For the purpose of this paragraph, the term*
17 *‘State’ does not include American Samoa, Guam, the Virgin*
18 *Islands, and the Commonwealth of the Northern Mariana*
19 *Islands.*

20 “(D)(i) *In any fiscal year that the funds appropriated*
21 *for such fiscal year exceed \$7,500,000, the minimum allot-*
22 *ment shall be \$100,000 for States and \$45,000 for terri-*
23 *tories.*

24 “(ii) *For any fiscal year in which the total amount*
25 *appropriated under subsection (h) exceeds the total amount*

1 *appropriated under such subsection for the preceding fiscal*
2 *year, the Secretary shall increase each of the minimum al-*
3 *lotments under clause (i) by a percentage that shall not ex-*
4 *ceed the percentage increase in the total amount appro-*
5 *priated under such subsection between the preceding fiscal*
6 *year and the fiscal year involved.*

7 “(2) *The amount of an allotment to a State for a fiscal*
8 *year which the Secretary determines will not be required*
9 *by the State during the period for which it is available for*
10 *the purpose for which allotted shall be available for reallocot-*
11 *ment by the Secretary at appropriate times to other States*
12 *with respect to which such a determination has not been*
13 *made, in proportion to the original allotments of such*
14 *States for such fiscal year, but with such proportionate*
15 *amount for any of such other States being reduced to the*
16 *extent it exceeds the sum the Secretary estimates such State*
17 *needs and will be able to use during such period, and the*
18 *total of such reduction shall be similarly reallocated among*
19 *the States whose proportionate amounts were not so re-*
20 *duced. Any such amount so reallocated to a State for a fiscal*
21 *year shall be deemed to be a part of its allotment for such*
22 *fiscal year.*

23 “(3) *Except as specifically prohibited by or as other-*
24 *wise provided in State law, the Secretary shall pay to the*

1 *agency designated under subsection (c) the amount specified*
2 *in the application approved under subsection (f).*

3 “(f) *No grant may be made under this section unless*
4 *the State submits an application to the Secretary at such*
5 *time, in such manner, and containing or accompanied by*
6 *such information as the Secretary deems necessary to meet*
7 *the requirements of this section.*

8 “(g) *The Secretary shall prescribe regulations applica-*
9 *ble to the client assistance program which shall include the*
10 *following requirements:*

11 “(1) *No employees of such programs shall, while*
12 *so employed, serve as staff or consultants of any reha-*
13 *ilitation project, program, or facility receiving as-*
14 *sistance under this Act in the State.*

15 “(2) *Each program shall be afforded reasonable*
16 *access to policymaking and administrative personnel*
17 *in the State and local rehabilitation programs,*
18 *projects, or facilities.*

19 “(3)(A) *Each program shall contain provisions*
20 *designed to assure that to the maximum extent pos-*
21 *sible alternative means of dispute resolution are*
22 *available for use at the discretion of an applicant or*
23 *client of the program prior to resorting to litigation*
24 *or formal adjudication to resolve a dispute arising*
25 *under this section.*

1 “(B) In subparagraph (A), the term ‘alternative
2 means of dispute resolution’ means any procedure, in-
3 cluding good faith negotiation, conciliation, facilita-
4 tion, mediation, factfinding, and arbitration, and
5 any combination of procedures, that is used in lieu of
6 litigation in a court or formal adjudication in an ad-
7 ministrative forum, to resolve a dispute arising under
8 this section.

9 “(4) For purposes of any periodic audit, report,
10 or evaluation of the performance of a client assistance
11 program under this section, the Secretary shall not
12 require such a program to disclose the identity of, or
13 any other personally identifiable information related
14 to, any individual requesting assistance under such
15 program.

16 “(h) There are authorized to be appropriated such
17 sums as may be necessary for fiscal years 1998 through
18 2004 to carry out the provisions of this section.

19 “PART C—AMERICAN INDIAN VOCATIONAL
20 REHABILITATION SERVICES

21 “VOCATIONAL REHABILITATION SERVICES GRANTS

22 “SEC. 121. (a) The Commissioner, in accordance with
23 the provisions of this part, may make grants to the govern-
24 ing bodies of Indian tribes located on Federal and State
25 reservations (and consortia of such governing bodies) to pay

1 90 percent of the costs of vocational rehabilitation services
2 for American Indians who are individuals with disabilities
3 residing on such reservations. The non-Federal share of such
4 costs may be in cash or in kind, fairly valued, and the Com-
5 missioner may waive such non-Federal share requirement
6 in order to carry out the purposes of this Act.

7 “(b)(1) No grant may be made under this part for any
8 fiscal year unless an application therefor has been submit-
9 ted to and approved by the Commissioner. The Commis-
10 sioner may not approve an application unless the applica-
11 tion—

12 “(A) is made at such time, in such manner, and
13 contains such information as the Commissioner may
14 require;

15 “(B) contains assurances that the rehabilitation
16 services provided under this part to American Indi-
17 ans who are individuals with disabilities residing on
18 a reservation in a State shall be, to the maximum ex-
19 tent feasible, comparable to rehabilitation services
20 provided under this title to other individuals with
21 disabilities residing in the State and that, where ap-
22 propriate, may include services traditionally used by
23 Indian tribes; and

1 “(C) contains assurances that the application
2 was developed in consultation with the designated
3 State unit of the State.

4 “(2) The provisions of sections 5, 6, 7, and 102(a) of
5 the Indian Self-Determination and Education Assistance
6 Act shall be applicable to any application submitted under
7 this part. For purposes of this paragraph, any reference in
8 any such provision to the Secretary of Education or to the
9 Secretary of the Interior shall be considered to be a reference
10 to the Commissioner.

11 “(3) Any application approved under this part shall
12 be effective for not more than 60 months, except as deter-
13 mined otherwise by the Commissioner pursuant to pre-
14 scribed regulations. The State shall continue to provide vo-
15 cational rehabilitation services under its State plan to
16 American Indians residing on a reservation whenever such
17 State includes any such American Indians in its State pop-
18 ulation under section 110(a)(1).

19 “(4) In making grants under this part, the Secretary
20 shall give priority consideration to applications for the con-
21 tinuation of programs which have been funded under this
22 part.

23 “(5) Nothing in this section may be construed to au-
24 thorize a separate service delivery system for Indian resi-
25 dents of a State who reside in non-reservation areas.

1 “(c) *The term ‘reservation’ includes Indian reserva-*
 2 *tions, public domain Indian allotments, former Indian res-*
 3 *ervations in Oklahoma, and land held by incorporated Na-*
 4 *tive groups, regional corporations, and village corporations*
 5 *under the provisions of the Alaska Native Claims Settlement*
 6 *Act.*

7 “PART D—VOCATIONAL REHABILITATION SERVICES

8 CLIENT INFORMATION

9 “SEC. 131. DATA SHARING.

10 “(a) *IN GENERAL.*—

11 “(1) *MEMORANDUM OF UNDERSTANDING.*—*The*
 12 *Secretary of Education and the Secretary of Health*
 13 *and Human Services shall enter into a memorandum*
 14 *of understanding for the purposes of exchanging data*
 15 *of mutual importance—*

16 “(A) *that concern clients of designated State*
 17 *agencies; and*

18 “(B) *that are data maintained either by—*

19 “(i) *the Rehabilitation Services Ad-*
 20 *ministration, as required by section 13; or*

21 “(ii) *the Social Security Administra-*
 22 *tion, from its Summary Earnings and*
 23 *Records and Master Beneficiary Records.*

24 “(2) *LABOR MARKET INFORMATION.*—*The Sec-*
 25 *retary of Labor shall provide the Commissioner with*

1 *labor market information that facilitates evaluation*
2 *by the Commissioner of the program carried out*
3 *under part B, and allows the Commissioner to com-*
4 *pare the progress of individuals with disabilities who*
5 *are assisted under the program in securing, retaining,*
6 *regaining, and advancing in employment with the*
7 *progress made by individuals who are assisted under*
8 *title III of the Workforce Investment Partnership Act*
9 *of 1998.*

10 “(b) *TREATMENT OF INFORMATION.*—*For purposes of*
11 *the exchange described in subsection (a)(1), the data de-*
12 *scribed in subsection (a)(1)(B)(ii) shall not be considered*
13 *return information (as defined in section 6103(b)(2) of the*
14 *Internal Revenue Code of 1986) and, as appropriate, the*
15 *confidentiality of all client information shall be maintained*
16 *by the Rehabilitation Services Administration and the So-*
17 *cial Security Administration.”.*

18 **SEC. 605. RESEARCH AND TRAINING.**

19 *Title II of the Rehabilitation Act of 1973 (29 U.S.C.*
20 *760 et seq.) is amended to read as follows:*

21 **“TITLE II—RESEARCH AND TRAINING**

22 **“DECLARATION OF PURPOSE**

23 **“SEC. 200.** *The purpose of this title is to—*

24 **“(1)** *provide for research, demonstration projects,*
25 *training, and related activities to maximize the full*

1 *inclusion and integration into society, employment,*
2 *independent living, family support, and economic*
3 *and social self-sufficiency of individuals with disabili-*
4 *ties of all ages, with particular emphasis on improv-*
5 *ing the effectiveness of services authorized under this*
6 *Act;*

7 “(2) *provide for a comprehensive and coordi-*
8 *nated approach to the support and conduct of such re-*
9 *search, demonstration projects, training, and related*
10 *activities and to ensure that the approach is in ac-*
11 *cordance with the 5-year plan developed under section*
12 *202(h);*

13 “(3) *promote the transfer of rehabilitation tech-*
14 *nology to individuals with disabilities through re-*
15 *search and demonstration projects relating to—*

16 “(A) *the procurement process for the pur-*
17 *chase of rehabilitation technology;*

18 “(B) *the utilization of rehabilitation tech-*
19 *nology on a national basis;*

20 “(C) *specific adaptations or customizations*
21 *of products to enable individuals with disabili-*
22 *ties to live more independently; and*

23 “(D) *the development or transfer of assistive*
24 *technology;*

1 “(4) ensure the widespread distribution, in usa-
2 ble formats, of practical scientific and technological
3 information—

4 “(A) generated by research, demonstration
5 projects, training, and related activities; and

6 “(B) regarding state-of-the-art practices,
7 improvements in the services authorized under
8 this Act, rehabilitation technology, and new
9 knowledge regarding disabilities,
10 to rehabilitation professionals, individuals with dis-
11 abilities, and other interested parties, including the
12 general public;

13 “(5) identify effective strategies that enhance the
14 opportunities of individuals with disabilities to en-
15 gage in employment, including employment involving
16 telecommuting and self-employment; and

17 “(6) increase opportunities for researchers who
18 are members of traditionally underserved populations,
19 including researchers who are members of minority
20 groups and researchers who are individuals with dis-
21 abilities.

22 “AUTHORIZATION OF APPROPRIATIONS

23 “SEC. 201. (a) There are authorized to be appro-
24 priated—

25 “(1) for the purpose of providing for the expenses
26 of the National Institute on Disability and Rehabili-

1 *tation Research under section 202, which shall in-*
2 *clude the expenses of the Rehabilitation Research Ad-*
3 *visory Council under section 205, and shall not in-*
4 *clude the expenses of such Institute to carry out sec-*
5 *tion 204, such sums as may be necessary for each of*
6 *fiscal years 1998 through 2004; and*

7 *“(2) to carry out section 204, such sums as may*
8 *be necessary for each of fiscal years 1998 through*
9 *2004.*

10 *“(b) Funds appropriated under this title shall remain*
11 *available until expended.*

12 *“NATIONAL INSTITUTE ON DISABILITY AND*
13 *REHABILITATION RESEARCH*

14 *“SEC. 202. (a)(1) There is established within the De-*
15 *partment of Education a National Institute on Disability*
16 *and Rehabilitation Research (hereinafter in this title re-*
17 *ferred to as the ‘Institute’), which shall be headed by a Di-*
18 *rector (hereinafter in this title referred to as the ‘Director’),*
19 *in order to—*

20 *“(A) promote, coordinate, and provide for—*

21 *“(i) research;*

22 *“(ii) demonstration projects and training;*

23 *and*

24 *“(iii) related activities,*

25 *with respect to individuals with disabilities;*

1 “(B) more effectively carry out activities through
2 the programs under section 204 and activities under
3 this section;

4 “(C) widely disseminate information from the
5 activities described in subparagraphs (A) and (B);
6 and

7 “(D) provide leadership in advancing the quality
8 of life of individuals with disabilities.

9 “(2) In the performance of the functions of the office,
10 the Director shall be directly responsible to the Secretary
11 or to the same Under Secretary or Assistant Secretary of
12 the Department of Education to whom the Commissioner
13 is responsible under section 3(a).

14 “(b) The Director, through the Institute, shall be re-
15 sponsible for—

16 “(1) administering the programs described in
17 section 204 and activities under this section;

18 “(2) widely disseminating findings, conclusions,
19 and recommendations, resulting from research, dem-
20 onstration projects, training, and related activities
21 (referred to in this title as ‘covered activities’) funded
22 by the Institute, to—

23 “(A) other Federal, State, tribal, and local
24 public agencies;

1 “(B) private organizations engaged in re-
2 search relating to rehabilitation or providing re-
3 habilitation services;

4 “(C) rehabilitation practitioners; and

5 “(D) individuals with disabilities and the
6 individuals’ representatives;

7 “(3) coordinating, through the Interagency Com-
8 mittee established by section 203 of this Act, all Fed-
9 eral programs and policies relating to research in re-
10 habilitation;

11 “(4) widely disseminating educational materials
12 and research results, concerning ways to maximize
13 the full inclusion and integration into society, em-
14 ployment, independent living, family support, and
15 economic and social self-sufficiency of individuals
16 with disabilities, to—

17 “(A) public and private entities, includ-
18 ing—

19 “(i) elementary and secondary schools
20 (as defined in section 14101 of the Elemen-
21 tary and Secondary Education Act of 1965;
22 and

23 “(ii) institutions of higher education;

24 “(B) rehabilitation practitioners;

1 “(C) *individuals with disabilities (espe-*
2 *cially such individuals who are members of mi-*
3 *nority groups or of populations that are*
4 *unserved or underserved by programs under this*
5 *Act); and*

6 “(D) *the individuals’ representatives for the*
7 *individuals described in subparagraph (C);*

8 “(5)(A) *conducting an education program to in-*
9 *form the public about ways of providing for the reha-*
10 *ilitation of individuals with disabilities, including*
11 *information relating to—*

12 “(i) *family care;*

13 “(ii) *self-care; and*

14 “(iii) *assistive technology devices and as-*
15 *sistive technology services; and*

16 “(B) *as part of the program, disseminating engi-*
17 *neering information about assistive technology de-*
18 *vices;*

19 “(6) *conducting conferences, seminars, and work-*
20 *shops (including in-service training programs and*
21 *programs for individuals with disabilities) concerning*
22 *advances in rehabilitation research and rehabilitation*
23 *technology (including advances concerning the selec-*
24 *tion and use of assistive technology devices and assist-*
25 *ive technology services), pertinent to the full inclusion*

1 *and integration into society, employment, independ-*
2 *ent living, family support, and economic and social*
3 *self-sufficiency of individuals with disabilities;*

4 *“(7) taking whatever action is necessary to keep*
5 *the Congress fully and currently informed with re-*
6 *spect to the implementation and conduct of programs*
7 *and activities carried out under this title, including*
8 *dissemination activities;*

9 *“(8) producing, in conjunction with the Depart-*
10 *ment of Labor, the National Center for Health Statis-*
11 *tics, the Bureau of the Census, the Health Care Fi-*
12 *nancing Administration, the Social Security Admin-*
13 *istration, the Bureau of Indian Affairs, the Indian*
14 *Health Service, and other Federal departments and*
15 *agencies, as may be appropriate, statistical reports*
16 *and studies on the employment, health, income, and*
17 *other demographic characteristics of individuals with*
18 *disabilities, including information on individuals*
19 *with disabilities who live in rural or inner-city set-*
20 *tings, with particular attention given to underserved*
21 *populations, and widely disseminating such reports*
22 *and studies to rehabilitation professionals, individ-*
23 *uals with disabilities, the individuals’ representatives,*
24 *and others to assist in the planning, assessment, and*

1 *evaluation of vocational and other rehabilitation serv-*
2 *ices for individuals with disabilities;*

3 *“(9) conducting research on consumer satisfac-*
4 *tion with vocational rehabilitation services for the*
5 *purpose of identifying effective rehabilitation pro-*
6 *grams and policies that promote the independence of*
7 *individuals with disabilities and achievement of long-*
8 *term vocational goals;*

9 *“(10) conducting research to examine the rela-*
10 *tionship between the provision of specific services and*
11 *successful, sustained employment outcomes, including*
12 *employment outcomes involving self-employment; and*

13 *“(11) coordinating activities with the Attorney*
14 *General regarding the provision of information,*
15 *training, or technical assistance regarding the Ameri-*
16 *cans with Disabilities Act of 1990 (42 U.S.C. 12101*
17 *et seq.) to ensure consistency with the plan for tech-*
18 *nical assistance required under section 506 of such*
19 *Act (42 U.S.C. 12206).*

20 *“(c)(1) The Director, acting through the Institute or*
21 *1 or more entities funded by the Institute, shall provide for*
22 *the development and dissemination of models to address*
23 *consumer-driven information needs related to assistive tech-*
24 *nology devices and assistive technology services.*

1 “(2) *The development and dissemination of models*
2 *may include—*

3 “(A) *convening groups of individuals with dis-*
4 *abilities, family members and advocates of such indi-*
5 *viduals, commercial producers of assistive technology,*
6 *and entities funded by the Institute to develop, assess,*
7 *and disseminate knowledge about information needs*
8 *related to assistive technology;*

9 “(B) *identifying the types of information regard-*
10 *ing assistive technology devices and assistive tech-*
11 *nology services that individuals with disabilities find*
12 *especially useful;*

13 “(C) *evaluating current models, and developing*
14 *new models, for transmitting the information de-*
15 *scribed in subparagraph (B) to consumers and to*
16 *commercial producers of assistive technology; and*

17 “(D) *disseminating through 1 or more entities*
18 *funded by the Institute, the models described in sub-*
19 *paragraph (C) and findings regarding the informa-*
20 *tion described in subparagraph (B) to consumers and*
21 *commercial producers of assistive technology.*

22 “(d)(1) *The Director of the Institute shall be appointed*
23 *by the Secretary. The Director shall be an individual with*
24 *substantial experience in rehabilitation and in research ad-*
25 *ministration. The Director shall be compensated at the rate*

1 payable for level V of the *Executive Schedule* under section
2 5316 of title 5, *United States Code*. The Director shall not
3 delegate any of his functions to any officer who is not di-
4 rectly responsible to the Director.

5 “(2) There shall be a *Deputy Director of the Institute*
6 (referred to in this section as the ‘*Deputy Director*’) who
7 shall be appointed by the *Secretary*. The *Deputy Director*
8 shall be an individual with substantial experience in reha-
9 bilitation and in research administration. The *Deputy Di-*
10 *rector* shall be compensated at the rate of pay for level 4
11 of the *Senior Executive Service Schedule* under section 5382
12 of title 5, *United States Code*, and shall act for the *Director*
13 during the absence of the *Director* or the inability of the
14 *Director* to perform the essential functions of the job, exer-
15 cising such powers as the *Director* may prescribe. In the
16 case of any vacancy in the office of the *Director*, the *Deputy*
17 *Director* shall serve as *Director* until a *Director* is ap-
18 pointed under paragraph (1). The position created by this
19 paragraph shall be a *Senior Executive Service* position, as
20 defined in section 3132 of title 5, *United States Code*.

21 “(3) The *Director*, subject to the approval of the *Presi-*
22 *dent*, may appoint, for terms not to exceed three years, with-
23 out regard to the provisions of title 5, *United States Code*,
24 governing appointment in the competitive service, and may
25 compensate, without regard to the provisions of chapter 51

1 *and subchapter III of chapter 53 of such title relating to*
2 *classification and General Schedule pay rates, such tech-*
3 *nical and professional employees of the Institute as the Di-*
4 *rector determines to be necessary to accomplish the func-*
5 *tions of the Institute and also appoint and compensate*
6 *without regard to such provisions, in a number not to ex-*
7 *ceed one-fifth of the number of full-time, regular technical*
8 *and professional employees of the Institute.*

9 “(4) *The Director may obtain the services of consult-*
10 *ants, without regard to the provisions of title 5, United*
11 *States Code, governing appointments in the competitive*
12 *service.*

13 “(e) *The Director, pursuant to regulations which the*
14 *Secretary shall prescribe, may establish and maintain fel-*
15 *lowships with such stipends and allowances, including trav-*
16 *el and subsistence expenses provided for under title 5,*
17 *United States Code, as the Director considers necessary to*
18 *procure the assistance of highly qualified research fellows,*
19 *including individuals with disabilities, from the United*
20 *States and foreign countries.*

21 “(f)(1) *The Director shall, pursuant to regulations that*
22 *the Secretary shall prescribe, provide for scientific peer re-*
23 *view of all applications for financial assistance for research,*
24 *training, and demonstration projects over which the Direc-*
25 *tor has authority. The Director shall provide for the review*

1 by utilizing, to the maximum extent possible, appropriate
2 peer review panels established within the Institute. The
3 panels shall be standing panels if the grant period involved
4 or the duration of the program involved is not more than
5 3 years. The panels shall be composed of individuals who
6 are not Federal employees, who are scientists or other ex-
7 perts in the rehabilitation field (including the independent
8 living field), including knowledgeable individuals with dis-
9 abilities, and the individuals' representatives, and who are
10 competent to review applications for the financial assist-
11 ance.

12 “(2) *The Federal Advisory Committee Act (5 U.S.C.*
13 *App.) shall not apply to the panels.*

14 “(3) *The Director shall solicit nominations for such*
15 *panels from the public and shall publish the names of the*
16 *individuals selected. Individuals comprising each panel*
17 *shall be selected from a pool of qualified individuals to fa-*
18 *cilitate knowledgeable, cost-effective review.*

19 “(4) *In providing for such scientific peer review, the*
20 *Secretary shall provide for training, as necessary and ap-*
21 *propriate, to facilitate the effective participation of those*
22 *individuals selected to participate in such review.*

23 “(g) *Not less than 90 percent of the funds appropriated*
24 *under this title for any fiscal year shall be expended by*
25 *the Director to carry out activities under this title through*

1 *grants, contracts, or cooperative agreements. Up to 10 per-*
2 *cent of the funds appropriated under this title for any fiscal*
3 *year may be expended directly for the purpose of carrying*
4 *out the functions of the Director under this section.*

5 *“(h)(1) The Director shall—*

6 *“(A) by October 1, 1998 and every fifth October*
7 *1 thereafter, prepare and publish in the Federal Reg-*
8 *ister for public comment a draft of a 5-year plan that*
9 *outlines priorities for rehabilitation research, dem-*
10 *onstration projects, training, and related activities*
11 *and explains the basis for such priorities;*

12 *“(B) by June 1, 1999, and every fifth June 1*
13 *thereafter, after considering public comments, submit*
14 *the plan in final form to the appropriate committees*
15 *of Congress;*

16 *“(C) at appropriate intervals, prepare and sub-*
17 *mit revisions in the plan to the appropriate commit-*
18 *tees of Congress; and*

19 *“(D) annually prepare and submit progress re-*
20 *ports on the plan to the appropriate committees of*
21 *Congress.*

22 *“(2) Such plan shall—*

23 *“(A) identify any covered activity that should be*
24 *conducted under this section and section 204 respect-*
25 *ing the full inclusion and integration into society of*

1 *individuals with disabilities, especially in the area of*
2 *employment;*

3 *“(B) determine the funding priorities for covered*
4 *activities to be conducted under this section and sec-*
5 *tion 204;*

6 *“(C) specify appropriate goals and timetables for*
7 *covered activities to be conducted under this section*
8 *and section 204;*

9 *“(D) be developed by the Director—*

10 *“(i) after consultation with the Rehabilita-*
11 *tion Research Advisory Council established under*
12 *section 205;*

13 *“(ii) in coordination with the Commis-*
14 *sioner;*

15 *“(iii) after consultation with the National*
16 *Council on Disability established under title IV,*
17 *the Secretary of Education, officials responsible*
18 *for the administration of the Developmental Dis-*
19 *abilities Assistance and Bill of Rights Act (42*
20 *U.S.C. 6000 et seq.), and the Interagency Com-*
21 *mittee on Disability Research established under*
22 *section 203; and*

23 *“(iv) after full consideration of the input of*
24 *individuals with disabilities and the individuals’*
25 *representatives, organizations representing indi-*

1 *viduals with disabilities, providers of services*
2 *furnished under this Act, researchers in the reha-*
3 *ilitation field, and any other persons or entities*
4 *the Director considers to be appropriate;*

5 *“(E) specify plans for widespread dissemination*
6 *of the results of covered activities, in accessible for-*
7 *mat, to rehabilitation practitioners, individuals with*
8 *disabilities, and the individuals’ representatives; and*

9 *“(F) specify plans for widespread dissemination*
10 *of the results of covered activities that concern indi-*
11 *viduals with disabilities who are members of minority*
12 *groups or of populations that are unserved or under-*
13 *served by programs carried out under this Act.*

14 *“(i) In order to promote cooperation among Federal*
15 *departments and agencies conducting research programs,*
16 *the Director shall consult with the administrators of such*
17 *programs, and with the Interagency Committee established*
18 *by section 203, regarding the design of research projects con-*
19 *ducted by such entities and the results and applications of*
20 *such research.*

21 *“(j)(1) The Director shall take appropriate actions to*
22 *provide for a comprehensive and coordinated research pro-*
23 *gram under this title. In providing such a program, the*
24 *Director may undertake joint activities with other Federal*
25 *entities engaged in research and with appropriate private*

1 *entities. Any Federal entity proposing to establish any re-*
2 *search project related to the purposes of this Act shall con-*
3 *sult, through the Interagency Committee established by sec-*
4 *tion 203, with the Director as Chairperson of such Commit-*
5 *tee and provide the Director with sufficient prior oppor-*
6 *tunity to comment on such project.*

7 “(2) Any person responsible for administering any
8 program of the National Institutes of Health, the Depart-
9 ment of Veterans Affairs, the National Science Foundation,
10 the National Aeronautics and Space Administration, the
11 Office of Special Education and Rehabilitative Services, or
12 of any other Federal entity, shall, through the Interagency
13 Committee established by section 203, consult and cooperate
14 with the Director in carrying out such program if the pro-
15 gram is related to the purposes of this title.

16 “(k) The Director shall make grants to institutions of
17 higher education for the training of rehabilitation research-
18 ers, including individuals with disabilities, with particular
19 attention to research areas that support the implementation
20 and objectives of this Act and that improve the effectiveness
21 of services authorized under this Act.

22 “INTERAGENCY COMMITTEE

23 “SEC. 203. (a)(1) In order to promote coordination
24 and cooperation among Federal departments and agencies
25 conducting rehabilitation research programs, there is estab-
26 lished within the Federal Government an Interagency Com-

1 *mittee on Disability Research (hereinafter in this section*
2 *referred to as the ‘Committee’), chaired by the Director and*
3 *comprised of such members as the President may designate,*
4 *including the following (or their designees): the Director,*
5 *the Commissioner of the Rehabilitation Services Adminis-*
6 *tration, the Assistant Secretary for Special Education and*
7 *Rehabilitative Services, the Secretary of Education, the Sec-*
8 *retary of Veterans Affairs, the Director of the National In-*
9 *stitutes of Health, the Director of the National Institute of*
10 *Mental Health, the Administrator of the National Aero-*
11 *navitics and Space Administration, the Secretary of Trans-*
12 *portation, the Assistant Secretary of the Interior for Indian*
13 *Affairs, the Director of the Indian Health Service, and the*
14 *Director of the National Science Foundation.*

15 “(2) *The Committee shall meet not less than four times*
16 *each year.*

17 “(b) *After receiving input from individuals with dis-*
18 *abilities and the individuals’ representatives, the Committee*
19 *shall identify, assess, and seek to coordinate all Federal pro-*
20 *grams, activities, and projects, and plans for such pro-*
21 *grams, activities, and projects with respect to the conduct*
22 *of research related to rehabilitation of individuals with dis-*
23 *abilities.*

24 “(c) *The Committee shall annually submit to the Presi-*
25 *dent and to the appropriate committees of the Congress a*

1 *report making such recommendations as the Committee*
2 *deems appropriate with respect to coordination of policy*
3 *and development of objectives and priorities for all Federal*
4 *programs relating to the conduct of research related to reha-*
5 *bilitation of individuals with disabilities.*

6 “RESEARCH AND OTHER COVERED ACTIVITIES

7 “SEC. 204. (a)(1) *To the extent consistent with prior-*
8 *ities established in the 5-year plan described in section*
9 *202(h), the Director may make grants to and contracts with*
10 *States and public or private agencies and organizations,*
11 *including institutions of higher education, Indian tribes,*
12 *and tribal organizations, to pay part of the cost of projects*
13 *for the purpose of planning and conducting research, dem-*
14 *onstration projects, training, and related activities, the pur-*
15 *poses of which are to develop methods, procedures, and reha-*
16 *bilitation technology, that maximize the full inclusion and*
17 *integration into society, employment, independent living,*
18 *family support, and economic and social self-sufficiency of*
19 *individuals with disabilities, especially individuals with*
20 *the most significant disabilities, and improve the effective-*
21 *ness of services authorized under this Act.*

22 “(2)(A) *In carrying out this section, the Director shall*
23 *emphasize projects that support the implementation of titles*
24 *I, III, V, VI, and VII, including projects addressing the*
25 *needs described in the State plans submitted under section*
26 *101 or 704 by State agencies.*

1 “(B) Such projects, as described in the State plans sub-
2 mitted by State agencies, may include—

3 “(i) medical and other scientific, technical, meth-
4 odological, and other investigations into the nature of
5 disability, methods of analyzing it, and restorative
6 techniques, including basic research where related to
7 rehabilitation techniques or services;

8 “(ii) studies and analysis of industrial, voca-
9 tional, social, recreational, psychiatric, psychological,
10 economic, and other factors affecting rehabilitation of
11 individuals with disabilities;

12 “(iii) studies and analysis of special problems of
13 individuals who are homebound and individuals who
14 are institutionalized;

15 “(iv) studies, analyses, and demonstrations of
16 architectural and engineering design adapted to meet
17 the special needs of individuals with disabilities;

18 “(v) studies, analyses, and other activities relat-
19 ed to supported employment;

20 “(vi) related activities which hold promise of in-
21 creasing knowledge and improving methods in the re-
22 habilitation of individuals with disabilities and indi-
23 viduals with the most significant disabilities, particu-
24 larly individuals with disabilities, and individuals
25 with the most significant disabilities, who are mem-

1 *bers of populations that are unserved or underserved*
2 *by programs under this Act; and*

3 *“(vii) studies, analyses, and other activities re-*
4 *lated to job accommodations, including the use of re-*
5 *habilitation engineering and assistive technology.*

6 *“(b)(1) In addition to carrying out projects under sub-*
7 *section (a), the Director may make grants under this sub-*
8 *section (referred to in this subsection as ‘research grants’)*
9 *to pay part or all of the cost of the research or other special-*
10 *ized covered activities described in paragraphs (2) through*
11 *(18). A research grant made under any of paragraphs (2)*
12 *through (18) may only be used in a manner consistent with*
13 *priorities established in the 5-year plan described in section*
14 *202(h).*

15 *“(2)(A) Research grants may be used for the establish-*
16 *ment and support of Rehabilitation Research and Training*
17 *Centers, for the purpose of providing an integrated program*
18 *of research, which Centers shall—*

19 *“(i) be operated in collaboration with institu-*
20 *tions of higher education or providers of rehabilita-*
21 *tion services or other appropriate services; and*

22 *“(ii) serve as centers of national excellence and*
23 *national or regional resources for providers and indi-*
24 *viduals with disabilities and the individuals’ rep-*
25 *resentatives.*

1 “(B) *The Centers shall conduct research and training*
2 *activities by—*

3 “(i) *conducting coordinated and advanced pro-*
4 *grams of research in rehabilitation targeted toward*
5 *the production of new knowledge that will improve re-*
6 *habilitation methodology and service delivery systems,*
7 *alleviate or stabilize disabling conditions, and pro-*
8 *mote maximum social and economic independence of*
9 *individuals with disabilities, especially promoting the*
10 *ability of the individuals to prepare for, secure, re-*
11 *tain, regain, or advance in employment;*

12 “(ii) *providing training (including graduate,*
13 *pre-service, and in-service training) to assist individ-*
14 *uals to more effectively provide rehabilitation services;*

15 “(iii) *providing training (including graduate,*
16 *pre-service, and in-service training) for rehabilitation*
17 *research personnel and other rehabilitation personnel;*
18 *and*

19 “(iv) *servicing as an informational and technical*
20 *assistance resource to providers, individuals with dis-*
21 *abilities, and the individuals’ representatives, through*
22 *conferences, workshops, public education programs,*
23 *in-service training programs, and similar activities.*

24 “(C) *The research to be carried out at each such Center*
25 *may include—*

1 “(i) basic or applied medical rehabilitation re-
2 search;

3 “(ii) research regarding the psychological and so-
4 cial aspects of rehabilitation, including disability pol-
5 icy;

6 “(iii) research related to vocational rehabilita-
7 tion;

8 “(iv) continuation of research that promotes the
9 emotional, social, educational, and functional growth
10 of children who are individuals with disabilities;

11 “(v) continuation of research to develop and
12 evaluate interventions, policies, and services that sup-
13 port families of those children and adults who are in-
14 dividuals with disabilities; and

15 “(vi) continuation of research that will improve
16 services and policies that foster the productivity, inde-
17 pendence, and social integration of individuals with
18 disabilities, and enable individuals with disabilities,
19 including individuals with mental retardation and
20 other developmental disabilities, to live in their com-
21 munities.

22 “(D) Training of students preparing to be rehabilita-
23 tion personnel shall be an important priority for such a
24 Center.

1 “(E) *The Director shall make grants under this para-*
2 *graph to establish and support both comprehensive centers*
3 *dealing with multiple disabilities and centers primarily fo-*
4 *cused on particular disabilities.*

5 “(F) *Grants made under this paragraph may be used*
6 *to provide funds for services rendered by such a Center to*
7 *individuals with disabilities in connection with the research*
8 *and training activities.*

9 “(G) *Grants made under this paragraph may be used*
10 *to provide faculty support for teaching—*

11 “(i) *rehabilitation-related courses of study for*
12 *credit; and*

13 “(ii) *other courses offered by the Centers, either*
14 *directly or through another entity.*

15 “(H) *The research and training activities conducted*
16 *by such a Center shall be conducted in a manner that is*
17 *accessible to and usable by individuals with disabilities.*

18 “(I) *The Director shall encourage the Centers to de-*
19 *velop practical applications for the findings of the research*
20 *of the Centers.*

21 “(J) *In awarding grants under this paragraph, the*
22 *Director shall take into consideration the location of any*
23 *proposed Center and the appropriate geographic and re-*
24 *gional allocation of such Centers.*

1 “(K) To be eligible to receive a grant under this para-
2 graph, each such institution or provider described in sub-
3 paragraph (A) shall—

4 “(i) be of sufficient size, scope, and quality to ef-
5 fectively carry out the activities in an efficient man-
6 ner consistent with appropriate State and Federal
7 law; and

8 “(ii) demonstrate the ability to carry out the
9 training activities either directly or through another
10 entity that can provide such training.

11 “(L) The Director shall make grants under this para-
12 graph for periods of 5 years, except that the Director may
13 make a grant for a period of less than 5 years if—

14 “(i) the grant is made to a new recipient; or

15 “(ii) the grant supports new or innovative re-
16 search.

17 “(M) Grants made under this paragraph shall be made
18 on a competitive basis. To be eligible to receive a grant
19 under this paragraph, a prospective grant recipient shall
20 submit an application to the Director at such time, in such
21 manner, and containing such information as the Director
22 may require.

23 “(N) In conducting scientific peer review under section
24 202(f) of an application for the renewal of a grant made
25 under this paragraph, the peer review panel shall take into

1 *account the past performance of the applicant in carrying*
2 *out the grant and input from individuals with disabilities*
3 *and the individuals' representatives.*

4 “(O) *An institution or provider that receives a grant*
5 *under this paragraph to establish such a Center may not*
6 *collect more than 15 percent of the amount of the grant re-*
7 *ceived by the Center in indirect cost charges.*

8 “(3)(A) *Research grants may be used for the establish-*
9 *ment and support of Rehabilitation Engineering Research*
10 *Centers, operated by or in collaboration with institutions*
11 *of higher education or nonprofit organizations, to conduct*
12 *research or demonstration activities, and training activi-*
13 *ties, regarding rehabilitation technology, including reha-*
14 *bilitation engineering, assistive technology devices, and as-*
15 *sistive technology services, for the purposes of enhancing op-*
16 *portunities for better meeting the needs of, and addressing*
17 *the barriers confronted by, individuals with disabilities in*
18 *all aspects of their lives.*

19 “(B) *In order to carry out the purposes set forth in*
20 *subparagraph (A), such a Center shall carry out the re-*
21 *search or demonstration activities by—*

22 “(i) *developing and disseminating innovative*
23 *methods of applying advanced technology, scientific*
24 *achievement, and psychological and social knowledge*
25 *to—*

1 “(I) solve rehabilitation problems and re-
2 move environmental barriers through planning
3 and conducting research, including cooperative
4 research with public or private agencies and or-
5 ganizations, designed to produce new scientific
6 knowledge, and new or improved methods, equip-
7 ment, and devices; and

8 “(II) study new or emerging technologies,
9 products, or environments, and the effectiveness
10 and benefits of such technologies, products, or en-
11 vironments;

12 “(ii) demonstrating and disseminating—

13 “(I) innovative models for the delivery, to
14 rural and urban areas, of cost-effective rehabili-
15 tation technology services that promote utiliza-
16 tion of assistive technology devices; and

17 “(II) other scientific research to assist in
18 meeting the employment and independent living
19 needs of individuals with significant disabilities;
20 or

21 “(iii) conducting research or demonstration ac-
22 tivities that facilitate service delivery systems change
23 by demonstrating, evaluating, documenting, and dis-
24 seminating—

1 “(I) consumer responsive and individual
2 and family-centered innovative models for the
3 delivery to both rural and urban areas, of inno-
4 vative cost-effective rehabilitation technology
5 services that promote utilization of rehabilitation
6 technology; and

7 “(II) other scientific research to assist in
8 meeting the employment and independent living
9 needs of, and addressing the barriers confronted
10 by, individuals with disabilities, including indi-
11 viduals with significant disabilities.

12 “(C) To the extent consistent with the nature and type
13 of research or demonstration activities described in sub-
14 paragraph (B), each Center established or supported
15 through a grant made available under this paragraph
16 shall—

17 “(i) cooperate with programs established under
18 the Technology-Related Assistance for Individuals
19 With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.)
20 and other regional and local programs to provide in-
21 formation to individuals with disabilities and the in-
22 dividuals’ representatives to—

23 “(I) increase awareness and understanding
24 of how rehabilitation technology can address
25 their needs; and

1 “(II) increase awareness and understanding
2 of the range of options, programs, services, and
3 resources available, including financing options
4 for the technology and services covered by the
5 area of focus of the Center;

6 “(ii) provide training opportunities to individ-
7 uals, including individuals with disabilities, to be-
8 come researchers of rehabilitation technology and
9 practitioners of rehabilitation technology in conjunc-
10 tion with institutions of higher education and non-
11 profit organizations; and

12 “(iii) respond, through research or demonstra-
13 tion activities, to the needs of individuals with all
14 types of disabilities who may benefit from the appli-
15 cation of technology within the area of focus of the
16 Center.

17 “(D)(i) In establishing Centers to conduct the research
18 or demonstration activities described in subparagraph
19 (B)(iii), the Director may establish one Center in each of
20 the following areas of focus:

21 “(I) Early childhood services, including early
22 intervention and family support.

23 “(II) Education at the elementary and secondary
24 levels, including transition from school to postschool
25 activities.

1 “(III) *Employment, including supported em-*
2 *ployment, and reasonable accommodations and the re-*
3 *duction of environmental barriers as required by the*
4 *Americans with Disabilities Act of 1990 (42 U.S.C.*
5 *12101 et seq.) and title V.*

6 “(IV) *Independent living, including transition*
7 *from institutional to community living, maintenance*
8 *of community living on leaving the work force, self-*
9 *help skills, and activities of daily living.*

10 “(i) *Each Center conducting the research or dem-*
11 *onstration activities described in subparagraph (B)(iii)*
12 *shall have an advisory committee, of which the majority*
13 *of members are individuals with disabilities who are users*
14 *of rehabilitation technology, and the individuals’ represent-*
15 *atives.*

16 “(E) *Grants made under this paragraph shall be made*
17 *on a competitive basis and shall be for a period of 5 years,*
18 *except that the Director may make a grant for a period*
19 *of less than 5 years if—*

20 “(i) *the grant is made to a new recipient; or*

21 “(ii) *the grant supports new or innovative re-*
22 *search.*

23 “(F) *To be eligible to receive a grant under this para-*
24 *graph, a prospective grant recipient shall submit an appli-*

1 cation to the Director at such time, in such manner, and
2 containing such information as the Director may require.

3 “(G) Each Center established or supported through a
4 grant made available under this paragraph shall—

5 “(i) cooperate with State agencies and other
6 local, State, regional, and national programs and or-
7 ganizations developing or delivering rehabilitation
8 technology, including State programs funded under
9 the Technology-Related Assistance for Individuals
10 With Disabilities Act of 1988 (29 U.S.C. 2201 et
11 seq.); and

12 “(ii) prepare and submit to the Director as part
13 of an application for continuation of a grant, or as
14 a final report, a report that documents the outcomes
15 of the program of the Center in terms of both short-
16 and long-term impact on the lives of individuals with
17 disabilities, and such other information as may be re-
18 quested by the Director.

19 “(4)(A) Research grants may be used to conduct a pro-
20 gram for spinal cord injury research, including conducting
21 such a program by making grants to public or private agen-
22 cies and organizations to pay part or all of the costs of
23 special projects and demonstration projects for spinal cord
24 injuries, that will—

1 “(i) ensure widespread dissemination of research
2 findings among all Spinal Cord Injury Centers, to re-
3 habilitation practitioners, individuals with spinal
4 cord injury, the individuals’ representatives, and or-
5 ganizations receiving financial assistance under this
6 paragraph;

7 “(ii) provide encouragement and support for ini-
8 tiatives and new approaches by individual and insti-
9 tutional investigators; and

10 “(iii) establish and maintain close working rela-
11 tionships with other governmental and voluntary in-
12 stitutions and organizations engaged in similar ef-
13 forts in order to unify and coordinate scientific ef-
14 forts, encourage joint planning, and promote the
15 interchange of data and reports among spinal cord
16 injury investigations.

17 “(B) Any agency or organization carrying out a
18 project or demonstration project assisted by a grant under
19 this paragraph that provides services to individuals with
20 spinal cord injuries shall—

21 “(i) establish, on an appropriate regional basis,
22 a multidisciplinary system of providing vocational
23 and other rehabilitation services, specifically designed
24 to meet the special needs of individuals with spinal

1 *cord injuries, including acute care as well as periodic*
2 *inpatient or outpatient followup and services;*

3 “(ii) *demonstrate and evaluate the benefits to in-*
4 *dividuals with spinal cord injuries served in, and the*
5 *degree of cost-effectiveness of, such a regional system;*

6 “(iii) *demonstrate and evaluate existing, new,*
7 *and improved methods and rehabilitation technology*
8 *essential to the care, management, and rehabilitation*
9 *of individuals with spinal cord injuries; and*

10 “(iv) *demonstrate and evaluate methods of com-*
11 *munity outreach for individuals with spinal cord in-*
12 *juries and community education in connection with*
13 *the problems of such individuals in areas such as*
14 *housing, transportation, recreation, employment, and*
15 *community activities.*

16 “(C) *In awarding grants under this paragraph, the*
17 *Director shall take into account the location of any pro-*
18 *posed Spinal Cord Injury Center and the appropriate geo-*
19 *graphic and regional allocation of such Centers.*

20 “(5) *Research grants may be used to conduct a pro-*
21 *gram for end-stage renal disease research, to include sup-*
22 *port of projects and demonstrations for providing special*
23 *services (including transplantation and dialysis), artificial*
24 *kidneys, and supplies necessary for the rehabilitation of in-*
25 *dividuals with such disease and which will—*

1 “(A) ensure dissemination of research findings;

2 “(B) provide encouragement and support for ini-
3 tiatives and new approaches by individuals and in-
4 stitutional investigators; and

5 “(C) establish and maintain close working rela-
6 tionships with other governmental and voluntary in-
7 stitutions and organizations engaged in similar ef-
8 forts,

9 in order to unify and coordinate scientific efforts, encourage
10 joint planning, and promote the interchange of data and
11 reports among investigators in the field of end-stage renal
12 disease. No person shall be selected to participate in such
13 program who is eligible for services for such disease under
14 any other provision of law.

15 “(6) Research grants may be used to conduct a pro-
16 gram for international rehabilitation research, demonstra-
17 tion, and training for the purpose of developing new knowl-
18 edge and methods in the rehabilitation of individuals with
19 disabilities in the United States, cooperating with and as-
20 sisting in developing and sharing information found useful
21 in other nations in the rehabilitation of individuals with
22 disabilities, and initiating a program to exchange experts
23 and technical assistance in the field of rehabilitation of in-
24 dividuals with disabilities with other nations as a means
25 of increasing the levels of skill of rehabilitation personnel.

1 “(7) Research grants may be used to conduct a re-
2 search program concerning the use of existing telecommuni-
3 cations systems (including telephone, television, satellite,
4 radio, and other similar systems) which have the potential
5 for substantially improving service delivery methods, and
6 the development of appropriate programming to meet the
7 particular needs of individuals with disabilities.

8 “(8) Research grants may be used to conduct a pro-
9 gram of joint projects with the National Institutes of
10 Health, the National Institute of Mental Health, the Health
11 Services Administration, the Administration on Aging, the
12 National Science Foundation, the Veterans’ Administra-
13 tion, the Department of Health and Human Services, the
14 National Aeronautics and Space Administration, other
15 Federal agencies, and private industry in areas of joint in-
16 terest involving rehabilitation.

17 “(9) Research grants may be used to conduct a pro-
18 gram of research related to the rehabilitation of children,
19 or older individuals, who are individuals with disabilities,
20 including older American Indians who are individuals with
21 disabilities. Such research program may include projects
22 designed to assist the adjustment of, or maintain as resi-
23 dents in the community, older workers who are individuals
24 with disabilities on leaving the work force.

1 “(10) Research grants may be used to conduct a re-
2 search program to develop and demonstrate innovative
3 methods to attract and retain professionals to serve in rural
4 areas in the rehabilitation of individuals with disabilities,
5 including individuals with significant disabilities.

6 “(11) Research grants may be used to conduct a model
7 research and demonstration project designed to assess the
8 feasibility of establishing a center for producing and dis-
9 tributing to individuals who are deaf or hard of hearing
10 captioned video cassettes providing a broad range of edu-
11 cational, cultural, scientific, and vocational programming.

12 “(12) Research grants may be used to conduct a model
13 research and demonstration program to develop innovative
14 methods of providing services for preschool age children who
15 are individuals with disabilities, including—

16 “(A) early intervention, assessment, parent coun-
17 seling, infant stimulation, early identification, diag-
18 nosis, and evaluation of children who are individuals
19 with significant disabilities up to the age of five, with
20 a special emphasis on children who are individuals
21 with significant disabilities up to the age of three;

22 “(B) such physical therapy, language develop-
23 ment, pediatric, nursing, psychological, and psy-
24 chiatric services as are necessary for such children;
25 and

1 “(C) appropriate services for the parents of such
2 children, including psychological and psychiatric
3 services, parent counseling, and training.

4 “(13) Research grants may be used to conduct a model
5 research and training program under which model training
6 centers shall be established to develop and use more ad-
7 vanced and effective methods of evaluating and addressing
8 the employment needs of individuals with disabilities, in-
9 cluding programs that—

10 “(A) provide training and continuing education
11 for personnel involved with the employment of indi-
12 viduals with disabilities;

13 “(B) develop model procedures for testing and
14 evaluating the employment needs of individuals with
15 disabilities;

16 “(C) develop model training programs to teach
17 individuals with disabilities skills which will lead to
18 appropriate employment;

19 “(D) develop new approaches for job placement
20 of individuals with disabilities, including new follow-
21 up procedures relating to such placement;

22 “(E) provide information services regarding edu-
23 cation, training, employment, and job placement for
24 individuals with disabilities; and

1 “(F) develop new approaches and provide infor-
2 mation regarding job accommodations, including the
3 use of rehabilitation engineering and assistive tech-
4 nology.

5 “(14) Research grants may be used to conduct a reha-
6 bilitation research program under which financial assist-
7 ance is provided in order to—

8 “(A) test new concepts and innovative ideas;

9 “(B) demonstrate research results of high poten-
10 tial benefits;

11 “(C) purchase prototype aids and devices for
12 evaluation;

13 “(D) develop unique rehabilitation training cur-
14 ricula; and

15 “(E) be responsive to special initiatives of the
16 Director.

17 No single grant under this paragraph may exceed \$50,000
18 in any fiscal year and all payments made under this para-
19 graph in any fiscal year may not exceed 5 percent of the
20 amount available for this section to the National Institute
21 on Disability and Rehabilitation Research in any fiscal
22 year. Regulations and administrative procedures with re-
23 spect to financial assistance under this paragraph shall, to
24 the maximum extent possible, be expedited.

1 “(15) *Research grants may be used to conduct studies*
2 *of the rehabilitation needs of American Indian populations*
3 *and of effective mechanisms for the delivery of rehabilita-*
4 *tion services to Indians residing on and off reservations.*

5 “(16) *Research grants may be used to conduct a dem-*
6 *onstration program under which one or more projects na-*
7 *tional in scope shall be established to develop procedures*
8 *to provide incentives for the development, manufacturing,*
9 *and marketing of orphan technological devices, including*
10 *technology transfer concerning such devices, designed to en-*
11 *able individuals with disabilities to achieve independence*
12 *and access to gainful employment.*

13 “(17)(A) *Research grants may be used to conduct a*
14 *research program related to quality assurance in the area*
15 *of rehabilitation technology.*

16 “(B) *Activities carried out under the research program*
17 *may include—*

18 “(i) *the development of methodologies to evaluate*
19 *rehabilitation technology products and services and*
20 *the dissemination of the methodologies to consumers*
21 *and other interested parties;*

22 “(ii) *identification of models for service provider*
23 *training and evaluation and certification of the effec-*
24 *tiveness of the models;*

1 “(iii) identification and dissemination of out-
2 come measurement models for the assessment of reha-
3 bilitation technology products and services; and

4 “(iv) development and testing of research-based
5 tools to enhance consumer decisionmaking about reha-
6 bilitation technology products and services.

7 “(C) The Director shall develop the quality assurance
8 research program after consultation with representatives of
9 all types of organizations interested in rehabilitation tech-
10 nology quality assurance.

11 “(18) Research grants may be used to provide for re-
12 search and demonstration projects and related activities
13 that explore the use and effectiveness of specific alternative
14 or complementary medical practices for individuals with
15 disabilities. Such projects and activities may include
16 projects and activities designed to—

17 “(A) determine the use of specific alternative or
18 complementary medical practices among individuals
19 with disabilities and the perceived effectiveness of the
20 practices;

21 “(B) determine the specific information sources,
22 decisionmaking methods, and methods of payment
23 used by individuals with disabilities who access alter-
24 native or complementary medical services;

1 “(C) *develop criteria to screen and assess the va-*
2 *lidity of research studies of such practices for individ-*
3 *uals with disabilities; and*

4 “(D) *determine the effectiveness of specific alter-*
5 *native or complementary medical practices that show*
6 *promise for promoting increased functioning, preven-*
7 *tion of secondary disabilities, or other positive out-*
8 *comes for individuals with certain types of disabil-*
9 *ities, by conducting controlled research studies.*

10 “(c)(1) *In carrying out evaluations of covered activi-*
11 *ties under this section, the Director is authorized to make*
12 *arrangements for site visits to obtain information on the*
13 *accomplishments of the projects.*

14 “(2) *The Director shall not make a grant under this*
15 *section that exceeds \$499,999 unless the peer review of the*
16 *grant application has included a site visit.*

17 “REHABILITATION RESEARCH ADVISORY COUNCIL

18 “SEC. 205. (a) *ESTABLISHMENT.—Subject to the*
19 *availability of appropriations, the Secretary shall establish*
20 *in the Department of Education a Rehabilitation Research*
21 *Advisory Council (referred to in this section as the ‘Coun-*
22 *cil’) composed of 12 members appointed by the Secretary.*

23 “(b) *DUTIES.—The Council shall advise the Director*
24 *with respect to research priorities and the development and*
25 *revision of the 5-year plan required by section 202(h).*

1 “(c) *QUALIFICATIONS.*—*Members of the Council shall*
2 *be generally representative of the community of rehabilita-*
3 *tion professionals, the community of rehabilitation re-*
4 *searchers, the community of individuals with disabilities,*
5 *and the individuals’ representatives. At least one-half of the*
6 *members shall be individuals with disabilities or the indi-*
7 *viduals’ representatives.*

8 “(d) *TERMS OF APPOINTMENT.*—

9 “(1) *LENGTH OF TERM.*—*Each member of the*
10 *Council shall serve for a term of up to 3 years, deter-*
11 *mined by the Secretary, except that—*

12 “(A) *a member appointed to fill a vacancy*
13 *occurring prior to the expiration of the term for*
14 *which a predecessor was appointed, shall be ap-*
15 *pointed for the remainder of such term; and*

16 “(B) *the terms of service of the members*
17 *initially appointed shall be (as specified by the*
18 *Secretary) for such fewer number of years as will*
19 *provide for the expiration of terms on a stag-*
20 *gered basis.*

21 “(2) *NUMBER OF TERMS.*—*No member of the*
22 *Council may serve more than two consecutive full*
23 *terms. Members may serve after the expiration of*
24 *their terms until their successors have taken office.*

1 “(e) *VACANCIES.*—*Any vacancy occurring in the mem-*
2 *bership of the Council shall be filled in the same manner*
3 *as the original appointment for the position being vacated.*
4 *The vacancy shall not affect the power of the remaining*
5 *members to execute the duties of the Council.*

6 “(f) *PAYMENT AND EXPENSES.*—

7 “(1) *PAYMENT.*—*Each member of the Council*
8 *who is not an officer or full-time employee of the Fed-*
9 *eral Government shall receive a payment of \$150 for*
10 *each day (including travel time) during which the*
11 *member is engaged in the performance of duties for*
12 *the Council. All members of the Council who are offi-*
13 *cers or full-time employees of the United States shall*
14 *serve without compensation in addition to compensa-*
15 *tion received for their services as officers or employees*
16 *of the United States.*

17 “(2) *TRAVEL EXPENSES.*—*Each member of the*
18 *Council may receive travel expenses, including per*
19 *diem in lieu of subsistence, as authorized by section*
20 *5703 of title 5, United States Code, for employees*
21 *serving intermittently in the Government service, for*
22 *each day the member is engaged in the performance*
23 *of duties away from the home or regular place of*
24 *business of the member.*

1 “(g) *DETAIL OF FEDERAL EMPLOYEES.*—On the re-
 2 quest of the Council, the Secretary may detail, with or with-
 3 out reimbursement, any of the personnel of the Department
 4 of Education to the Council to assist the Council in carry-
 5 ing out its duties. Any detail shall not interrupt or other-
 6 wise affect the civil service status or privileges of the Federal
 7 employee.

8 “(h) *TECHNICAL ASSISTANCE.*—On the request of the
 9 Council, the Secretary shall provide such technical assist-
 10 ance to the Council as the Council determines to be nec-
 11 essary to carry out its duties.

12 “(i) *TERMINATION.*—Section 14 of the Federal Advi-
 13 sory Committee Act (5 U.S.C. App.) shall not apply with
 14 respect to the Council.”.

15 **SEC. 606. PROFESSIONAL DEVELOPMENT AND SPECIAL**
 16 **PROJECTS AND DEMONSTRATIONS.**

17 *Title III of the Rehabilitation Act of 1973 (29 U.S.C.*
 18 *770 et seq.) is amended to read as follows:*

1 **“TITLE III—PROFESSIONAL DE-**
2 **VELOPMENT AND SPECIAL**
3 **PROJECTS AND DEMONSTRA-**
4 **TIONS**

5 **“SEC. 301. DECLARATION OF PURPOSE AND COMPETITIVE**
6 **BASIS OF GRANTS AND CONTRACTS.**

7 *“(a) PURPOSE.—It is the purpose of this title to au-*
8 *thorize grants and contracts to—*

9 *“(1)(A) provide academic training to ensure that*
10 *skilled personnel are available to provide rehabilita-*
11 *tion services to individuals with disabilities through*
12 *vocational, medical, social, and psychological reha-*
13 *bilitation programs (including supported employment*
14 *programs), through independent living services pro-*
15 *grams, and through client assistance programs; and*

16 *“(B) provide training to maintain and upgrade*
17 *basic skills and knowledge of personnel employed to*
18 *provide state-of-the-art service delivery and rehabili-*
19 *tation technology services;*

20 *“(2) conduct special projects and demonstrations*
21 *that expand and improve the provision of rehabilita-*
22 *tion and other services authorized under this Act, or*
23 *that otherwise further the purposes of this Act, includ-*
24 *ing related research and evaluation;*

1 “(3) provide vocational rehabilitation services to
2 individuals with disabilities who are migrant or sea-
3 sonal farmworkers;

4 “(4) initiate recreational programs to provide
5 recreational activities and related experiences for in-
6 dividuals with disabilities to aid such individuals in
7 employment, mobility, socialization, independence,
8 and community integration; and

9 “(5) provide training and information to indi-
10 viduals with disabilities and the individuals’ rep-
11 resentatives, and other appropriate parties to develop
12 the skills necessary for individuals with disabilities to
13 gain access to the rehabilitation system and workforce
14 investment system and to become active decision-
15 makers in the rehabilitation process.

16 “(b) *COMPETITIVE BASIS OF GRANTS AND CON-*
17 *TRACTS.*—The Secretary shall ensure that all grants and
18 contracts are awarded under this title on a competitive
19 basis.

20 **“SEC. 302. TRAINING.**

21 “(a) *GRANTS AND CONTRACTS FOR PERSONNEL*
22 *TRAINING.*—

23 “(1) *AUTHORITY.*—The Commissioner shall make
24 grants to, and enter into contracts with, States and
25 public or nonprofit agencies and organizations (in-

1 *cluding institutions of higher education) to pay part*
2 *of the cost of projects to provide training,*
3 *traineeships, and related activities, including the pro-*
4 *vision of technical assistance, that are designed to as-*
5 *ist in increasing the numbers of, and upgrading the*
6 *skills of, qualified personnel (especially rehabilitation*
7 *counselors) who are trained in providing vocational,*
8 *medical, social, and psychological rehabilitation serv-*
9 *ices, who are trained to assist individuals with com-*
10 *munication and related disorders, who are trained to*
11 *provide other services provided under this Act, to in-*
12 *dividuals with disabilities, and who may include—*

13 *“(A) personnel specifically trained in pro-*
14 *viding employment assistance to individuals*
15 *with disabilities through job development and job*
16 *placement services;*

17 *“(B) personnel specifically trained to iden-*
18 *tify, assess, and meet the individual rehabilita-*
19 *tion needs of individuals with disabilities, in-*
20 *cluding needs for rehabilitation technology;*

21 *“(C) personnel specifically trained to de-*
22 *liver services to individuals who may benefit*
23 *from receiving independent living services;*

24 *“(D) personnel specifically trained to de-*
25 *liver services in the client assistance programs;*

1 “(E) personnel specifically trained to de-
2 liver services, through supported employment
3 programs, to individuals with a most significant
4 disability;

5 “(F) personnel providing vocational reha-
6 bilitation services specifically trained in the use
7 of braille, the importance of braille literacy, and
8 in methods of teaching braille; and

9 “(G) personnel trained in performing other
10 functions necessary to the provision of voca-
11 tional, medical, social, and psychological reha-
12 bilitation services, and other services provided
13 under this Act.

14 “(2) *AUTHORITY TO PROVIDE SCHOLARSHIPS.*—
15 Grants and contracts under paragraph (1) may be ex-
16 pended for scholarships and may include necessary
17 stipends and allowances.

18 “(3) *RELATED FEDERAL STATUTES.*—*In carry-*
19 *ing out this subsection, the Commissioner may make*
20 *grants to and enter into contracts with States and*
21 *public or nonprofit agencies and organizations, in-*
22 *cluding institutions of higher education, to furnish*
23 *training regarding related Federal statutes (other*
24 *than this Act).*

1 “(4) *TRAINING FOR STATEWIDE WORKFORCE*
2 *SYSTEMS PERSONNEL.*—*The Commissioner may make*
3 *grants to and enter into contracts under this sub-*
4 *section with States and public or nonprofit agencies*
5 *and organizations, including institutions of higher*
6 *education, to furnish training to personnel providing*
7 *services to individuals with disabilities under the*
8 *Workforce Investment Partnership Act of 1998. Under*
9 *this paragraph, personnel may be trained—*

10 “(A) *in evaluative skills to determine*
11 *whether an individual with a disability may be*
12 *served by the State vocational rehabilitation pro-*
13 *gram or another component of the statewide*
14 *workforce investment system; or*

15 “(B) *to assist individuals with disabilities*
16 *seeking assistance through one-stop customer*
17 *service centers established under section 315 of*
18 *the Workforce Investment Partnership Act of*
19 *1998.*

20 “(5) *JOINT FUNDING.*—*Training and other ac-*
21 *tivities provided under paragraph (4) for personnel*
22 *may be jointly funded with the Department of Labor,*
23 *using funds made available under title III of the*
24 *Workforce Investment Partnership Act of 1998.*

1 “(b) *GRANTS AND CONTRACTS FOR ACADEMIC DE-*
2 *GREES AND ACADEMIC CERTIFICATE GRANTING TRAINING*
3 *PROJECTS.*—

4 “(1) *AUTHORITY.*—

5 “(A) *IN GENERAL.*—*The Commissioner may*
6 *make grants to, and enter into contracts with,*
7 *States and public or nonprofit agencies and or-*
8 *ganizations (including institutions of higher edu-*
9 *cation) to pay part of the costs of academic*
10 *training projects to provide training that leads*
11 *to an academic degree or academic certificate. In*
12 *making such grants or entering into such con-*
13 *tracts, the Commissioner shall target funds to*
14 *areas determined under subsection (e) to have*
15 *shortages of qualified personnel.*

16 “(B) *TYPES OF PROJECTS.*—*Academic*
17 *training projects described in this subsection*
18 *may include—*

19 “(i) *projects to train personnel in the*
20 *areas of vocational rehabilitation counsel-*
21 *ing, rehabilitation technology, rehabilitation*
22 *medicine, rehabilitation nursing, rehabilita-*
23 *tion social work, rehabilitation psychiatry,*
24 *rehabilitation psychology, rehabilitation*
25 *dentistry, physical therapy, occupational*

1 *therapy, speech pathology and audiology,*
2 *physical education, therapeutic recreation,*
3 *community rehabilitation programs, or*
4 *prosthetics and orthotics;*

5 “(ii) projects to train personnel to pro-
6 vide—

7 “(I) services to individuals with
8 specific disabilities or individuals with
9 disabilities who have specific impedi-
10 ments to rehabilitation, including indi-
11 viduals who are members of popu-
12 lations that are unserved or under-
13 served by programs under this Act;

14 “(II) job development and job
15 placement services to individuals with
16 disabilities;

17 “(III) supported employment serv-
18 ices, including services of employment
19 specialists for individuals with disabil-
20 ities;

21 “(IV) specialized services for indi-
22 viduals with significant disabilities; or

23 “(V) recreation for individuals
24 with disabilities;

1 “(iii) projects to train personnel in
2 other fields contributing to the rehabilita-
3 tion of individuals with disabilities; and

4 “(iv) projects to train personnel in the
5 use, applications, and benefits of rehabilita-
6 tion technology.

7 “(2) *APPLICATION.*—No grant shall be awarded
8 or contract entered into under this subsection unless
9 the applicant has submitted to the Commissioner an
10 application at such time, in such form, in accordance
11 with such procedures, and including such information
12 as the Secretary may require, including—

13 “(A) a description of how the designated
14 State unit or units will participate in the
15 project to be funded under the grant or contract,
16 including, as appropriate, participation on ad-
17 visory committees, as practicum sites, in cur-
18 riculum development, and in other ways so as to
19 build closer relationships between the applicant
20 and the designated State unit and to encourage
21 students to pursue careers in public vocational
22 rehabilitation programs;

23 “(B) the identification of potential employ-
24 ers that would meet the requirements of para-
25 graph (4)(A)(i); and

1 “(C) *an assurance that data on the employ-*
2 *ment of graduates or trainees who participate in*
3 *the project is accurate.*

4 “(3) *LIMITATION.—*

5 “(A) *IN GENERAL.—Except as provided in*
6 *subparagraph (B), no grant or contract under*
7 *this subsection may be used to provide any one*
8 *course of study to an individual for a period of*
9 *more than 4 years.*

10 “(B) *EXCEPTION.—If a grant or contract*
11 *recipient under this subsection determines that*
12 *an individual has a disability which seriously*
13 *affects the completion of training under this sub-*
14 *section, the grant or contract recipient may ex-*
15 *tend the period referred to in subparagraph (A).*

16 “(4) *REQUIRED AGREEMENTS.—*

17 “(A) *IN GENERAL.—A recipient of a grant*
18 *or contract under this subsection shall provide*
19 *assurances to the Commissioner that each indi-*
20 *vidual who receives a scholarship, for the first*
21 *academic year after the date of enactment of the*
22 *Rehabilitation Act Amendments of 1998, utiliz-*
23 *ing funds provided under such grant or contract*
24 *shall enter into an agreement with the recipient*
25 *under which the individual shall—*

1 “(i) maintain employment—

2 “(I) with an employer that is a
3 State rehabilitation or other agency or
4 organization (including a professional
5 corporation or practice group) that
6 provides services to individuals with
7 disabilities under this Act, or with an
8 institution of higher education or other
9 organization that conducts rehabilita-
10 tion education, training, or research
11 under this Act;

12 “(II) on a full- or part-time basis;
13 and

14 “(III) for a period of not less than
15 the full-time equivalent of 2 years for
16 each year for which assistance under
17 this subsection was received by the in-
18 dividual, within a period, beginning
19 after the recipient completes the train-
20 ing for which the scholarship was
21 awarded, of not more than the sum of
22 the number of years in the period de-
23 scribed in this subclause and 2 addi-
24 tional years;

1 “(ii) directly provide or administer
2 services, conduct research, or furnish train-
3 ing, funded under this Act; and

4 “(iii) repay all or part of the amount
5 of any scholarship received under the grant
6 or contract, plus interest, if the individual
7 does not fulfill the requirements of clauses
8 (i) and (ii), except that the Commissioner
9 may by regulation provide for repayment
10 exceptions and deferrals.

11 “(B) ENFORCEMENT.—The Commissioner
12 shall be responsible for the enforcement of each
13 agreement entered into under subparagraph (A)
14 upon the completion of the training involved
15 with respect to such agreement.

16 “(c) GRANTS TO HISTORICALLY BLACK COLLEGES AND
17 UNIVERSITIES.—The Commissioner, in carrying out this
18 section, shall make grants to historically Black colleges and
19 universities and other institutions of higher education
20 whose minority student enrollment is at least 50 percent
21 of the total enrollment of the institution.

22 “(d) APPLICATION.—A grant may not be awarded to
23 a State or other organization under this section unless the
24 State or organization has submitted an application to the
25 Commissioner at such time, in such form, in accordance

1 *with such procedures, and containing such information as*
2 *the Commissioner may require, including a detailed de-*
3 *scription of strategies that will be utilized to recruit and*
4 *train individuals so as to reflect the diverse populations of*
5 *the United States as part of the effort to increase the num-*
6 *ber of individuals with disabilities, and individuals who*
7 *are from linguistically and culturally diverse backgrounds,*
8 *who are available to provide rehabilitation services.*

9 “(e) *EVALUATION AND COLLECTION OF DATA.—The*
10 *Commissioner shall evaluate the impact of the training pro-*
11 *grams conducted under this section, and collect information*
12 *on the training needs of, and data on shortages of qualified*
13 *personnel necessary to provide services to individuals with*
14 *disabilities.*

15 “(f) *GRANTS FOR THE TRAINING OF INTERPRETERS.—*

16 “(1) *AUTHORITY.—*

17 “(A) *IN GENERAL.—For the purpose of*
18 *training a sufficient number of qualified inter-*
19 *preters to meet the communications needs of in-*
20 *dividuals who are deaf or hard of hearing, and*
21 *individuals who are deaf-blind, the Commis-*
22 *sioner, acting through a Federal office respon-*
23 *sible for deafness and communicative disorders,*
24 *may award grants to public or private nonprofit*

1 agencies or organizations to pay part of the
2 costs—

3 “(i) for the establishment of interpreter
4 training programs; or

5 “(ii) to enable such agencies or organi-
6 zations to provide financial assistance for
7 ongoing interpreter training programs.

8 “(B) *GEOGRAPHIC AREAS.*—The Commis-
9 sioner shall award grants under this subsection
10 for programs in geographic areas throughout the
11 United States that the Commissioner considers
12 appropriate to best carry out the objectives of
13 this section.

14 “(C) *PRIORITY.*—In awarding grants under
15 this subsection, the Commissioner shall give pri-
16 ority to public or private nonprofit agencies or
17 organizations with existing programs that have
18 a demonstrated capacity for providing inter-
19 preter training services.

20 “(D) *FUNDING.*—The Commissioner may
21 award grants under this subsection through the
22 use of—

23 “(i) amounts appropriated to carry
24 out this section; or

1 “(i) pursuant to an agreement with
2 the Director of the Office of the Special
3 Education Program (established under sec-
4 tion 603 of the Individuals with Disabilities
5 Education Act (as amended by section 101
6 of the Individuals with Disabilities Edu-
7 cation Act Amendments of 1997 (Public
8 Law 105–17))), amounts appropriated
9 under section 686 of the Individuals with
10 Disabilities Education Act.

11 “(2) APPLICATION.—A grant may not be award-
12 ed to an agency or organization under paragraph (1)
13 unless the agency or organization has submitted an
14 application to the Commissioner at such time, in such
15 form, in accordance with such procedures, and con-
16 taining such information as the Commissioner may
17 require, including—

18 “(A) a description of the manner in which
19 an interpreter training program will be devel-
20 oped and operated during the 5-year period fol-
21 lowing the date on which a grant is received by
22 the applicant under this subsection;

23 “(B) a demonstration of the applicant’s ca-
24 pacity or potential for providing training for in-

1 *terpreters for individuals who are deaf or hard*
2 *of hearing, and individuals who are deaf-blind;*

3 *“(C) assurances that any interpreter*
4 *trained or retrained under a program funded*
5 *under the grant will meet such minimum stand-*
6 *ards of competency as the Commissioner may es-*
7 *tablish for purposes of this subsection; and*

8 *“(D) such other information as the Commis-*
9 *sioner may require.*

10 *“(g) AUTHORIZATION OF APPROPRIATIONS.—There*
11 *are authorized to be appropriated to carry out this section*
12 *such sums as may be necessary for each of the fiscal years*
13 *1998 through 2004.*

14 *“(h) PROVISION OF INFORMATION.—The Commis-*
15 *sioner, subject to the provisions of section 306, may require*
16 *that recipients of grants or contracts under this section pro-*
17 *vide information, including data, with regard to the impact*
18 *of activities funded under this section.*

19 **“SEC. 303. SPECIAL DEMONSTRATION PROGRAM.**

20 *“(a) AUTHORITY.—The Commissioner, subject to the*
21 *provisions of section 306, may award grants or contracts*
22 *to eligible entities to pay all or part of the cost of programs*
23 *that expand and improve the provision of rehabilitation*
24 *and other services authorized under this Act or that further*

1 *the purposes of the Act, including related research and eval-*
2 *uation activities.*

3 “(b) *ELIGIBLE ENTITIES AND TERMS AND CONDI-*
4 *TIONS.—*

5 “(1) *ELIGIBLE ENTITIES.—To be eligible to re-*
6 *ceive a grant or contract under subsection (a), an en-*
7 *tity shall be a State vocational rehabilitation agency,*
8 *community rehabilitation program, Indian tribe or*
9 *tribal organization, or other public or nonprofit agen-*
10 *cy or organization, or as the Commissioner deter-*
11 *mines appropriate, a for-profit organization. The*
12 *Commissioner may limit competitions to 1 or more*
13 *types of organizations described in this paragraph.*

14 “(2) *TERMS AND CONDITIONS.—Awards under*
15 *this section shall contain such terms and conditions*
16 *as the Commissioner may require.*

17 “(c) *APPLICATION.—An eligible entity that desires to*
18 *receive an award under this section shall submit an appli-*
19 *cation to the Secretary at such time, in such form, and con-*
20 *taining such information and assurances as the Commis-*
21 *sioner may require, including, if the Commissioner deter-*
22 *mines appropriate, a description of how the proposed*
23 *project or demonstration program—*

24 “(1) *is based on current research findings, which*
25 *may include research conducted by the National In-*

1 *stitute on Disability and Rehabilitation Research, the*
2 *National Institutes of Health, and other public or*
3 *private organizations; and*

4 *“(2) is of national significance.*

5 *“(d) TYPES OF PROJECTS.—The programs that may*
6 *be funded under this section include—*

7 *“(1) special projects and demonstrations of serv-*
8 *ice delivery;*

9 *“(2) model demonstration projects;*

10 *“(3) technical assistance projects;*

11 *“(4) systems change projects;*

12 *“(5) special studies and evaluations; and*

13 *“(6) dissemination and utilization activities.*

14 *“(e) PRIORITY FOR COMPETITIONS.—*

15 *“(1) IN GENERAL.—In announcing competitions*
16 *for grants and contracts under this section, the Com-*
17 *missioner shall give priority consideration to—*

18 *“(A) projects to provide training, informa-*
19 *tion, and technical assistance that will enable*
20 *individuals with disabilities and the individuals’*
21 *representatives, to participate more effectively in*
22 *meeting the vocational, independent living, and*
23 *rehabilitation needs of the individuals with dis-*
24 *abilities;*

1 “(B) special projects and demonstration
2 programs of service delivery for adults who are
3 either low-functioning and deaf or low-function-
4 ing and hard of hearing;

5 “(C) innovative methods of promoting con-
6 sumer choice in the rehabilitation process;

7 “(D) supported employment, including com-
8 munity-based supported employment programs
9 to meet the needs of individuals with the most
10 significant disabilities or to provide technical as-
11 sistance to States and community organizations
12 to improve and expand the provision of sup-
13 ported employment services; and

14 “(E) model transitional planning services
15 for youths with disabilities.

16 “(2) ELIGIBILITY AND COORDINATION.—

17 “(A) ELIGIBILITY.—Eligible applicants for
18 grants and contracts under this section for
19 projects described in paragraph (1)(A) include—

20 “(i) Parent Training and Information
21 Centers funded under section 682 of the In-
22 dividuals with Disabilities Education Act
23 (as amended by section 101 of the Individ-
24 uals with Disabilities Education Act
25 Amendments of 1997 (Public Law 105–17));

1 “(ii) organizations that meet the defi-
2 nition of a parent organization in section
3 682 of such Act; and

4 “(iii) private nonprofit organizations
5 assisting parent training and information
6 centers.

7 “(B) COORDINATION.—Recipients of grants
8 and contracts under this section for projects de-
9 scribed in paragraph (1)(A) shall, to the extent
10 practicable, coordinate training and information
11 activities with Centers for Independent Living.

12 “(3) ADDITIONAL COMPETITIONS.—In announc-
13 ing competitions for grants and contracts under this
14 section, the Commissioner may require that appli-
15 cants address 1 or more of the following:

16 “(A) Age ranges.

17 “(B) Types of disabilities.

18 “(C) Types of services.

19 “(D) Models of service delivery.

20 “(E) Stage of the rehabilitation process.

21 “(F) The needs of—

22 “(i) underserved populations;

23 “(ii) unserved and underserved areas;

24 “(iii) individuals with significant dis-
25 abilities;

1 “(iv) *low-incidence disability popu-*
2 *lations; and*

3 “(v) *individuals residing in federally*
4 *designated empowerment zones and enter-*
5 *prise communities.*

6 “(G) *Expansion of employment opportuni-*
7 *ties for individuals with disabilities.*

8 “(H) *Systems change projects to promote*
9 *meaningful access of individuals with disabilities*
10 *to employment-related services under the Work-*
11 *force Investment Partnership Act of 1998 and*
12 *under other Federal laws.*

13 “(I) *Innovative methods of promoting the*
14 *achievement of high-quality employment out-*
15 *comes.*

16 “(J) *The demonstration of the effectiveness*
17 *of early intervention activities in improving em-*
18 *ployment outcomes.*

19 “(K) *Alternative methods of providing af-*
20 *fordable transportation services to individuals*
21 *with disabilities who are employed, seeking em-*
22 *ployment, or receiving vocational rehabilitation*
23 *services from public or private organizations and*
24 *who reside in geographic areas in which public*

1 *transportation or paratransit service is not*
2 *available.*

3 “(f) *USE OF FUNDS FOR CONTINUATION AWARDS.*—
4 *The Commissioner may use funds made available to carry*
5 *out this section for continuation awards for projects that*
6 *were funded under sections 12 and 311 (as such sections*
7 *were in effect on the day prior to the date of the enactment*
8 *of the Rehabilitation Act Amendments of 1998).*

9 “(g) *AUTHORIZATION OF APPROPRIATIONS.*—*There*
10 *are authorized to be appropriated to carry out this section*
11 *such sums as may be necessary for each of the fiscal years*
12 *1998 through 2004.*

13 **“SEC. 304. MIGRANT AND SEASONAL FARMWORKERS.**

14 “(a) *GRANTS.*—

15 “(1) *AUTHORITY.*—*The Commissioner, subject to*
16 *the provisions of section 306, may make grants to eli-*
17 *gible entities to pay up to 90 percent of the cost of*
18 *projects or demonstration programs for the provision*
19 *of vocational rehabilitation services to individuals*
20 *with disabilities who are migrant or seasonal farm-*
21 *workers, as determined in accordance with rules pre-*
22 *scribed by the Secretary of Labor, and to the family*
23 *members who are residing with such individuals*
24 *(whether or not such family members are individuals*
25 *with disabilities).*

1 “(2) *ELIGIBLE ENTITIES.*—*To be eligible to re-*
2 *ceive a grant under paragraph (1), an entity shall*
3 *be—*

4 “(A) *a State designated agency;*

5 “(B) *a nonprofit agency working in collabo-*
6 *ration with a State agency described in subpara-*
7 *graph (A); or*

8 “(C) *a local agency working in collabora-*
9 *tion with a State agency described in subpara-*
10 *graph (A).*

11 “(3) *MAINTENANCE AND TRANSPORTATION.*—

12 “(A) *IN GENERAL.*—*Amounts provided*
13 *under a grant under this section may be used to*
14 *provide for the maintenance of and transpor-*
15 *tation for individuals and family members de-*
16 *scribed in paragraph (1) as necessary for the re-*
17 *habilitation of such individuals.*

18 “(B) *REQUIREMENT.*—*Maintenance pay-*
19 *ments under this paragraph shall be provided in*
20 *a manner consistent with any maintenance pay-*
21 *ments provided to other individuals with disabil-*
22 *ities in the State under this Act.*

23 “(4) *ASSURANCE OF COOPERATION.*—*To be eligi-*
24 *ble to receive a grant under this section an entity*
25 *shall provide assurances (satisfactory to the Commis-*

1 sioner) that in the provision of services under the
2 grant there will be appropriate cooperation between
3 the grantee and other public or nonprofit agencies
4 and organizations having special skills and experi-
5 ence in the provision of services to migrant or sea-
6 sonal farmworkers or their families.

7 “(5) COORDINATION WITH OTHER PROGRAMS.—
8 The Commissioner shall administer this section in co-
9 ordination with other programs serving migrant and
10 seasonal farmworkers, including programs under title
11 I of the Elementary and Secondary Education Act of
12 1965 (20 U.S.C. 6301 et seq.), section 330 of the Pub-
13 lic Health Service Act (42 U.S.C. 254b), the Migrant
14 and Seasonal Agricultural Worker Protection Act (29
15 U.S.C. 1801 et seq.), and the Workforce Investment
16 Partnership Act of 1998.

17 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated such sums as may be nec-
19 essary to carry out this section, for each of the fiscal years
20 1998 through 2004.

21 **“SEC. 305. RECREATIONAL PROGRAMS.**

22 “(a) GRANTS.—

23 “(1) AUTHORITY.—

24 “(A) IN GENERAL.—The Commissioner, sub-
25 ject to the provisions of section 306, shall make

1 *grants to States, public agencies, and nonprofit*
2 *private organizations to pay the Federal share of*
3 *the cost of the establishment and operation of*
4 *recreation programs to provide individuals with*
5 *disabilities with recreational activities and relat-*
6 *ed experiences to aid in the employment, mobil-*
7 *ity, socialization, independence, and community*
8 *integration of such individuals.*

9 “(B) *RECREATION PROGRAMS.*—*The recre-*
10 *ation programs that may be funded using assist-*
11 *ance provided under a grant under this section*
12 *may include vocational skills development, lei-*
13 *sure education, leisure networking, leisure re-*
14 *source development, physical education and*
15 *sports, scouting and camping, 4-H activities,*
16 *music, dancing, handicrafts, art, and home-*
17 *making. When possible and appropriate, such*
18 *programs and activities should be provided in*
19 *settings with peers who are not individuals with*
20 *disabilities.*

21 “(C) *DESIGN OF PROGRAM.*—*Programs and*
22 *activities carried out under this section shall be*
23 *designed to demonstrate ways in which such pro-*
24 *grams assist in maximizing the independence*
25 *and integration of individuals with disabilities.*

1 “(2) *MAXIMUM TERM OF GRANT.*—A grant under
2 this section shall be made for a period of not more
3 than 3 years.

4 “(3) *AVAILABILITY OF NONGRANT RESOURCES.*—

5 “(A) *IN GENERAL.*—A grant may not be
6 made to an applicant under this section unless
7 the applicant provides assurances that, with re-
8 spect to costs of the recreation program to be car-
9 ried out under the grant, the applicant, to the
10 maximum extent practicable, will make available
11 non-Federal resources (in cash or in-kind) to
12 pay the non-Federal share of such costs.

13 “(B) *FEDERAL SHARE.*—The Federal share
14 of the costs of the recreation programs carried
15 out under this section shall be—

16 “(i) with respect to the first year in
17 which assistance is provided under a grant
18 under this section, 100 percent;

19 “(ii) with respect to the second year in
20 which assistance is provided under a grant
21 under this section, 75 percent; and

22 “(iii) with respect to the third year in
23 which assistance is provided under a grant
24 under this section, 50 percent.

1 “(4) *APPLICATION.*—*To be eligible to receive a*
2 *grant under this section, a State, agency, or organiza-*
3 *tion shall submit an application to the Commissioner*
4 *at such time, in such manner, and containing such*
5 *information as the Commissioner may require, in-*
6 *cluding a description of—*

7 “(A) *the manner in which the findings and*
8 *results of the project to be funded under the*
9 *grant, particularly information that facilitates*
10 *the replication of the results of such projects, will*
11 *be made generally available; and*

12 “(B) *the manner in which the service pro-*
13 *gram funded under the grant will be continued*
14 *after Federal assistance ends.*

15 “(5) *LEVEL OF SERVICES.*—*Recreation programs*
16 *funded under this section shall maintain, at a mini-*
17 *imum, the same level of services over a 3-year project*
18 *period.*

19 “(6) *REPORTS BY GRANTEES.*—

20 “(A) *REQUIREMENT.*—*The Commissioner*
21 *shall require that each recipient of a grant under*
22 *this section annually prepare and submit to the*
23 *Commissioner a report concerning the results of*
24 *the activities funded under the grant.*

1 *(hereinafter in this title referred to as the ‘National Coun-*
2 *cil’), which shall be composed of fifteen members appointed*
3 *by the President, by and with the advice and consent of*
4 *the Senate.*

5 “(B) *The President shall select members of the Na-*
6 *tional Council after soliciting recommendations from rep-*
7 *resentatives of—*

8 “(i) *organizations representing a broad range of*
9 *individuals with disabilities; and*

10 “(ii) *organizations interested in individuals with*
11 *disabilities.*

12 “(C) *The members of the National Council shall be in-*
13 *dividuals with disabilities, parents or guardians of individ-*
14 *uals with disabilities, or other individuals who have sub-*
15 *stantial knowledge or experience relating to disability pol-*
16 *icy or programs. The members of the National Council shall*
17 *be appointed so as to be representative of individuals with*
18 *disabilities, national organizations concerned with individ-*
19 *uals with disabilities, providers and administrators of serv-*
20 *ices to individuals with disabilities, individuals engaged in*
21 *conducting medical or scientific research relating to indi-*
22 *viduals with disabilities, business concerns, and labor orga-*
23 *nizations. A majority of the members of the National Coun-*
24 *cil shall be individuals with disabilities. The members of*

1 *the National Council shall be broadly representative of mi-*
2 *nority and other individuals and groups.*

3 “(2) *The purpose of the National Council is to promote*
4 *policies, programs, practices, and procedures that—*

5 “(A) *guarantee equal opportunity for all indi-*
6 *viduals with disabilities, regardless of the nature or*
7 *severity of the disability; and*

8 “(B) *empower individuals with disabilities to*
9 *achieve economic self-sufficiency, independent living,*
10 *and inclusion and integration into all aspects of soci-*
11 *ety.*

12 “(b)(1) *Each member of the National Council shall*
13 *serve for a term of 3 years, except that the terms of service*
14 *of the members initially appointed after the date of enact-*
15 *ment of the Rehabilitation, Comprehensive Services, and*
16 *Developmental Disabilities Amendments of 1978 shall be*
17 *(as specified by the President) for such fewer number of*
18 *years as will provide for the expiration of terms on a stag-*
19 *gered basis.*

20 “(2)(A) *No member of the National Council may serve*
21 *more than two consecutive full terms beginning on the date*
22 *of commencement of the first full term on the Council. Mem-*
23 *bers may serve after the expiration of their terms until their*
24 *successors have taken office.*

1 “(B) As used in this paragraph, the term ‘full term’
2 means a term of 3 years.

3 “(3) Any member appointed to fill a vacancy occur-
4 ring before the expiration of the term for which such mem-
5 ber’s predecessor was appointed shall be appointed only for
6 the remainder of such term.

7 “(c) The President shall designate the Chairperson
8 from among the members appointed to the National Coun-
9 cil. The National Council shall meet at the call of the Chair-
10 person, but not less often than four times each year.

11 “(d) Eight members of the National Council shall con-
12 stitute a quorum and any vacancy in the National Council
13 shall not affect its power to function.

14 “DUTIES OF NATIONAL COUNCIL

15 “SEC. 401. (a) The National Council shall—

16 “(1) provide advice to the Director with respect
17 to the policies and conduct of the National Institute
18 on Disability and Rehabilitation Research, including
19 ways to improve research concerning individuals with
20 disabilities and the methods of collecting and dissemi-
21 nating findings of such research;

22 “(2) provide advice to the Commissioner with re-
23 spect to the policies of and conduct of the Rehabilita-
24 tion Services Administration;

25 “(3) advise the President, the Congress, the Com-
26 missioner, the appropriate Assistant Secretary of the

1 *Department of Education, and the Director of the Na-*
2 *tional Institute on Disability and Rehabilitation Re-*
3 *search on the development of the programs to be car-*
4 *ried out under this Act;*

5 *“(4) provide advice regarding priorities for the*
6 *activities of the Interagency Disability Coordinating*
7 *Council and review the recommendations of such*
8 *Council for legislative and administrative changes to*
9 *ensure that such recommendations are consistent with*
10 *the purposes of the Council to promote the full inte-*
11 *gration, independence, and productivity of individ-*
12 *uals with disabilities;*

13 *“(5) review and evaluate on a continuing*
14 *basis—*

15 *“(A) policies, programs, practices, and pro-*
16 *cedures concerning individuals with disabilities*
17 *conducted or assisted by Federal departments*
18 *and agencies, including programs established or*
19 *assisted under this Act or under the Develop-*
20 *mental Disabilities Assistance and Bill of Rights*
21 *Act; and*

22 *“(B) all statutes and regulations pertaining*
23 *to Federal programs which assist such individ-*
24 *uals with disabilities;*

1 *in order to assess the effectiveness of such policies,*
2 *programs, practices, procedures, statutes, and regula-*
3 *tions in meeting the needs of individuals with disabili-*
4 *ties;*

5 “(6) assess the extent to which such policies, pro-
6 *grams, practices, and procedures facilitate or impede*
7 *the promotion of the policies set forth in subpara-*
8 *graphs (A) and (B) of section 400(a)(2);*

9 “(7) gather information about the implementa-
10 *tion, effectiveness, and impact of the Americans with*
11 *Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);*

12 “(8) make recommendations to the President, the
13 *Congress, the Secretary, the Director of the National*
14 *Institute on Disability and Rehabilitation Research,*
15 *and other officials of Federal agencies or other Fed-*
16 *eral entities, respecting ways to better promote the*
17 *policies set forth in section 400(a)(2);*

18 “(9) provide to the Congress on a continuing
19 *basis advice, recommendations, legislative proposals,*
20 *and any additional information that the National*
21 *Council or the Congress deems appropriate; and*

22 “(10) review and evaluate on a continuing basis
23 *new and emerging disability policy issues affecting*
24 *individuals with disabilities at the international,*
25 *Federal, State, and local levels, and in the private*

1 sector, including the need for and coordination of
2 adult services, access to personal assistance services,
3 school reform efforts and the impact of such efforts on
4 individuals with disabilities, access to health care,
5 and policies that operate as disincentives for the indi-
6 viduals to seek and retain employment.

7 “(b)(1) Not later than July 26, 1998, and annually
8 thereafter, the National Council shall prepare and submit
9 to the President and the appropriate committees of the Con-
10 gress a report entitled ‘National Disability Policy: A
11 Progress Report’.

12 “(2) The report shall assess the status of the Nation
13 in achieving the policies set forth in section 400(a)(2), with
14 particular focus on the new and emerging issues impacting
15 on the lives of individuals with disabilities. The report shall
16 present, as appropriate, available data on health, housing,
17 employment, insurance, transportation, recreation, train-
18 ing, prevention, early intervention, and education. The re-
19 port shall include recommendations for policy change.

20 “(3) In determining the issues to focus on and the find-
21 ings, conclusions, and recommendations to include in the
22 report, the National Council shall seek input from the pub-
23 lic, particularly individuals with disabilities, representa-
24 tives of organizations representing a broad range of indi-

1 *viduals with disabilities, and organizations and agencies*
2 *interested in individuals with disabilities.*

3 “COMPENSATION OF NATIONAL COUNCIL MEMBERS

4 “SEC. 402. (a) *Members of the National Council shall*
5 *be entitled to receive compensation at a rate equal to the*
6 *rate of pay for level 4 of the Senior Executive Service Sched-*
7 *ule under section 5382 of title 5, United States Code, in-*
8 *cluding travel time, for each day they are engaged in the*
9 *performance of their duties as members of the National*
10 *Council.*

11 “(b) *Members of the National Council who are full-*
12 *time officers or employees of the United States shall receive*
13 *no additional pay on account of their service on the Na-*
14 *tional Council except for compensation for travel expenses*
15 *as provided under subsection (c) of this section.*

16 “(c) *While away from their homes or regular places*
17 *of business in the performance of services for the National*
18 *Council, members of the National Council shall be allowed*
19 *travel expenses, including per diem in lieu of subsistence,*
20 *in the same manner as persons employed intermittently in*
21 *the Government service are allowed expenses under section*
22 *5703 of title 5, United States Code.*

23 “STAFF OF NATIONAL COUNCIL

24 “SEC. 403. (a)(1) *The Chairperson of the National*
25 *Council may appoint and remove, without regard to the*
26 *provisions of title 5, United States Code, governing ap-*

1 *pointments, the provisions of chapter 75 of such title (relat-*
2 *ing to adverse actions), the provisions of chapter 77 of such*
3 *title (relating to appeals), or the provisions of chapter 51*
4 *and subchapter III of chapter 53 of such title (relating to*
5 *classification and General Schedule pay rates), an Execu-*
6 *tive Director to assist the National Council to carry out*
7 *its duties. The Executive Director shall be appointed from*
8 *among individuals who are experienced in the planning or*
9 *operation of programs for individuals with disabilities.*

10 “(2) *The Executive Director is authorized to hire tech-*
11 *nical and professional employees to assist the National*
12 *Council to carry out its duties.*

13 “(b)(1) *The National Council may procure temporary*
14 *and intermittent services to the same extent as is authorized*
15 *by section 3109(b) of title 5, United States Code (but at*
16 *rates for individuals not to exceed the daily equivalent of*
17 *the rate of pay for level 4 of the Senior Executive Service*
18 *Schedule under section 5382 of title 5, United States Code).*

19 “(2) *The National Council may—*

20 “(A) *accept voluntary and uncompensated serv-*
21 *ices, notwithstanding the provisions of section 1342 of*
22 *title 31, United States Code;*

23 “(B) *in the name of the Council, solicit, accept,*
24 *employ, and dispose of, in furtherance of this Act,*
25 *any money or property, real or personal, or mixed,*

1 *tangible or nontangible, received by gift, devise, be-*
2 *quest, or otherwise; and*

3 *“(C) enter into contracts and cooperative agree-*
4 *ments with Federal and State agencies, private firms,*
5 *institutions, and individuals for the conduct of re-*
6 *search and surveys, preparation of reports and other*
7 *activities necessary to the discharge of the Council’s*
8 *duties and responsibilities.*

9 *“(3) Not more than 10 per centum of the total amounts*
10 *available to the National Council in each fiscal year may*
11 *be used for official representation and reception.*

12 *“(c) The Administrator of General Services shall pro-*
13 *vide to the National Council on a reimbursable basis such*
14 *administrative support services as the Council may request.*

15 *“(d)(1) It shall be the duty of the Secretary of the*
16 *Treasury to invest such portion of the amounts made avail-*
17 *able under subsection (a)(2)(B) as is not, in the Secretary’s*
18 *judgment, required to meet current withdrawals. Such in-*
19 *vestments may be made only in interest-bearing obligations*
20 *of the United States or in obligations guaranteed as to both*
21 *principal and interest by the United States.*

22 *“(2) The amounts described in paragraph (1), and the*
23 *interest on, and the proceeds from the sale or redemption*
24 *of, the obligations described in paragraph (1) shall be avail-*
25 *able to the National Council to carry out this title.*

1 “ADMINISTRATIVE POWERS OF NATIONAL COUNCIL

2 “SEC. 404. (a) *The National Council may prescribe*
3 *such bylaws and rules as may be necessary to carry out*
4 *its duties under this title.*

5 “(b) *The National Council may hold such hearings, sit*
6 *and act at such times and places, take such testimony, and*
7 *receive such evidence as it deems advisable.*

8 “(c) *The National Council may appoint advisory com-*
9 *mittees to assist the National Council in carrying out its*
10 *duties. The members thereof shall serve without compensa-*
11 *tion.*

12 “(d) *The National Council may use the United States*
13 *mails in the same manner and upon the same conditions*
14 *as other departments and agencies of the United States.*

15 “(e) *The National Council may use, with the consent*
16 *of the agencies represented on the Interagency Disability*
17 *Coordinating Council, and as authorized in title V, such*
18 *services, personnel, information, and facilities as may be*
19 *needed to carry out its duties under this title, with or with-*
20 *out reimbursement to such agencies.*

21 “AUTHORIZATION OF APPROPRIATIONS

22 “SEC. 405. *There are authorized to be appropriated*
23 *to carry out this title such sums as may be necessary for*
24 *each of the fiscal years 1998 through 2004.”*

1 **SEC. 608. RIGHTS AND ADVOCACY.**

2 (a) *CONFORMING AMENDMENTS TO RIGHTS AND ADVO-*
3 *CACY PROVISIONS.—*

4 (1) *EMPLOYMENT.—Section 501 (29 U.S.C. 791)*
5 *is amended—*

6 (A) *in the third sentence of subsection (a),*
7 *by striking “President’s Committees on Employ-*
8 *ment of the Handicapped” and inserting “Presi-*
9 *dent’s Committees on Employment of People*
10 *With Disabilities”; and*

11 (B) *in subsection (e), by striking “individ-*
12 *ualized written rehabilitation program” and in-*
13 *serting “individualized rehabilitation employ-*
14 *ment plan”.*

15 (2) *ACCESS BOARD.—Section 502 (29 U.S.C.*
16 *792) is amended—*

17 (A) *in subsection (a)(1), in the sentence fol-*
18 *lowing subparagraph (B), by striking “Chair-*
19 *person” and inserting “chairperson”;*

20 (B) *in subsection (b)—*

21 (i) *in paragraph (9), by striking “;*
22 *and” and inserting a semicolon;*

23 (ii) *in paragraph (10), by striking the*
24 *period and inserting “; and”;* and

25 (iii) *by adding at the end the follow-*
26 *ing:*

1 “(11) carry out the responsibilities specified for
2 *the Access Board in section 508*”;

3 (C) in subsection (d)(2)(A), by inserting be-
4 *fore the semicolon the following: “and section*
5 *508(d)(2)(C)”*;

6 (D) in subsection (g)(2), by striking “*Com-*
7 *mittee on Education and Labor*” and inserting
8 *“Committee on Education and the Workforce”*;
9 *and*

10 (E) in subsection (i), by striking “*fiscal*
11 *years 1993 through 1997*” and inserting “*fiscal*
12 *years 1998 through 2004*”.

13 (3) *FEDERAL GRANTS AND CONTRACTS.*—Section
14 504(a) (29 U.S.C. 794(a)) is amended in the first sen-
15 *tence by striking “section 7(8)” and inserting “section*
16 *7(20)”*.

17 (4) *SECRETARIAL RESPONSIBILITIES.*—Section
18 506(a) (29 U.S.C. 794b(a)) is amended—

19 (A) by striking the second sentence and in-
20 *serting the following: “Any concurrence of the*
21 *Access Board under paragraph (2) shall reflect*
22 *its consideration of cost studies carried out by*
23 *States.”*; and

1 (B) in the second sentence of subsection (c),
2 by striking “provided under this paragraph”
3 and inserting “provided under this subsection”.

4 (b) *ELECTRONIC AND INFORMATION TECHNOLOGY*
5 *REGULATIONS.*—Section 508 (29 U.S.C. 794d) is amended
6 to read as follows:

7 **“SEC. 508. ELECTRONIC AND INFORMATION TECHNOLOGY.**

8 “(a) *REQUIREMENTS FOR FEDERAL DEPARTMENTS*
9 *AND AGENCIES.*—

10 “(1) *ACCESSIBILITY.*—Each Federal department
11 or agency shall procure, maintain, and use (unless
12 such procurement, maintenance, or use is not prac-
13 ticable) electronic and information technology that al-
14 lows, regardless of the type of medium of the tech-
15 nology, individuals with disabilities to have access to
16 and use information and data that is comparable to
17 the information and data that is accessible to and
18 used by individuals who are not individuals with dis-
19 abilities.

20 “(2) *ELECTRONIC AND INFORMATION TECH-*
21 *NOLOGY STANDARDS.*—

22 “(A) *IN GENERAL.*—Not later than 18
23 months after the date of enactment of the Reha-
24 bilitation Act Amendments of 1998, the Architec-
25 tural and Transportation Barriers Compliance

1 *Board (referred to in this section as the ‘Access*
2 *Board’), after consultation with the Secretary of*
3 *Education, the Administrator of General Serv-*
4 *ices, the Director of the Office of Management*
5 *and Budget, the Secretary of Commerce, the*
6 *Chairman of the Federal Communications Com-*
7 *mission, and the head of any other Federal de-*
8 *partment or agency that the Access Board deter-*
9 *mines to be appropriate, including consultation*
10 *on relevant research findings, and after consulta-*
11 *tion with the electronic and information tech-*
12 *nology industry and appropriate public or non-*
13 *profit agencies or organizations, shall issue and*
14 *publish standards setting forth—*

15 *“(i) for purposes of this section, a defi-*
16 *inition of electronic and information tech-*
17 *nology that is consistent with the definition*
18 *of information technology in section 5002 of*
19 *the Clinger-Cohen Act of 1996 (Public Law*
20 *104–106; 110 Stat. 679); and*

21 *“(ii) the technical and functional per-*
22 *formance criteria necessary to implement*
23 *the requirements set forth in paragraph (1).*

24 *“(B) REVIEW AND AMENDMENT.—The Ac-*
25 *cess Board shall periodically review and, as ap-*

1 *appropriate, amend the standards required under*
2 *subparagraph (A) to reflect technological ad-*
3 *vances or changes in electronic and information*
4 *technology.*

5 “(3) *INCORPORATION OF STANDARDS.*—*Not later*
6 *than 6 months after the Access Board publishes the*
7 *standards required under paragraph (2), the Federal*
8 *Acquisition Regulatory Council shall revise the Fed-*
9 *eral Acquisition Regulation and each Federal depart-*
10 *ment or agency shall revise the Federal procurement*
11 *policies and directives under the control of the depart-*
12 *ment or agency to incorporate those standards.*

13 “(b) *TECHNICAL ASSISTANCE.*—*The Administrator of*
14 *General Services and the Access Board shall provide tech-*
15 *nical assistance to individuals and Federal departments*
16 *and agencies concerning the requirements of this section.*

17 “(c) *AGENCY EVALUATIONS.*—*Not later than 6 months*
18 *after the date of enactment of the Rehabilitation Act*
19 *Amendments of 1998, the head of each Federal department*
20 *or agency shall evaluate the extent to which the electronic*
21 *and information technology of the department or agency is*
22 *accessible to individuals with disabilities, and submit a re-*
23 *port containing the evaluation to the Attorney General.*

24 “(d) *REPORTS.*—

1 “(1) *INTERIM REPORT.*—Not later than 18
2 *months after the date of enactment of the Rehabilita-*
3 *tion Act Amendments of 1998, the Attorney General*
4 *shall prepare and submit to the President a report*
5 *containing information on and recommendations re-*
6 *garding the state of electronic and information tech-*
7 *nology accessibility in the Federal Government for in-*
8 *dividuals with disabilities.*

9 “(2) *BIENNIAL REPORTS.*—Not later than 3
10 *years after the date of enactment of the Rehabilitation*
11 *Act Amendments of 1998, and every 2 years there-*
12 *after, the Attorney General shall prepare and submit*
13 *to the President and Congress a report containing in-*
14 *formation on and recommendations regarding the*
15 *state of Federal department and agency compliance*
16 *with the requirements of this section, including ac-*
17 *tions regarding individual complaints under sub-*
18 *section (f).*

19 “(e) *COOPERATION.*—Each head of a Federal depart-
20 *ment or agency (including the Access Board, the Equal Em-*
21 *ployment Opportunity Commission, and the General Serv-*
22 *ices Administration) shall provide the Attorney General*
23 *with such information as the Attorney General determines*
24 *is necessary to conduct the evaluations under subsection (c)*
25 *and prepare the reports under subsection (d).*

1 “(f) *ENFORCEMENT.*—

2 “(1) *GENERAL.*—*Any individual with a disabili-*
3 *ty, including a Federal employee or a person served*
4 *by a Federal agency, may file a complaint alleging*
5 *that a procurement action initiated after the date de-*
6 *scribed in paragraph (4) fails to comply with sub-*
7 *section (a)(1).*

8 “(2) *ADMINISTRATIVE COMPLAINTS.*—*Complaints*
9 *filed under paragraph (1) shall be filed with the Fed-*
10 *eral department or agency alleged to be in noncompli-*
11 *ance. The Federal department or agency receiving the*
12 *complaint shall apply the complaint procedures estab-*
13 *lished to implement section 504 for resolving allega-*
14 *tions of discrimination in a federally conducted pro-*
15 *gram or activity.*

16 “(3) *CIVIL ACTIONS.*—*The remedies, procedures,*
17 *and rights set forth in sections 505(a)(2) and 505(b)*
18 *shall be the remedies, procedures, and rights available*
19 *to any individual alleging that a procurement action*
20 *initiated after the date described in paragraph (4)*
21 *fails to comply with subsection (a)(1).*

22 “(4) *APPLICATION.*—*This subsection shall apply*
23 *to Federal departments and agencies on the date of*
24 *publication of the standards issued pursuant to sub-*
25 *section (a)(2)(A).*

1 “(g) *RELATIONSHIP TO OTHER FEDERAL LAWS.*—
2 *This section shall not be construed to limit any right, rem-*
3 *edy, or procedure otherwise available under any provision*
4 *of Federal law (including sections 501 through 505) that*
5 *provides greater or equal protection for the rights of indi-*
6 *viduals with disabilities than this section.”.*

7 (c) *PROTECTION AND ADVOCACY OF INDIVIDUAL*
8 *RIGHTS.*—Section 509 (29 U.S.C. 794e) is amended to read
9 as follows:

10 **“SEC. 509. PROTECTION AND ADVOCACY OF INDIVIDUAL**
11 **RIGHTS.**

12 “(a) *PURPOSE.*—*The purpose of this section is to sup-*
13 *port a system in each State to protect the legal and human*
14 *rights of individuals with disabilities who—*

15 “(1) *need services that are beyond the scope of*
16 *services authorized to be provided by the client assist-*
17 *ance program under section 112; and*

18 “(2) *are ineligible for protection and advocacy*
19 *programs under part C of the Developmental Disabil-*
20 *ities Assistance and Bill of Rights Act (42 U.S.C.*
21 *6041 et seq.) because the individuals do not have a de-*
22 *velopmental disability, as defined in section 102 of*
23 *such Act (42 U.S.C. 6002) and the Protection and*
24 *Advocacy for Mentally Ill Individuals Act of 1986 (42*
25 *U.S.C. 10801 et seq.) because the individuals are not*

1 *individuals with mental illness, as defined in section*
2 *102 of such Act (42 U.S.C. 10802).*

3 “(b) *APPROPRIATIONS LESS THAN \$5,500,000.—For*
4 *any fiscal year in which the amount appropriated to carry*
5 *out this section is less than \$5,500,000, the Commissioner*
6 *may make grants from such amount to eligible systems*
7 *within States to plan for, develop outreach strategies for,*
8 *and carry out protection and advocacy programs author-*
9 *ized under this section for individuals with disabilities who*
10 *meet the requirements of paragraphs (1) and (2) of sub-*
11 *section (a).*

12 “(c) *APPROPRIATIONS OF \$5,500,000 OR MORE.—*

13 “(1) *RESERVATIONS.—*

14 “(A) *TECHNICAL ASSISTANCE.—For any*
15 *fiscal year in which the amount appropriated to*
16 *carry out this section equals or exceeds*
17 *\$5,500,000, the Commissioner shall set aside not*
18 *less than 1.8 percent and not more than 2.2 per-*
19 *cent of the amount to provide training and tech-*
20 *nical assistance to the systems established under*
21 *this section.*

22 “(B) *GRANT FOR THE ELIGIBLE SYSTEM*
23 *SERVING THE AMERICAN INDIAN CONSORTIUM.—*
24 *For any fiscal year in which the amount appro-*
25 *priated to carry out this section equals or exceeds*

1 \$10,500,000, the Commissioner shall reserve a
2 portion, and use the portion to make a grant for
3 the eligible system serving the American Indian
4 consortium. The Commission shall make the
5 grant in an amount of not less than \$50,000 for
6 the fiscal year.

7 “(2) ALLOTMENTS.—For any such fiscal year,
8 after the reservations required by paragraph (1) have
9 been made, the Commissioner shall make allotments
10 from the remainder of such amount in accordance
11 with paragraph (3) to eligible systems within States
12 to enable such systems to carry out protection and ad-
13 vocacy programs authorized under this section for
14 such individuals.

15 “(3) SYSTEMS WITHIN STATES.—

16 “(A) POPULATION BASIS.—Except as pro-
17 vided in subparagraph (B), from such remainder
18 for each such fiscal year, the Commissioner shall
19 make an allotment to the eligible system within
20 a State of an amount bearing the same ratio to
21 such remainder as the population of the State
22 bears to the population of all States.

23 “(B) MINIMUMS.—Subject to the availabil-
24 ity of appropriations to carry out this section,
25 and except as provided in paragraph (4), the al-

1 *lotment to any system under subparagraph (A)*
2 *shall be not less than \$100,000 or one-third of*
3 *one percent of the remainder for the fiscal year*
4 *for which the allotment is made, whichever is*
5 *greater, and the allotment to any system under*
6 *this section for any fiscal year that is less than*
7 *\$100,000 or one-third of one percent of such re-*
8 *mainder shall be increased to the greater of the*
9 *two amounts.*

10 *“(4) SYSTEMS WITHIN OTHER JURISDICTIONS.—*

11 *“(A) IN GENERAL.—For the purposes of*
12 *paragraph (3)(B), Guam, American Samoa, the*
13 *United States Virgin Islands, and the Common-*
14 *wealth of the Northern Mariana Islands shall not*
15 *be considered to be States.*

16 *“(B) ALLOTMENT.—The eligible system*
17 *within a jurisdiction described in subparagraph*
18 *(A) shall be allotted under paragraph (3)(A) not*
19 *less than \$50,000 for the fiscal year for which the*
20 *allotment is made.*

21 *“(5) ADJUSTMENT FOR INFLATION.—For any fis-*
22 *cal year, beginning in fiscal year 1999, in which the*
23 *total amount appropriated to carry out this section*
24 *exceeds the total amount appropriated to carry out*
25 *this section for the preceding fiscal year, the Commis-*

1 *sioner shall increase each of the minimum grants or*
2 *allotments under paragraphs (1)(B), (3)(B), and*
3 *(4)(B) by a percentage that shall not exceed the per-*
4 *centage increase in the total amount appropriated to*
5 *carry out this section between the preceding fiscal*
6 *year and the fiscal year involved.*

7 *“(d) PROPORTIONAL REDUCTION.—To provide mini-*
8 *imum allotments to systems within States (as increased*
9 *under subsection (c)(5)) under subsection (c)(3)(B), or to*
10 *provide minimum allotments to systems within States (as*
11 *increased under subsection (c)(5)) under subsection*
12 *(c)(4)(B), the Commissioner shall proportionately reduce*
13 *the allotments of the remaining systems within States under*
14 *subsection (c)(3), with such adjustments as may be nec-*
15 *essary to prevent the allotment of any such remaining sys-*
16 *tem within a State from being reduced to less than the min-*
17 *imum allotment for a system within a State (as increased*
18 *under subsection (c)(5)) under subsection (c)(3)(B), or the*
19 *minimum allotment for a State (as increased under sub-*
20 *section (c)(5)) under subsection (c)(4)(B), as appropriate.*

21 *“(e) REALLOTMENT.—Whenever the Commissioner de-*
22 *termines that any amount of an allotment to a system with-*
23 *in a State for any fiscal year described in subsection (c)(1)*
24 *will not be expended by such system in carrying out the*
25 *provisions of this section, the Commissioner shall make such*

1 amount available for carrying out the provisions of this sec-
2 tion to one or more of the systems that the Commissioner
3 determines will be able to use additional amounts during
4 such year for carrying out such provisions. Any amount
5 made available to a system for any fiscal year pursuant
6 to the preceding sentence shall, for the purposes of this sec-
7 tion, be regarded as an increase in the allotment of the sys-
8 tem (as determined under the preceding provisions of this
9 section) for such year.

10 “(f) APPLICATION.—In order to receive assistance
11 under this section, an eligible system shall submit an appli-
12 cation to the Commissioner, at such time, in such form and
13 manner, and containing such information and assurances
14 as the Commissioner determines necessary to meet the re-
15 quirements of this section, including assurances that the eli-
16 gible system will—

17 “(1) have in effect a system to protect and advo-
18 cate the rights of individuals with disabilities;

19 “(2) have the same general authorities, including
20 access to records and program income, as are set forth
21 in part C of the Developmental Disabilities Assistance
22 and Bill of Rights Act (42 U.S.C. 6041 et seq.);

23 “(3) have the authority to pursue legal, adminis-
24 trative, and other appropriate remedies or approaches
25 to ensure the protection of, and advocacy for, the

1 *rights of such individuals within the State or the*
2 *American Indian consortium who are individuals de-*
3 *scribed in subsection (a);*

4 *“(4) provide information on and make referrals*
5 *to programs and services addressing the needs of indi-*
6 *viduals with disabilities in the State or the American*
7 *Indian consortium;*

8 *“(5) develop a statement of objectives and prior-*
9 *ities on an annual basis, and provide to the public,*
10 *including individuals with disabilities and, as appro-*
11 *priate, the individuals’ representatives, an oppor-*
12 *tunity to comment on the objectives and priorities es-*
13 *tablished by, and activities of, the system including—*

14 *“(A) the objectives and priorities for the ac-*
15 *tivities of the system for each year and the ra-*
16 *tionale for the establishment of such objectives*
17 *and priorities; and*

18 *“(B) the coordination of programs provided*
19 *through the system under this section with the*
20 *advocacy programs of the client assistance pro-*
21 *gram under section 112, the State long-term care*
22 *ombudsman program established under the Older*
23 *Americans Act of 1965 (42 U.S.C. 3001 et seq.),*
24 *the Developmental Disabilities Assistance and*
25 *Bill of Rights Act (42 U.S.C. 6000 et seq.), and*

1 *the Protection and Advocacy for Mentally Ill In-*
2 *dividuals Act of 1986 (42 U.S.C. 10801 et seq.);*

3 “(6) *establish a grievance procedure for clients or*
4 *prospective clients of the system to ensure that indi-*
5 *viduals with disabilities are afforded equal oppor-*
6 *tunity to access the services of the system;*

7 “(7) *provide assurances to the Commissioner*
8 *that funds made available under this section will be*
9 *used to supplement and not supplant the non-Federal*
10 *funds that would otherwise be made available for the*
11 *purpose for which Federal funds are provided; and*

12 “(8) *not use allotments or grants provided under*
13 *this section in a manner inconsistent with section 5*
14 *of the Assisted Suicide Funding Restriction Act of*
15 *1997.*

16 “(g) *CARRYOVER AND DIRECT PAYMENT.—*

17 “(1) *DIRECT PAYMENT.—Notwithstanding any*
18 *other provision of law, the Commissioner shall pay*
19 *directly to any system that complies with the provi-*
20 *sions of this section, the amount of the allotment of*
21 *the State or the grant for the eligible system that*
22 *serves the American Indian consortium involved*
23 *under this section, unless the State or American In-*
24 *divian consortium provides otherwise.*

1 “(2) *CARRYOVER.*—Any amount paid to an eli-
2 gible system that serves a State or American Indian
3 consortium for a fiscal year that remains unobligated
4 at the end of such year shall remain available to such
5 system that serves the State or American Indian con-
6 sortium for obligation during the next fiscal year for
7 the purposes for which such amount was paid.

8 “(h) *LIMITATION ON DISCLOSURE REQUIREMENTS.*—
9 For purposes of any audit, report, or evaluation of the per-
10 formance of the program established under this section, the
11 Commissioner shall not require such a program to disclose
12 the identity of, or any other personally identifiable infor-
13 mation related to, any individual requesting assistance
14 under such program.

15 “(i) *ADMINISTRATIVE COST.*—In any State in which
16 an eligible system is located within a State agency, a State
17 may use a portion of any allotment under subsection (c)
18 for the cost of the administration of the system required
19 by this section. Such portion may not exceed 5 percent of
20 the allotment.

21 “(j) *DELEGATION.*—The Commissioner may delegate
22 the administration of this program to the Commissioner of
23 the Administration on Developmental Disabilities within
24 the Department of Health and Human Services.

1 “(k) *REPORT.*—*The Commissioner shall annually pre-*
2 *pare and submit to the Committee on Education and the*
3 *Workforce of the House of Representatives and the Commit-*
4 *tee on Labor and Human Resources of the Senate a report*
5 *describing the types of services and activities being under-*
6 *taken by programs funded under this section, the total num-*
7 *ber of individuals served under this section, the types of*
8 *disabilities represented by such individuals, and the types*
9 *of issues being addressed on behalf of such individuals.*

10 “(l) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
11 *authorized to be appropriated to carry out this section such*
12 *sums as may be necessary for each of the fiscal years 1998*
13 *through 2004.*

14 “(m) *DEFINITIONS.*—*As used in this section:*

15 “(1) *ELIGIBLE SYSTEM.*—*The term ‘eligible sys-*
16 *tem’ means a protection and advocacy system that is*
17 *established under part C of the Developmental Dis-*
18 *abilities Assistance and Bill of Rights Act (42 U.S.C.*
19 *6041 et seq.) and that meets the requirements of sub-*
20 *section (f).*

21 “(2) *AMERICAN INDIAN CONSORTIUM.*—*The term*
22 *‘American Indian consortium’ means a consortium*
23 *established as described in section 142 of the Develop-*
24 *mental Disabilities Assistance and Bill of Rights Act*
25 *(42 U.S.C. 6042).”.*

1 **SEC. 609. EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS**
2 **WITH DISABILITIES.**

3 *Title VI of the Rehabilitation Act of 1973 (29 U.S.C.*
4 *795 et seq.) is amended to read as follows:*

5 **“TITLE VI—EMPLOYMENT OP-**
6 **PORTUNITIES FOR INDIVID-**
7 **UALS WITH DISABILITIES**

8 **“SEC. 601. SHORT TITLE.**

9 *“This title may be cited as the ‘Employment Opportu-*
10 *nities for Individuals With Disabilities Act’.*

11 **“PART A—PROJECTS IN TELECOMMUTING AND**
12 **SELF-EMPLOYMENT FOR INDIVIDUALS WITH**
13 **DISABILITIES**

14 **“SEC. 611. FINDINGS, POLICIES, AND PURPOSES.**

15 *“(a) FINDINGS.—Congress makes the following find-*
16 *ings:*

17 *“(1) It is in the best interest of the United States*
18 *to identify and promote increased employment oppor-*
19 *tunities for individuals with disabilities.*

20 *“(2) Telecommuting is one of the most rapidly*
21 *expanding forms of employment. In 1990 there were*
22 *4,000,000 telecommuters and that number has risen*
23 *to 11,100,000 in 1997.*

24 *“(3) It is in the best interest of the United States*
25 *to ensure that individuals with disabilities have ac-*
26 *cess to telecommuting employment opportunities. It*

1 *has been estimated that 10 percent of individuals*
2 *with disabilities, who are unemployed, could benefit*
3 *from telecommuting opportunities.*

4 “(4) *It is in the interest of employers to recog-*
5 *nize that individuals with disabilities are excellent*
6 *candidates for telecommuting employment opportuni-*
7 *ties.*

8 “(5) *Individuals with disabilities, especially*
9 *those living in rural areas, often do not have access*
10 *to accessible transportation, and in such cases tele-*
11 *commuting presents an excellent opportunity for the*
12 *employment of such individuals.*

13 “(6) *It is in the best interests of economic devel-*
14 *opment agencies, venture capitalists, and financial*
15 *institutions for the Federal Government to dem-*
16 *onstrate that individuals with disabilities, who wish*
17 *to become or who are self-employed, can meet the cri-*
18 *teria for assistance, investment of capital, and busi-*
19 *ness that other entrepreneurs meet.*

20 “(b) *POLICIES.—It is the policy of the United States*
21 *to—*

22 “(1) *promote opportunities for individuals with*
23 *disabilities to—*

24 “(A) *secure, retain, regain, or advance in*
25 *employment involving telecommuting;*

1 “(B) gain access to employment opportuni-
2 ties; and

3 “(C) demonstrate their abilities, capabili-
4 ties, interests, and preferences regarding employ-
5 ment in positions that are increasingly being of-
6 fered to individuals in the workplace; and

7 “(2) promote opportunities for individuals with
8 disabilities to engage in self-employment enterprises
9 that permit these individuals to achieve significant
10 levels of independence, participate in and contribute
11 to the life of their communities, and offer employment
12 opportunities to others.

13 “(c) PURPOSES.—It is the purpose of this part to—

14 “(1) through the awarding of 1-time, time-lim-
15 ited grants, contracts, or cooperative agreements to
16 public and private entities—

17 “(A) provide funds, in accordance with sec-
18 tion 612, to enable individuals with disabilities
19 to identify and secure employment opportunities
20 involving telecommuting; and

21 “(B) encourage employers to become part-
22 ners in providing telecommuting placements for
23 individuals with disabilities through the involve-
24 ment of such employers in telecommuting
25 projects that continue and expand opportunities

1 *for the provision of telecommuting placements to*
 2 *individuals with disabilities beyond those oppor-*
 3 *tunities that are currently facilitated by the tele-*
 4 *commuting projects; and*

5 “(2) *through the awarding of 1-time, time-lim-*
 6 *ited grants, contracts, cooperative agreements, or*
 7 *other appropriate mechanisms of providing assistance*
 8 *to public or private entities—*

9 “(A) *assist individuals with disabilities to*
 10 *engage in self-employment enterprises in accord-*
 11 *ance with section 613; and*

12 “(B) *encourage entities to assist more indi-*
 13 *viduals with disabilities to engage in self-em-*
 14 *ployment enterprises.*

15 **“SEC. 612. PROJECTS IN TELECOMMUTING FOR INDIVID-**
 16 **UALS WITH DISABILITIES.**

17 “(a) *IN GENERAL.—The Commissioner shall, on a*
 18 *competitive basis, award 1-time, time-limited grants, con-*
 19 *tracts, or cooperative agreements to eligible entities for the*
 20 *establishment and operation of projects in telecommuting*
 21 *for individuals with disabilities.*

22 “(b) *ELIGIBLE ENTITIES.—To be eligible to receive a*
 23 *grant, contract, or cooperative agreement under subsection*

24 *(a) an entity shall—*

25 “(1) *be—*

1 “(A) an entity carrying out a Project With
2 Industry described in part B;

3 “(B) a designated State agency;

4 “(C) a statewide workforce investment part-
5 nership or local workforce investment partner-
6 ship;

7 “(D) a public educational agency;

8 “(E) a training institution, which may in-
9 clude an institution of higher education;

10 “(F) a private organization, with priority
11 given to organizations of or for individuals with
12 disabilities;

13 “(G) a public or private employer;

14 “(H) any other entity that the Commis-
15 sioner determines to be appropriate; or

16 “(I) a combination or consortium of the en-
17 tities described in subparagraphs (A) through
18 (H);

19 “(2) have 3 or more years of experience in assist-
20 ing individuals with disabilities in securing, retain-
21 ing, regaining, or advancing in employment;

22 “(3) demonstrate that such entity has the capac-
23 ity to secure full- and part-time employment involv-
24 ing telecommuting for individuals with disabilities;
25 and

1 “(4) submit an application that meets the re-
2 quirements of subsection (c).

3 “(c) *APPLICATION REQUIREMENTS.*—*To be eligible to*
4 *receive a grant, contract, or cooperative agreement under*
5 *subsection (a), an entity shall submit to the Commissioner*
6 *at such time, in such manner, and containing such infor-*
7 *mation concerning the telecommuting project to be funded*
8 *under the grant, contract, or agreement as the Commis-*
9 *sioner may require, including—*

10 “(1) a description of how and the extent to which
11 the applicant meets the requirement of subsection
12 (b)(2);

13 “(2) with respect to any partners who will par-
14 ticipate in the implementation of activities under the
15 telecommuting project, a description of—

16 “(A) the identity of such partners; and

17 “(B) the roles and responsibilities of each
18 partner in preparing the application, and if
19 funded, the roles and responsibility of each part-
20 ner during the telecommuting project;

21 “(3) a description of the geographic region that
22 will be the focus of activity under the telecommuting
23 project;

24 “(4) a projection for each year of a 3-year period
25 of the grant, contract, or agreement, of the number of

1 *individuals with disabilities who will be employed as*
2 *the result of the assistance provided by the tele-*
3 *commuting project;*

4 *“(5) with respect to any employers that have in-*
5 *dicated an interest in offering telecommuting employ-*
6 *ment opportunities to individuals with disabilities, a*
7 *description of—*

8 *“(A) the identity of such employers; and*

9 *“(B) the manner in which additional em-*
10 *ployers would be recruited under the telecommut-*
11 *ing project;*

12 *“(6) a description of the manner in which indi-*
13 *viduals with disabilities will be identified and selected*
14 *to participate in the telecommuting project;*

15 *“(7) a description of the jobs that will be tar-*
16 *geted by the telecommuting project;*

17 *“(8) a description of the process by which indi-*
18 *viduals with disabilities will be matched with employ-*
19 *ers for telecommuting placements;*

20 *“(9) a description of the manner in which the*
21 *project will become self-sustaining in the third year*
22 *of the telecommuting project; and*

23 *“(10) a description of the nature and amount of*
24 *funding, including in-kind support, other than funds*

1 *received under this part, that will be available to be*
2 *used by the telecommuting project.*

3 “(d) *USE OF FUNDS.—Amounts received under a*
4 *grant, contract, or cooperative agreement under subsection*
5 *(a) shall be used for—*

6 “(1) *the recruitment of individuals with disabili-*
7 *ties for telecommuting placements;*

8 “(2) *the conduct of marketing activities with re-*
9 *spect to employers;*

10 “(3) *the purchase of training services for an in-*
11 *dividual with a disability who is going to assume a*
12 *telecommuting placement;*

13 “(4) *the purchase of equipment, materials, tele-*
14 *phone lines, auxiliary aids, and services related to*
15 *telecommuting placements;*

16 “(5) *the provision of orientation services and*
17 *training to the supervisors of employers participating*
18 *in the project and to co-workers of individuals with*
19 *disabilities who are selected for telecommuting place-*
20 *ments;*

21 “(6) *the provision of technical assistance to em-*
22 *ployers, including technical assistance regarding rea-*
23 *sonable accommodations with regard to individuals*
24 *with disabilities participating in telecommuting*
25 *placements; and*

1 “(7) other uses determined appropriate by the
2 Commissioner.

3 “(e) *PROJECT REQUIREMENTS.*—Telecommuting
4 projects funded under this section shall—

5 “(1) establish criteria for safety with regard to
6 the telecommuting work space, which at a minimum
7 meet guidelines established by the Occupational Safe-
8 ty and Health Administration for a work space of
9 comparable size and function;

10 “(2) on an annual basis, enter into agreements
11 with the Commissioner that contain goals concerning
12 the number of individuals with disabilities that the
13 project will place in telecommuting positions;

14 “(3) establish procedures for ensuring that pro-
15 spective employers and individuals with disabilities,
16 who are to assume telecommuting placements, have a
17 clear understanding of how the individual’s work per-
18 formance will be monitored and evaluated by the em-
19 ployer;

20 “(4) identify and make available support serv-
21 ices for individuals with disabilities in telecommuting
22 placements;

23 “(5) develop procedures that allow the tele-
24 commuting project, the employer, and the individual
25 with a disability to reach agreement on their respec-

1 *tive responsibilities with regard to establishing and*
2 *maintaining the telecommuting placement; and*

3 *“(6) for each year of a telecommuting project,*
4 *submit an annual report to the Commissioner con-*
5 *cerning—*

6 *“(A) the number of individuals with dis-*
7 *abilities placed in telecommuting positions and*
8 *whether the goal described in the agreement en-*
9 *tered into under paragraph (2) was met;*

10 *“(B) the number of individuals with dis-*
11 *abilities employed as salaried employees and*
12 *their annual salaries;*

13 *“(C) the number of individuals with dis-*
14 *abilities employed as independent contractors*
15 *and their annual incomes;*

16 *“(D) the number of individuals with dis-*
17 *abilities that received benefits from their employ-*
18 *ers;*

19 *“(E) the number of individuals with dis-*
20 *abilities in telecommuting placements still work-*
21 *ing after—*

22 *“(i) 6 months; and*

23 *“(ii) 12 months; and*

24 *“(F) any reports filed with the Occupa-*
25 *tional Safety and Health Administration.*

1 “(f) *LIMITATIONS.*—

2 “(1) *PERIOD OF AWARD.*—*A grant, contract, or*
 3 *cooperative agreement under subsection (a) shall be*
 4 *for a 3-year period.*

5 “(2) *AMOUNT.*—*The amount of a grant, contract,*
 6 *or cooperative agreement under subsection (a) shall*
 7 *not be less than \$250,000 nor more than \$1,000,000.*

8 **“SEC. 613. PROJECTS IN SELF-EMPLOYMENT FOR INDIVID-**
 9 **UALS WITH DISABILITIES.**

10 “(a) *IN GENERAL.*—*The Commissioner shall, on a*
 11 *competitive basis, award 1-time, time-limited grants, con-*
 12 *tracts, or cooperative agreements to eligible entities for the*
 13 *establishment and operation of projects in self-employment*
 14 *for individuals with disabilities.*

15 “(b) *ELIGIBLE ENTITIES.*—*To be eligible to receive a*
 16 *grant, contract, or cooperative agreement under subsection*
 17 *(a) an entity shall—*

18 “(1) *be—*

19 “(A) *a financial institution;*

20 “(B) *an economic development agency;*

21 “(C) *a venture capitalist;*

22 “(D) *an entity carrying out a Project With*
 23 *Industry described in part B;*

24 “(E) *a designated State agency, or other*
 25 *public entity;*

1 “(F) a private organization, including em-
2 ployers and organizations related to individuals
3 with disabilities;

4 “(G) any other entity that the Commis-
5 sioner determines to be appropriate; or

6 “(H) a combination or consortium of the
7 entities described in subparagraphs (A) through
8 (G);

9 “(2) demonstrate that such entity has the capac-
10 ity to assist clients, including clients with disabilities,
11 to successfully engage in self-employment enterprises;
12 and

13 “(3) submit an application that meets the re-
14 quirements of subsection (c).

15 “(c) *APPLICATION REQUIREMENTS.*—To be eligible to
16 receive a grant, contract, or cooperative agreement under
17 subsection (a), an entity shall submit to the Commissioner
18 at such time, in such manner, and containing such infor-
19 mation concerning the self-employment project to be funded
20 under the grant, contract, or agreement as the Commis-
21 sioner may require, including—

22 “(1) a description of how and the extent to which
23 the applicant has assisted individuals, including in-
24 dividuals with disabilities, if appropriate, to success-
25 fully engage in self-employment enterprises;

1 “(2) with respect to any partners who will partici-
2 pate in the implementation of activities under the
3 self-employment project, a description of—

4 “(A) the identity of such partners; and

5 “(B) the roles and responsibilities of each
6 partner in preparing the application, and if
7 funded, the roles and responsibility of each part-
8 ner during the self-employment project;

9 “(3) a description of the geographic region that
10 will be the focus of activity in the self-employment
11 project;

12 “(4) a projection for each year of a 3-year period
13 of the grant, contract, or agreement, of the number of
14 clients who will be assisted to engage in self-employ-
15 ment enterprises through the self-employment project;

16 “(5) a description of the manner in which poten-
17 tial clients will be identified and selected to be as-
18 sisted by the self-employment project;

19 “(6) a description of the manner in which self-
20 employment enterprises (or market niches) will be
21 identified for the geographic areas to be targeted in
22 the self-employment project;

23 “(7) a description of the process by which pro-
24 spective clients will be matched with self-employment
25 opportunities;

1 “(8) a description of the manner in which the
2 project will become self-sustaining in the third year
3 of the self-employment project; and

4 “(9) a description of the nature and amount of
5 funding, including in-kind support, other than funds
6 received under this part, that will be available to be
7 used during the self-employment project.

8 “(d) *USE OF FUNDS.*—Amounts received under a
9 grant, contract, or cooperative agreement under subsection
10 (a) shall be used—

11 “(1) for the preparation of marketing analyses to
12 identify self-employment opportunities;

13 “(2) for the conduct of marketing activities with
14 respect to financial institutions or venture capitalists
15 concerning the benefits of investing in individuals
16 with disabilities who are engaged in self-employment
17 enterprises;

18 “(3) for the conduct of marketing activities with
19 respect to potential clients who engage in or might en-
20 gage in self-employment enterprises;

21 “(4) for the provision of training for clients to
22 be assisted through the project who seek to engage or
23 are engaging in self-employment enterprises;

24 “(5) to cover the costs of business expenses spe-
25 cifically related to an individual’s disability;

1 “(6) to provide assistance for clients in develop-
2 ing business plans for capital investment;

3 “(7) to provide assistance for clients in securing
4 capital to engage in a self-employment enterprise;

5 “(8) to provide technical assistance to clients en-
6 gaged in self-employment enterprises who seek such
7 assistance in order to sustain or expand their enter-
8 prises; and

9 “(9) for other uses as determined appropriate by
10 the Commissioner.

11 “(e) *PROJECT REQUIREMENTS.*—Self-employment
12 projects funded under this section shall—

13 “(1) establish criteria for and apply such cri-
14 teria in selecting clients to be assisted through the
15 project;

16 “(2) on an annual basis, enter into agreements
17 with the Commissioner that contain goals concerning
18 the number of individuals with disabilities that the
19 project will assist in starting and sustaining self-em-
20 ployment enterprises;

21 “(3) establish and apply criteria to determine
22 whether an enterprise is a viable option in which to
23 invest project funds;

24 “(4) establish and apply criteria to determine
25 when and if the project would provide assistance in

1 *sustaining an ongoing enterprise engaged in by a cli-*
2 *ent or potential client;*

3 *“(5) establish and apply criteria to determine*
4 *when and if the project would provide assistance in*
5 *expanding an ongoing enterprise engaged in by a cli-*
6 *ent or potential client;*

7 *“(6) establish and apply procedures to ensure*
8 *that a potential client has a clear understanding of*
9 *the scope and limits of assistance from the project*
10 *that will be applicable in such client’s case;*

11 *“(7) develop procedures, which include a written*
12 *agreement, that provide for the documentation of the*
13 *respective responsibilities of the self-employment*
14 *project and any client with regard to the creation,*
15 *maintenance, or expansion of the client’s self-employ-*
16 *ment enterprise; and*

17 *“(8) with respect to the project, submit a report*
18 *to the Commissioner—*

19 *“(A) for each project year, concerning the*
20 *number of clients assisted by the project who are*
21 *engaging in self-employment enterprises and*
22 *whether the goal described in the agreement en-*
23 *tered into under paragraph (2) was met; and*

1 “(B) concerning the number of clients as-
2 sisted by the project who are still engaged in
3 such an enterprise on the date that is—

4 “(i) 6 months after the date on which
5 assistance provided by the project was ter-
6 minated; and

7 “(ii) 12 months after the date on which
8 assistance provided by the project was ter-
9 minated.

10 “(f) *DURATION OF AWARDS.*—A grant, contract, or co-
11 operative agreement under subsection (a) shall be for a 3-
12 year period.

13 “(g) *DEFINITION.*—For the purpose of this section, the
14 term ‘client’ means 1 or more individuals with disabilities
15 who engage in or seek to engage in a self-employment enter-
16 prise.

17 “**SEC. 614. DISCRETIONARY AUTHORITY FOR DUAL-PUR-**
18 **POSE APPLICATIONS.**

19 “(a) *IN GENERAL.*—The Commissioner may establish
20 procedures to permit applicants for grants, contracts, or co-
21 operative agreements under this part to submit applications
22 that serve dual purposes, so long as such applications meet
23 the requirements of sections 612 and 613.

24 “(b) *AMOUNT OF ASSISTANCE.*—In a case described in
25 subsection (a), the minimum amount of a grant, contract,

1 *or cooperative agreement awarded under a dual-purpose*
2 *application may, at the discretion of the Commissioner, ex-*
3 *ceed the limitations described in section 612(f)(2).*

4 **“SEC. 615. AUTHORIZATION OF APPROPRIATIONS.**

5 *“There is authorized to be appropriated to carry out*
6 *this part, \$10,000,000 for fiscal year 1998, and such sums*
7 *as may be necessary for each of the fiscal years 1999*
8 *through 2004.*

9 **“PART B—PROJECTS WITH INDUSTRY**

10 **“PROJECTS WITH INDUSTRY**

11 *“SEC. 621. (a)(1) The purpose of this part is to create*
12 *and expand job and career opportunities for individuals*
13 *with disabilities in the competitive labor market by engag-*
14 *ing the talent and leadership of private industry as part-*
15 *ners in the rehabilitation process, to identify competitive*
16 *job and career opportunities and the skills needed to per-*
17 *form such jobs, to create practical job and career readiness*
18 *and training programs, and to provide job placements and*
19 *career advancement.*

20 *“(2) The Commissioner, in consultation with the Sec-*
21 *retary of Labor and with designated State units, may*
22 *award grants to individual employers, community rehabili-*
23 *tation program providers, labor unions, trade associations,*
24 *Indian tribes, tribal organizations, designated State units,*
25 *and other entities to establish jointly financed Projects With*

1 *Industry to create and expand job and career opportunities*
2 *for individuals with disabilities, which projects shall—*

3 “(A) *provide for the establishment of business ad-*
4 *visory councils, that shall—*

5 “(i) *be comprised of—*

6 “(I) *representatives of private indus-*
7 *try, business concerns, and organized labor;*

8 “(II) *individuals with disabilities and*
9 *representatives of individuals with disabil-*
10 *ities; and*

11 “(III) *a representative of the appro-*
12 *priate designated State unit;*

13 “(ii) *identify job and career availability*
14 *within the community, consistent with the cur-*
15 *rent and projected local employment opportuni-*
16 *ties identified by the local workforce investment*
17 *partnership for the community under section*
18 *308(e)(6) of the Workforce Investment Partner-*
19 *ship Act of 1998;*

20 “(iii) *identify the skills necessary to per-*
21 *form the jobs and careers identified; and*

22 “(iv) *prescribe training programs designed*
23 *to develop appropriate job and career skills, or*
24 *job placement programs designed to identify and*
25 *develop job placement and career advancement*

1 *opportunities, for individuals with disabilities in*
2 *fields related to the job and career availability*
3 *identified under clause (i);*

4 “(B) *provide job development, job placement, and*
5 *career advancement services;*

6 “(C) *to the extent appropriate, provide for—*

7 “(i) *training in realistic work settings in*
8 *order to prepare individuals with disabilities for*
9 *employment and career advancement in the com-*
10 *petitive market; and*

11 “(ii) *the modification of any facilities or*
12 *equipment of the employer involved that are used*
13 *primarily by individuals with disabilities, ex-*
14 *cept that a project shall not be required to pro-*
15 *vide for such modification if the modification is*
16 *required as a reasonable accommodation under*
17 *the Americans with Disabilities Act of 1990 (42*
18 *U.S.C. 12101 et seq.); and*

19 “(D) *provide individuals with disabilities with*
20 *such support services as may be required in order to*
21 *maintain the employment and career advancement*
22 *for which the individuals have received training*
23 *under this part.*

24 “(3)(A) *An individual shall be eligible for services de-*
25 *scribed in paragraph (2) if the individual is determined*

1 *to be an individual described in section 102(a)(1), and if*
2 *the determination is made in a manner consistent with sec-*
3 *tion 102(a).*

4 “(B) *Such a determination may be made by the recipi-*
5 *ent of a grant under this part, to the extent the determina-*
6 *tion is appropriate and available and consistent with the*
7 *requirements of section 102(a).*

8 “(4) *The Commissioner shall enter into an agreement*
9 *with the grant recipient regarding the establishment of the*
10 *project. Any agreement shall be jointly developed by the*
11 *Commissioner, the grant recipient, and, to the extent prac-*
12 *ticable, the appropriate designated State unit and the indi-*
13 *viduals with disabilities (or the individuals’ representa-*
14 *tives) involved. Such agreements shall specify the terms of*
15 *training and employment under the project, provide for the*
16 *payment by the Commissioner of part of the costs of the*
17 *project (in accordance with subsection (c)), and contain the*
18 *items required under subsection (b) and such other provi-*
19 *sions as the parties to the agreement consider to be appro-*
20 *priate.*

21 “(5) *Any agreement shall include a description of a*
22 *plan to annually conduct a review and evaluation of the*
23 *operation of the project in accordance with standards devel-*
24 *oped by the Commissioner under subsection (d), and, in*
25 *conducting the review and evaluation, to collect data and*

1 *information of the type described in subparagraphs (A)*
2 *through (C) of section 101(a)(10), as determined to be ap-*
3 *propriate by the Commissioner.*

4 “(6) *The Commissioner may include, as part of agree-*
5 *ments with grant recipients, authority for such grant re-*
6 *ipients to provide technical assistance to—*

7 “(A) *assist employers in hiring individuals with*
8 *disabilities; or*

9 “(B) *improve or develop relationships between—*

10 “(i) *grant recipients or prospective grant*
11 *recipients; and*

12 “(ii) *employers or organized labor; or*

13 “(C) *assist employers in understanding and*
14 *meeting the requirements of the Americans with Dis-*
15 *abilities Act of 1990 (42 U.S.C. 12101 et seq.) as the*
16 *Act relates to employment of individuals with disabil-*
17 *ities.*

18 “(b) *No payment shall be made by the Commissioner*
19 *under any agreement with a grant recipient entered into*
20 *under subsection (a) unless such agreement—*

21 “(1) *provides an assurance that individuals with*
22 *disabilities placed under such agreement shall receive*
23 *at least the applicable minimum wage;*

24 “(2) *provides an assurance that any individual*
25 *with a disability placed under this part shall be af-*

1 *forded terms and benefits of employment equal to*
2 *terms and benefits that are afforded to the similarly*
3 *situated nondisabled co-workers of the individual, and*
4 *that such individuals with disabilities shall not be*
5 *segregated from their co-workers; and*

6 *“(3) provides an assurance that an annual eval-*
7 *uation report containing information specified under*
8 *subsection (a)(5) shall be submitted as determined to*
9 *be appropriate by the Commissioner.*

10 *“(c) Payments under this section with respect to any*
11 *project may not exceed 80 per centum of the costs of the*
12 *project.*

13 *“(d)(1) The Commissioner shall develop standards for*
14 *the evaluation described in subsection (a)(5) and shall re-*
15 *view and revise the evaluation standards as necessary, sub-*
16 *ject to paragraphs (2) and (3).*

17 *“(2) In revising the standards for evaluation to be used*
18 *by the grant recipients, the Commissioner shall obtain and*
19 *consider recommendations for such standards from State*
20 *vocational rehabilitation agencies, current and former*
21 *grant recipients, professional organizations representing*
22 *business and industry, organizations representing individ-*
23 *uals with disabilities, individuals served by grant recipi-*
24 *ents, organizations representing community rehabilitation*
25 *program providers, and labor organizations.*

1 “(3) No standards may be established under this sub-
2 section unless the standards are approved by the National
3 Council on Disability. The Council shall be afforded ade-
4 quate time to review and approve the standards.

5 “(e)(1)(A) A grant may be awarded under this section
6 for a period of up to 5 years and such grant may be re-
7 newed.

8 “(B) Grants under this section shall be awarded on
9 a competitive basis. To be eligible to receive such a grant,
10 a prospective grant recipient shall submit an application
11 to the Commissioner at such time, in such manner, and
12 containing such information as the Commissioner may re-
13 quire.

14 “(2) The Commissioner shall, to the extent practicable,
15 ensure an equitable distribution of payments made under
16 this section among the States. To the extent funds are avail-
17 able, the Commissioner shall award grants under this sec-
18 tion to new projects that will serve individuals with disabil-
19 ities in States, portions of States, Indian tribes, or tribal
20 organizations, that are currently unserved or underserved
21 by projects.

22 “(f)(1) The Commissioner shall, as necessary, develop
23 and publish in the Federal Register, in final form, indica-
24 tors of what constitutes minimum compliance consistent
25 with the evaluation standards under subsection (d)(1).

1 “(2) *Each grant recipient shall report to the Commis-*
2 *sioner at the end of each project year the extent to which*
3 *the grant recipient is in compliance with the evaluation*
4 *standards.*

5 “(3)(A) *The Commissioner shall annually conduct on-*
6 *site compliance reviews of at least 15 percent of grant re-*
7 *cipients. The Commissioner shall select grant recipients for*
8 *review on a random basis.*

9 “(B) *The Commissioner shall use the indicators in de-*
10 *termining compliance with the evaluation standards.*

11 “(C) *The Commissioner shall ensure that at least one*
12 *member of a team conducting such a review shall be an*
13 *individual who—*

14 “(i) *is not an employee of the Federal Govern-*
15 *ment; and*

16 “(ii) *has experience or expertise in conducting*
17 *projects.*

18 “(D) *The Commissioner shall ensure that—*

19 “(i) *a representative of the appropriate des-*
20 *ignated State unit shall participate in the review;*
21 *and*

22 “(ii) *no person shall participate in the review of*
23 *a grant recipient if—*

24 “(I) *the grant recipient provides any direct*
25 *financial benefit to the reviewer; or*

1 “(II) participation in the review would give
2 the appearance of a conflict of interest.

3 “(4) In making a determination concerning any subse-
4 quent grant under this section, the Commissioner shall con-
5 sider the past performance of the applicant, if applicable.
6 The Commissioner shall use compliance indicators devel-
7 oped under this subsection that are consistent with program
8 evaluation standards developed under subsection (d) to as-
9 sess minimum project performance for purposes of making
10 continuation awards in the third, fourth, and fifth years.

11 “(5) Each fiscal year the Commissioner shall include
12 in the annual report to Congress required by section 13 an
13 analysis of the extent to which grant recipients have com-
14 plied with the evaluation standards. The Commissioner
15 may identify individual grant recipients in the analysis.
16 In addition, the Commissioner shall report the results of
17 onsite compliance reviews, identifying individual grant re-
18 cipients.

19 “(g) The Commissioner may provide, directly or by
20 way of grant, contract, or cooperative agreement, technical
21 assistance to—

22 “(1) entities conducting projects for the purpose
23 of assisting such entities in—

1 “(A) the improvement of or the development
2 of relationships with private industry or labor;
3 or

4 “(B) the improvement of relationships with
5 State vocational rehabilitation agencies; and

6 “(2) entities planning the development of new
7 projects.

8 “(h) As used in this section:

9 “(1) The term ‘agreement’ means an agreement
10 described in subsection (a)(4).

11 “(2) The term ‘project’ means a Project With In-
12 dustry established under subsection (a)(2).

13 “(3) The term ‘grant recipient’ means a recipi-
14 ent of a grant under subsection (a)(2).

15 “AUTHORIZATION OF APPROPRIATIONS

16 “SEC. 622. There are authorized to be appropriated
17 to carry out the provisions of this part, such sums as may
18 be necessary for each of fiscal years 1998 through 2004.

19 “PART C—SUPPORTED EMPLOYMENT SERVICES FOR
20 INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES

21 “SEC. 631. PURPOSE.

22 “It is the purpose of this part to authorize allotments,
23 in addition to grants for vocational rehabilitation services
24 under title I, to assist States in developing collaborative
25 programs with appropriate entities to provide supported

1 *employment services for individuals with the most signifi-*
2 *cant disabilities to enable such individuals to achieve the*
3 *employment outcome of supported employment.*

4 **“SEC. 632. ALLOTMENTS.**

5 *“(a) IN GENERAL.—*

6 *“(1) STATES.—The Secretary shall allot the*
7 *sums appropriated for each fiscal year to carry out*
8 *this part among the States on the basis of relative*
9 *population of each State, except that—*

10 *“(A) no State shall receive less than*
11 *\$250,000, or one-third of one percent of the sums*
12 *appropriated for the fiscal year for which the al-*
13 *lotment is made, whichever is greater; and*

14 *“(B) if the sums appropriated to carry out*
15 *this part for the fiscal year exceed by \$1,000,000*
16 *or more the sums appropriated to carry out this*
17 *part in fiscal year 1992, no State shall receive*
18 *less than \$300,000, or one-third of one percent of*
19 *the sums appropriated for the fiscal year for*
20 *which the allotment is made, whichever is great-*
21 *er.*

22 *“(2) CERTAIN TERRITORIES.—*

23 *“(A) IN GENERAL.—For the purposes of this*
24 *subsection, Guam, American Samoa, the United*
25 *States Virgin Islands, and the Commonwealth of*

1 *the Northern Mariana Islands shall not be con-*
2 *sidered to be States.*

3 “(B) *ALLOTMENT.*—*Each jurisdiction de-*
4 *scribed in subparagraph (A) shall be allotted not*
5 *less than one-eighth of one percent of the*
6 *amounts appropriated for the fiscal year for*
7 *which the allotment is made.*

8 “(b) *REALLOTMENT.*—*Whenever the Commissioner de-*
9 *termines that any amount of an allotment to a State for*
10 *any fiscal year will not be expended by such State for carry-*
11 *ing out the provisions of this part, the Commissioner shall*
12 *make such amount available for carrying out the provisions*
13 *of this part to one or more of the States that the Commis-*
14 *sioner determines will be able to use additional amounts*
15 *during such year for carrying out such provisions. Any*
16 *amount made available to a State for any fiscal year pursu-*
17 *ant to the preceding sentence shall, for the purposes of this*
18 *section, be regarded as an increase in the allotment of the*
19 *State (as determined under the preceding provisions of this*
20 *section) for such year.*

21 **“SEC. 633. AVAILABILITY OF SERVICES.**

22 *“Funds provided under this part may be used to pro-*
23 *vide supported employment services to individuals who are*
24 *eligible under this part. Funds provided under this part,*

1 *or title I, may not be used to provide extended services to*
2 *individuals who are eligible under this part or title I.*

3 **“SEC. 634. ELIGIBILITY.**

4 *“An individual shall be eligible under this part to re-*
5 *ceive supported employment services authorized under this*
6 *Act if—*

7 *“(1) the individual is eligible for vocational re-*
8 *habilitation services;*

9 *“(2) the individual is determined to be an indi-*
10 *vidual with a most significant disability; and*

11 *“(3) a comprehensive assessment of rehabilita-*
12 *tion needs of the individual described in section*
13 *7(2)(B), including an evaluation of rehabilitation, ca-*
14 *reer, and job needs, identifies supported employment*
15 *as the appropriate employment outcome for the indi-*
16 *vidual.*

17 **“SEC. 635. STATE PLAN.**

18 *“(a) STATE PLAN SUPPLEMENTS.—To be eligible for*
19 *an allotment under this part, a State shall submit to the*
20 *Commissioner, as part of the State plan under section 101,*
21 *a State plan supplement for providing supported employ-*
22 *ment services authorized under this Act to individuals who*
23 *are eligible under this Act to receive the services. Each State*
24 *shall make such annual revisions in the plan supplement*
25 *as may be necessary.*

1 “(b) *CONTENTS.*—*Each such plan supplement shall—*

2 “(1) *designate each designated State agency as*
3 *the agency to administer the program assisted under*
4 *this part;*

5 “(2) *summarize the results of the comprehensive,*
6 *statewide assessment conducted under section*
7 *101(a)(15)(A)(i), with respect to the rehabilitation*
8 *needs of individuals with significant disabilities and*
9 *the need for supported employment services, including*
10 *needs related to coordination;*

11 “(3) *describe the quality, scope, and extent of*
12 *supported employment services authorized under this*
13 *Act to be provided to individuals who are eligible*
14 *under this Act to receive the services and specify the*
15 *goals and plans of the State with respect to the dis-*
16 *tribution of funds received under section 632;*

17 “(4) *demonstrate evidence of the efforts of the*
18 *designated State agency to identify and make ar-*
19 *rangements (including entering into cooperative*
20 *agreements) with other State agencies and other ap-*
21 *propriate entities to assist in the provision of sup-*
22 *ported employment services;*

23 “(5) *demonstrate evidence of the efforts of the*
24 *designated State agency to identify and make ar-*
25 *rangements (including entering into cooperative*

1 *agreements) with other public or nonprofit agencies or*
2 *organizations within the State, employers, natural*
3 *supports, and other entities with respect to the provi-*
4 *sion of extended services;*

5 “(6) *provide assurances that—*

6 “(A) *funds made available under this part*
7 *will only be used to provide supported employ-*
8 *ment services authorized under this Act to indi-*
9 *viduals who are eligible under this part to re-*
10 *ceive the services;*

11 “(B) *the comprehensive assessments of indi-*
12 *viduals with significant disabilities conducted*
13 *under section 102(b)(1) and funded under title I*
14 *will include consideration of supported employ-*
15 *ment as an appropriate employment outcome;*

16 “(C) *an individualized rehabilitation em-*
17 *ployment plan, as required by section 102, will*
18 *be developed and updated using funds under title*
19 *I in order to—*

20 “(i) *specify the supported employment*
21 *services to be provided;*

22 “(ii) *specify the expected extended serv-*
23 *ices needed; and*

24 “(iii) *identify the source of extended*
25 *services, which may include natural sup-*

1 ports, or to the extent that it is not possible
2 to identify the source of extended services at
3 the time the individualized rehabilitation
4 employment plan is developed, a statement
5 describing the basis for concluding that
6 there is a reasonable expectation that such
7 sources will become available;

8 “(D) the State will use funds provided
9 under this part only to supplement, and not sup-
10 plant, the funds provided under title I, in pro-
11 viding supported employment services specified
12 in the individualized rehabilitation employment
13 plan;

14 “(E) services provided under an individual-
15 ized rehabilitation employment plan will be co-
16 ordinated with services provided under other in-
17 dividualized plans established under other Fed-
18 eral or State programs;

19 “(F) to the extent jobs skills training is pro-
20 vided, the training will be provided onsite; and

21 “(G) supported employment services will in-
22 clude placement in an integrated setting for the
23 maximum number of hours possible based on the
24 unique strengths, resources, priorities, concerns,
25 abilities, capabilities, interests, and informed

1 *choice of individuals with the most significant*
2 *disabilities;*

3 “(7) *provide assurances that the State agencies*
4 *designated under paragraph (1) will expend not more*
5 *than 5 percent of the allotment of the State under this*
6 *part for administrative costs of carrying out this*
7 *part; and*

8 “(8) *contain such other information and be sub-*
9 *mitted in such manner as the Commissioner may re-*
10 *quire.*

11 **“SEC. 636. RESTRICTION.**

12 *“Each State agency designated under section 635(b)(1)*
13 *shall collect the information required by section 101(a)(10)*
14 *separately for eligible individuals receiving supported em-*
15 *ployment services under this part and for eligible individ-*
16 *uals receiving supported employment services under title I.*

17 **“SEC. 637. SAVINGS PROVISION.**

18 “(a) *SUPPORTED EMPLOYMENT SERVICES.—Nothing*
19 *in this Act shall be construed to prohibit a State from pro-*
20 *viding supported employment services in accordance with*
21 *the State plan submitted under section 101 by using funds*
22 *made available through a State allotment under section*
23 *110.*

24 “(b) *POSTEMPLOYMENT SERVICES.—Nothing in this*
25 *part shall be construed to prohibit a State from providing*

1 *discrete postemployment services in accordance with the*
 2 *State plan submitted under section 101 by using funds*
 3 *made available through a State allotment under section 110*
 4 *to an individual who is eligible under this part.*

5 **“SEC. 638. AUTHORIZATION OF APPROPRIATIONS.**

6 *“There are authorized to be appropriated to carry out*
 7 *this part such sums as may be necessary for each of fiscal*
 8 *years 1998 through 2004.”.*

9 **SEC. 610. INDEPENDENT LIVING SERVICES AND CENTERS**
 10 **FOR INDEPENDENT LIVING.**

11 *Title VII of the Rehabilitation Act of 1973 (29 U.S.C.*
 12 *796 et seq.) is amended to read as follows:*

13 **“TITLE VII—INDEPENDENT LIV-**
 14 **ING SERVICES AND CENTERS**
 15 **FOR INDEPENDENT LIVING**

16 **“CHAPTER 1—INDIVIDUALS WITH**
 17 **SIGNIFICANT DISABILITIES**

18 **“PART A—GENERAL PROVISIONS**

19 **“SEC. 701. PURPOSE.**

20 *“The purpose of this chapter is to promote a philoso-*
 21 *phy of independent living, including a philosophy of con-*
 22 *sumer control, peer support, self-help, self-determination,*
 23 *equal access, and individual and system advocacy, in order*
 24 *to maximize the leadership, empowerment, independence,*
 25 *and productivity of individuals with disabilities, and the*

1 *integration and full inclusion of individuals with disabili-*
2 *ties into the mainstream of American society, by—*

3 “(1) *providing financial assistance to States for*
4 *providing, expanding, and improving the provision of*
5 *independent living services;*

6 “(2) *providing financial assistance to develop*
7 *and support statewide networks of centers for inde-*
8 *pendent living; and*

9 “(3) *providing financial assistance to States for*
10 *improving working relationships among State inde-*
11 *pendent living rehabilitation service programs, cen-*
12 *ters for independent living, Statewide Independent*
13 *Living Councils established under section 705, State*
14 *vocational rehabilitation programs receiving assist-*
15 *ance under title I, State programs of supported em-*
16 *ployment services receiving assistance under part C of*
17 *title VI, client assistance programs receiving assist-*
18 *ance under section 112, programs funded under other*
19 *titles of this Act, programs funded under other Fed-*
20 *eral law, and programs funded through non-Federal*
21 *sources.*

22 **“SEC. 702. DEFINITIONS.**

23 *“As used in this chapter:*

24 “(1) *CENTER FOR INDEPENDENT LIVING.—The*
25 *term ‘center for independent living’ means a con-*

1 *sumer-controlled, community-based, cross-disability,*
 2 *nonresidential private nonprofit agency that—*

3 *“(A) is designed and operated within a*
 4 *local community by individuals with disabilities;*
 5 *and*

6 *“(B) provides an array of independent liv-*
 7 *ing services.*

8 *“(2) CONSUMER CONTROL.—The term ‘consumer*
 9 *control’ means, with respect to a center for independ-*
 10 *ent living, that the center vests power and authority*
 11 *in individuals with disabilities.*

12 **“SEC. 703. ELIGIBILITY FOR RECEIPT OF SERVICES.**

13 *“Services may be provided under this chapter to any*
 14 *individual with a significant disability, as defined in sec-*
 15 *tion 7(21)(B).*

16 **“SEC. 704. STATE PLAN.**

17 *“(a) IN GENERAL.—*

18 *“(1) REQUIREMENT.—To be eligible to receive fi-*
 19 *nancial assistance under this chapter, a State shall*
 20 *submit to the Commissioner, and obtain approval of,*
 21 *a State plan containing such provisions as the Com-*
 22 *missioner may require, including, at a minimum, the*
 23 *provisions required in this section.*

1 “(2) *JOINT DEVELOPMENT.*—*The plan under*
2 *paragraph (1) shall be jointly developed and signed*
3 *by—*

4 “(A) *the director of the designated State*
5 *unit; and*

6 “(B) *the chairperson of the Statewide Inde-*
7 *pendent Living Council, acting on behalf of and*
8 *at the direction of the Council.*

9 “(3) *PERIODIC REVIEW AND REVISION.*—*The*
10 *plan shall provide for the review and revision of the*
11 *plan, not less than once every 3 years, to ensure the*
12 *existence of appropriate planning, financial support*
13 *and coordination, and other assistance to appro-*
14 *priately address, on a statewide and comprehensive*
15 *basis, needs in the State for—*

16 “(A) *the provision of State independent liv-*
17 *ing services;*

18 “(B) *the development and support of a*
19 *statewide network of centers for independent liv-*
20 *ing; and*

21 “(C) *working relationships between—*

22 “(i) *programs providing independent*
23 *living services and independent living cen-*
24 *ters; and*

1 “(ii) the vocational rehabilitation pro-
2 gram established under title I, and other
3 programs providing services for individuals
4 with disabilities.

5 “(4) *DATE OF SUBMISSION.*—The State shall
6 submit the plan to the Commissioner 90 days before
7 the completion date of the preceding plan. If a State
8 fails to submit such a plan that complies with the re-
9 quirements of this section, the Commissioner may
10 withhold financial assistance under this chapter until
11 such time as the State submits such a plan.

12 “(b) *STATEWIDE INDEPENDENT LIVING COUNCIL.*—
13 The plan shall provide for the establishment of a Statewide
14 Independent Living Council in accordance with section
15 705.

16 “(c) *DESIGNATION OF STATE UNIT.*—The plan shall
17 designate the designated State unit of such State as the
18 agency that, on behalf of the State, shall—

19 “(1) receive, account for, and disburse funds re-
20 ceived by the State under this chapter based on the
21 plan;

22 “(2) provide administrative support services for
23 a program under part B, and a program under part
24 C in a case in which the program is administered by
25 the State under section 723;

1 “(3) keep such records and afford such access to
2 such records as the Commissioner finds to be nec-
3 essary with respect to the programs; and

4 “(4) submit such additional information or pro-
5 vide such assurances as the Commissioner may re-
6 quire with respect to the programs.

7 “(d) *OBJECTIVES.*—The plan shall—

8 “(1) specify the objectives to be achieved under
9 the plan and establish timelines for the achievement
10 of the objectives; and

11 “(2) explain how such objectives are consistent
12 with and further the purpose of this chapter.

13 “(e) *INDEPENDENT LIVING SERVICES.*—The plan shall
14 provide that the State will provide independent living serv-
15 ices under this chapter to individuals with significant dis-
16 abilities, and will provide the services to such an individual
17 in accordance with an independent living plan mutually
18 agreed upon by an appropriate staff member of the service
19 provider and the individual, unless the individual signs a
20 waiver stating that such a plan is unnecessary.

21 “(f) *SCOPE AND ARRANGEMENTS.*—The plan shall de-
22 scribe the extent and scope of independent living services
23 to be provided under this chapter to meet such objectives.
24 If the State makes arrangements, by grant or contract, for

1 *providing such services, such arrangements shall be de-*
2 *scribed in the plan.*

3 “(g) NETWORK.—*The plan shall set forth a design for*
4 *the establishment of a statewide network of centers for inde-*
5 *pendent living that comply with the standards and assur-*
6 *ances set forth in section 725.*

7 “(h) CENTERS.—*In States in which State funding for*
8 *centers for independent living equals or exceeds the amount*
9 *of funds allotted to the State under part C, as provided*
10 *in section 723, the plan shall include policies, practices, and*
11 *procedures governing the awarding of grants to centers for*
12 *independent living and oversight of such centers consistent*
13 *with section 723.*

14 “(i) COOPERATION, COORDINATION, AND WORKING
15 RELATIONSHIPS AMONG VARIOUS ENTITIES.—*The plan*
16 *shall set forth the steps that will be taken to maximize the*
17 *cooperation, coordination, and working relationships*
18 *among—*

19 “(1) *the independent living rehabilitation service*
20 *program, the Statewide Independent Living Council,*
21 *and centers for independent living; and*

22 “(2) *the designated State unit, other State agen-*
23 *cies represented on such Council, other councils that*
24 *address the needs of specific disability populations*

1 *and issues, and other public and private entities de-*
2 *termined to be appropriate by the Council.*

3 “(j) *COORDINATION OF SERVICES.—The plan shall de-*
4 *scribe how services funded under this chapter will be coordi-*
5 *nated with, and complement, other services, in order to*
6 *avoid unnecessary duplication with other Federal, State,*
7 *and local programs.*

8 “(k) *COORDINATION BETWEEN FEDERAL AND STATE*
9 *SOURCES.—The plan shall describe efforts to coordinate*
10 *Federal and State funding for centers for independent liv-*
11 *ing and independent living services.*

12 “(l) *OUTREACH.—With respect to services and centers*
13 *funded under this chapter, the plan shall set forth steps to*
14 *be taken regarding outreach to populations that are*
15 *unserved or underserved by programs under this title, in-*
16 *cluding minority groups and urban and rural populations.*

17 “(m) *REQUIREMENTS.—The plan shall provide satis-*
18 *factory assurances that all recipients of financial assistance*
19 *under this chapter will—*

20 “(1) *notify all individuals seeking or receiving*
21 *services under this chapter about the availability of*
22 *the client assistance program under section 112, the*
23 *purposes of the services provided under such program,*
24 *and how to contact such program;*

1 “(2) take affirmative action to employ and ad-
2 vance in employment qualified individuals with dis-
3 abilities on the same terms and conditions required
4 with respect to the employment of such individuals
5 under the provisions of section 503;

6 “(3) adopt such fiscal control and fund account-
7 ing procedures as may be necessary to ensure the
8 proper disbursement of and accounting for funds paid
9 to the State under this chapter;

10 “(4)(A) maintain records that fully disclose—

11 “(i) the amount and disposition by such re-
12 cipient of the proceeds of such financial assist-
13 ance;

14 “(ii) the total cost of the project or under-
15 taking in connection with which such financial
16 assistance is given or used; and

17 “(iii) the amount of that portion of the cost
18 of the project or undertaking supplied by other
19 sources;

20 “(B) maintain such other records as the Com-
21 missioner determines to be appropriate to facilitate
22 an effective audit;

23 “(C) afford such access to records maintained
24 under subparagraphs (A) and (B) as the Commis-
25 sioner determines to be appropriate; and

1 “(D) submit such reports with respect to such
2 records as the Commissioner determines to be appro-
3 priate;

4 “(5) provide access to the Commissioner and the
5 Comptroller General or any of their duly authorized
6 representatives, for the purpose of conducting audits
7 and examinations, of any books, documents, papers,
8 and records of the recipients that are pertinent to the
9 financial assistance received under this chapter; and

10 “(6) provide for public hearings regarding the
11 contents of the plan during both the formulation and
12 review of the plan.

13 “(n) *EVALUATION.*—The plan shall establish a method
14 for the periodic evaluation of the effectiveness of the plan
15 in meeting the objectives established in subsection (d), in-
16 cluding evaluation of satisfaction by individuals with dis-
17 abilities.

18 **“SEC. 705. STATEWIDE INDEPENDENT LIVING COUNCIL.**

19 “(a) *ESTABLISHMENT.*—To be eligible to receive finan-
20 cial assistance under this chapter, each State shall establish
21 a Statewide Independent Living Council (referred to in this
22 section as the ‘Council’). The Council shall not be estab-
23 lished as an entity within a State agency.

24 “(b) *COMPOSITION AND APPOINTMENT.*—

1 “(1) *APPOINTMENT.*—*Members of the Council*
2 *shall be appointed by the Governor. The Governor*
3 *shall select members after soliciting recommendations*
4 *from representatives of organizations representing a*
5 *broad range of individuals with disabilities and orga-*
6 *nizations interested in individuals with disabilities.*

7 “(2) *COMPOSITION.*—*The Council shall in-*
8 *clude—*

9 “(A) *at least one director of a center for*
10 *independent living chosen by the directors of cen-*
11 *ters for independent living within the State;*

12 “(B) *as ex officio, nonvoting members—*

13 “(i) *a representative from the des-*
14 *ignated State unit; and*

15 “(ii) *representatives from other State*
16 *agencies that provide services for individ-*
17 *uals with disabilities; and*

18 “(C) *in a State in which 1 or more projects*
19 *are carried out under section 121, at least 1 rep-*
20 *resentative of the directors of the projects.*

21 “(3) *ADDITIONAL MEMBERS.*—*The Council may*
22 *include—*

23 “(A) *other representatives from centers for*
24 *independent living;*

1 “(B) parents and guardians of individuals
2 with disabilities;

3 “(C) advocates of and for individuals with
4 disabilities;

5 “(D) representatives from private busi-
6 nesses;

7 “(E) representatives from organizations
8 that provide services for individuals with dis-
9 abilities; and

10 “(F) other appropriate individuals.

11 “(4) QUALIFICATIONS.—

12 “(A) IN GENERAL.—The Council shall be
13 composed of members—

14 “(i) who provide statewide representa-
15 tion;

16 “(ii) who represent a broad range of
17 individuals with disabilities from diverse
18 backgrounds;

19 “(iii) who are knowledgeable about
20 centers for independent living and inde-
21 pendent living services; and

22 “(iv) a majority of whom are persons
23 who are—

24 “(I) individuals with disabilities
25 described in section 7(20)(B); and

1 “(II) not employed by any State
2 agency or center for independent liv-
3 ing.

4 “(B) VOTING MEMBERS.—A majority of the
5 voting members of the Council shall be—

6 “(i) individuals with disabilities de-
7 scribed in section 7(20)(B); and

8 “(ii) not employed by any State agen-
9 cy or center for independent living.

10 “(5) CHAIRPERSON.—The Council shall select a
11 chairperson from among the voting membership of the
12 Council.

13 “(6) TERMS OF APPOINTMENT.—

14 “(A) LENGTH OF TERM.—Each member of
15 the Council shall serve for a term of 3 years, ex-
16 cept that—

17 “(i) a member appointed to fill a va-
18 cancy occurring prior to the expiration of
19 the term for which a predecessor was ap-
20 pointed, shall be appointed for the remain-
21 der of such term; and

22 “(ii) the terms of service of the mem-
23 bers initially appointed shall be (as speci-
24 fied by the Governor) for such fewer number

1 *of years as will provide for the expiration*
2 *of terms on a staggered basis.*

3 “(B) *NUMBER OF TERMS.*—*No member of*
4 *the Council may serve more than two consecutive*
5 *full terms.*

6 “(7) *VACANCIES.*—

7 “(A) *IN GENERAL.*—*Except as provided in*
8 *subparagraph (B), any vacancy occurring in the*
9 *membership of the Council shall be filled in the*
10 *same manner as the original appointment. The*
11 *vacancy shall not affect the power of the remain-*
12 *ing members to execute the duties of the Council.*

13 “(B) *DELEGATION.*—*The Governor may del-*
14 *egate the authority to fill such a vacancy to the*
15 *remaining voting members of the Council after*
16 *making the original appointment.*

17 “(c) *DUTIES.*—*The Council shall—*

18 “(1) *jointly develop and sign (in conjunction*
19 *with the designated State unit) the State plan re-*
20 *quired in section 704;*

21 “(2) *monitor, review, and evaluate the imple-*
22 *mentation of the State plan;*

23 “(3) *coordinate activities with the State Reha-*
24 *ilitation Council established under section 105, if the*
25 *State has such a Council, or the commission described*

1 *in section 101(a)(21)(A), if the State has such a com-*
2 *mission, and councils that address the needs of spe-*
3 *specific disability populations and issues under other*
4 *Federal law;*

5 *“(4) ensure that all regularly scheduled meetings*
6 *of the Statewide Independent Living Council are open*
7 *to the public and sufficient advance notice is pro-*
8 *vided; and*

9 *“(5) submit to the Commissioner such periodic*
10 *reports as the Commissioner may reasonably request,*
11 *and keep such records, and afford such access to such*
12 *records, as the Commissioner finds necessary to verify*
13 *such reports.*

14 *“(d) HEARINGS AND FORUMS.—The Council is author-*
15 *ized to hold such hearings and forums as the Council may*
16 *determine to be necessary to carry out the duties of the*
17 *Council.*

18 *“(e) PLAN.—*

19 *“(1) IN GENERAL.—The Council shall prepare,*
20 *in conjunction with the designated State unit, a plan*
21 *for the provision of such resources, including such*
22 *staff and personnel, as may be necessary and suffi-*
23 *cient to carry out the functions of the Council under*
24 *this section, with funds made available under this*
25 *chapter, and under section 110 (consistent with sec-*

1 *tion 101(a)(18)), and from other public and private*
2 *sources. The resource plan shall, to the maximum ex-*
3 *tent possible, rely on the use of resources in existence*
4 *during the period of implementation of the plan.*

5 *“(2) SUPERVISION AND EVALUATION.—Each*
6 *Council shall, consistent with State law, supervise*
7 *and evaluate such staff and other personnel as may*
8 *be necessary to carry out the functions of the Council*
9 *under this section.*

10 *“(3) CONFLICT OF INTEREST.—While assisting*
11 *the Council in carrying out its duties, staff and other*
12 *personnel shall not be assigned duties by the des-*
13 *ignated State agency or any other agency or office of*
14 *the State, that would create a conflict of interest.*

15 *“(f) COMPENSATION AND EXPENSES.—The Council*
16 *may use such resources to reimburse members of the Council*
17 *for reasonable and necessary expenses of attending Council*
18 *meetings and performing Council duties (including child*
19 *care and personal assistance services), and to pay com-*
20 *pensation to a member of the Council, if such member is*
21 *not employed or must forfeit wages from other employment,*
22 *for each day the member is engaged in performing Council*
23 *duties.*

24 **“SEC. 706. RESPONSIBILITIES OF THE COMMISSIONER.**

25 *“(a) APPROVAL OF STATE PLANS.—*

1 “(1) *IN GENERAL.*—*The Commissioner shall ap-*
2 *prove any State plan submitted under section 704*
3 *that the Commissioner determines meets the require-*
4 *ments of section 704, and shall disapprove any such*
5 *plan that does not meet such requirements, as soon as*
6 *practicable after receiving the plan. Prior to such dis-*
7 *approval, the Commissioner shall notify the State of*
8 *the intention to disapprove the plan, and shall afford*
9 *such State reasonable notice and opportunity for a*
10 *hearing.*

11 “(2) *PROCEDURES.*—

12 “(A) *IN GENERAL.*—*Except as provided in*
13 *subparagraph (B), the provisions of subsections*
14 *(c) and (d) of section 107 shall apply to any*
15 *State plan submitted to the Commissioner under*
16 *section 704.*

17 “(B) *APPLICATION.*—*For purposes of the*
18 *application described in subparagraph (A), all*
19 *references in such provisions—*

20 “(i) *to the Secretary shall be deemed to*
21 *be references to the Commissioner; and*

22 “(ii) *to section 101 shall be deemed to*
23 *be references to section 704.*

24 “(b) *INDICATORS.*—*Not later than October 1, 1993, the*
25 *Commissioner shall develop and publish in the Federal Reg-*

1 *ister indicators of minimum compliance consistent with the*
2 *standards set forth in section 725.*

3 *“(c) ONSITE COMPLIANCE REVIEWS.—*

4 *“(1) REVIEWS.—The Commissioner shall annu-*
5 *ally conduct onsite compliance reviews of at least 15*
6 *percent of the centers for independent living that re-*
7 *ceive funds under section 722 and shall periodically*
8 *conduct such a review of each such center. The Com-*
9 *missioner shall annually conduct onsite compliance*
10 *reviews of at least one-third of the designated State*
11 *units that receive funding under section 723, and, to*
12 *the extent necessary to determine the compliance of*
13 *such a State unit with subsections (f) and (g) of sec-*
14 *tion 723, centers that receive funding under section*
15 *723 in such State. The Commissioner shall select the*
16 *centers and State units described in this paragraph*
17 *for review on a random basis.*

18 *“(2) QUALIFICATIONS OF EMPLOYEES CONDUCT-*
19 *ING REVIEWS.—The Commissioner shall—*

20 *“(A) to the maximum extent practicable,*
21 *carry out such a review by using employees of*
22 *the Department who are knowledgeable about the*
23 *provision of independent living services;*

1 “(B) ensure that the employee of the De-
2 partment with responsibility for supervising
3 such a review shall have such knowledge; and

4 “(C) ensure that at least one member of a
5 team conducting such a review shall be an indi-
6 vidual who—

7 “(i) is not a government employee; and

8 “(ii) has experience in the operation of
9 centers for independent living.

10 “(d) *REPORTS.*—The Commissioner shall include, in
11 the annual report required under section 13, information
12 on the extent to which centers for independent living receiv-
13 ing funds under part C have complied with the standards
14 and assurances set forth in section 725. The Commissioner
15 may identify individual centers for independent living in
16 the analysis. The Commissioner shall report the results of
17 onsite compliance reviews, identifying individual centers
18 for independent living and other recipients of assistance
19 under this chapter.

20 **“PART B—INDEPENDENT LIVING SERVICES**

21 **“SEC. 711. ALLOTMENTS.**

22 “(a) *IN GENERAL.*—

23 “(1) *STATES.*—

24 “(A) *POPULATION BASIS.*—Except as pro-
25 vided in subparagraphs (B) and (C), from sums

1 *appropriated for each fiscal year to carry out*
2 *this part, the Commissioner shall make an allot-*
3 *ment to each State whose State plan has been*
4 *approved under section 706 of an amount bear-*
5 *ing the same ratio to such sums as the popu-*
6 *lation of the State bears to the population of all*
7 *States.*

8 “(B) *MAINTENANCE OF 1992 AMOUNTS.—*
9 *Subject to the availability of appropriations to*
10 *carry out this part, the amount of any allotment*
11 *made under subparagraph (A) to a State for a*
12 *fiscal year shall not be less than the amount of*
13 *an allotment made to the State for fiscal year*
14 *1992 under part A of this title, as in effect on*
15 *the day before the date of enactment of the Reha-*
16 *ilitation Act Amendments of 1992.*

17 “(C) *MINIMUMS.—Subject to the availabil-*
18 *ity of appropriations to carry out this part, and*
19 *except as provided in subparagraph (B), the al-*
20 *lotment to any State under subparagraph (A)*
21 *shall be not less than \$275,000 or one-third of*
22 *one percent of the sums made available for the*
23 *fiscal year for which the allotment is made,*
24 *whichever is greater, and the allotment of any*
25 *State under this section for any fiscal year that*

1 *is less than \$275,000 or one-third of one percent*
2 *of such sums shall be increased to the greater of*
3 *the two amounts.*

4 “(2) *CERTAIN TERRITORIES.*—

5 “(A) *IN GENERAL.*—*For the purposes of*
6 *paragraph (1)(C), Guam, American Samoa, the*
7 *United States Virgin Islands, and the Common-*
8 *wealth of the Northern Mariana Islands shall not*
9 *be considered to be States.*

10 “(B) *ALLOTMENT.*—*Each jurisdiction de-*
11 *scribed in subparagraph (A) shall be allotted*
12 *under paragraph (1)(A) not less than one-eighth*
13 *of one percent of the amounts made available for*
14 *purposes of this part for the fiscal year for which*
15 *the allotment is made.*

16 “(3) *ADJUSTMENT FOR INFLATION.*—*For any fis-*
17 *cal year, beginning in fiscal year 1999, in which the*
18 *total amount appropriated to carry out this part ex-*
19 *ceeds the total amount appropriated to carry out this*
20 *part for the preceding fiscal year, the Commissioner*
21 *shall increase the minimum allotment under para-*
22 *graph (1)(C) by a percentage that shall not exceed the*
23 *percentage increase in the total amount appropriated*
24 *to carry out this part between the preceding fiscal*
25 *year and the fiscal year involved.*

1 “(b) *PROPORTIONAL REDUCTION.*—To provide allot-
2 ments to States in accordance with subsection (a)(1)(B), to
3 provide minimum allotments to States (as increased under
4 subsection (a)(3)) under subsection (a)(1)(C), or to provide
5 minimum allotments to States under subsection (a)(2)(B),
6 the Commissioner shall proportionately reduce the allot-
7 ments of the remaining States under subsection (a)(1)(A),
8 with such adjustments as may be necessary to prevent the
9 allotment of any such remaining State from being reduced
10 to less than the amount required by subsection (a)(1)(B).

11 “(c) *REALLOTMENT.*—Whenever the Commissioner de-
12 termines that any amount of an allotment to a State for
13 any fiscal year will not be expended by such State in carry-
14 ing out the provisions of this part, the Commissioner shall
15 make such amount available for carrying out the provisions
16 of this part to one or more of the States that the Commis-
17 sioner determines will be able to use additional amounts
18 during such year for carrying out such provisions. Any
19 amount made available to a State for any fiscal year pursu-
20 ant to the preceding sentence shall, for the purposes of this
21 section, be regarded as an increase in the allotment of the
22 State (as determined under the preceding provisions of this
23 section) for such year.

1 **“SEC. 712. PAYMENTS TO STATES FROM ALLOTMENTS.**

2 “(a) *PAYMENTS.*—*From the allotment of each State for*
3 *a fiscal year under section 711, the State shall be paid the*
4 *Federal share of the expenditures incurred during such year*
5 *under its State plan approved under section 706. Such pay-*
6 *ments may be made (after necessary adjustments on account*
7 *of previously made overpayments or underpayments) in ad-*
8 *vance or by way of reimbursement, and in such install-*
9 *ments and on such conditions as the Commissioner may*
10 *determine.*

11 “(b) *FEDERAL SHARE.*—

12 “(1) *IN GENERAL.*—*The Federal share with re-*
13 *spect to any State for any fiscal year shall be 90 per-*
14 *cent of the expenditures incurred by the State during*
15 *such year under its State plan approved under sec-*
16 *tion 706.*

17 “(2) *NON-FEDERAL SHARE.*—*The non-Federal*
18 *share of the cost of any project that receives assistance*
19 *through an allotment under this part may be pro-*
20 *vided in cash or in kind, fairly evaluated, including*
21 *plant, equipment, or services.*

22 **“SEC. 713. AUTHORIZED USES OF FUNDS.**

23 “*The State may use funds received under this part to*
24 *provide the resources described in section 705(e), relating*
25 *to the Statewide Independent Living Council, and may use*
26 *funds received under this part—*

1 “(1) to provide independent living services to in-
2 dividuals with significant disabilities;

3 “(2) to demonstrate ways to expand and improve
4 independent living services;

5 “(3) to support the operation of centers for inde-
6 pendent living that are in compliance with the stand-
7 ards and assurances set forth in subsections (b) and
8 (c) of section 725;

9 “(4) to support activities to increase the capac-
10 ities of public or nonprofit agencies and organizations
11 and other entities to develop comprehensive ap-
12 proaches or systems for providing independent living
13 services;

14 “(5) to conduct studies and analyses, gather in-
15 formation, develop model policies and procedures, and
16 present information, approaches, strategies, findings,
17 conclusions, and recommendations to Federal, State,
18 and local policymakers in order to enhance independ-
19 ent living services for individuals with disabilities;

20 “(6) to train individuals with disabilities and
21 individuals providing services to individuals with
22 disabilities and other persons regarding the independ-
23 ent living philosophy; and

24 “(7) to provide outreach to populations that are
25 unserved or underserved by programs under this title,

1 *including minority groups and urban and rural pop-*
2 *ulations.*

3 **“SEC. 714. AUTHORIZATION OF APPROPRIATIONS.**

4 *“There are authorized to be appropriated to carry out*
5 *this part such sums as may be necessary for each of the*
6 *fiscal years 1998 through 2004.*

7 **“PART C—CENTERS FOR INDEPENDENT LIVING**

8 **“SEC. 721. PROGRAM AUTHORIZATION.**

9 *“(a) IN GENERAL.—From the funds appropriated for*
10 *fiscal year 1998 and for each subsequent fiscal year to carry*
11 *out this part, the Commissioner shall allot such sums as*
12 *may be necessary to States and other entities in accordance*
13 *with subsections (b) through (d).*

14 *“(b) TRAINING.—*

15 *“(1) GRANTS; CONTRACTS; OTHER ARRANGE-*
16 *MENTS.—For any fiscal year in which the funds ap-*
17 *propriated to carry out this part exceed the funds ap-*
18 *propriated to carry out this part for fiscal year 1993,*
19 *the Commissioner shall first reserve from such excess,*
20 *to provide training and technical assistance to eligi-*
21 *ble agencies, centers for independent living, and*
22 *Statewide Independent Living Councils for such fiscal*
23 *year, not less than 1.8 percent, and not more than 2*
24 *percent, of the funds appropriated to carry out this*
25 *part for the fiscal year involved.*

1 “(2) *ALLOCATION.*—From the funds reserved
2 under paragraph (1), the Commissioner shall make
3 grants to, and enter into contracts and other arrange-
4 ments with, entities that have experience in the oper-
5 ation of centers for independent living to provide such
6 training and technical assistance with respect to
7 planning, developing, conducting, administering, and
8 evaluating centers for independent living.

9 “(3) *FUNDING PRIORITIES.*—The Commissioner
10 shall conduct a survey of Statewide Independent Liv-
11 ing Councils and centers for independent living re-
12 garding training and technical assistance needs in
13 order to determine funding priorities for such grants,
14 contracts, and other arrangements.

15 “(4) *REVIEW.*—To be eligible to receive a grant
16 or enter into a contract or other arrangement under
17 this subsection, such an entity shall submit an appli-
18 cation to the Commissioner at such time, in such
19 manner, and containing a proposal to provide such
20 training and technical assistance, and containing
21 such additional information as the Commissioner
22 may require. The Commissioner shall provide for peer
23 review of grant applications by panels that include
24 persons who are not government employees and who

1 *have experience in the operation of centers for inde-*
2 *pendent living.*

3 “(5) *PROHIBITION ON COMBINED FUNDS.—No*
4 *funds reserved by the Commissioner under this sub-*
5 *section may be combined with funds appropriated*
6 *under any other Act or part of this Act if the purpose*
7 *of combining funds is to make a single discretionary*
8 *grant or a single discretionary payment, unless such*
9 *funds appropriated under this chapter are separately*
10 *identified in such grant or payment and are used for*
11 *the purposes of this chapter.*

12 “(c) *IN GENERAL.—*

13 “(1) *STATES.—*

14 “(A) *POPULATION BASIS.—After the res-*
15 *ervation required by subsection (b) has been*
16 *made, and except as provided in subparagraphs*
17 *(B) and (C), from the remainder of the amounts*
18 *appropriated for each such fiscal year to carry*
19 *out this part, the Commissioner shall make an*
20 *allotment to each State whose State plan has*
21 *been approved under section 706 of an amount*
22 *bearing the same ratio to such remainder as the*
23 *population of the State bears to the population*
24 *of all States.*

1 “(B) *MAINTENANCE OF 1992 AMOUNTS.*—
2 *Subject to the availability of appropriations to*
3 *carry out this part, the amount of any allotment*
4 *made under subparagraph (A) to a State for a*
5 *fiscal year shall not be less than the amount of*
6 *financial assistance received by centers for inde-*
7 *pendent living in the State for fiscal year 1992*
8 *under part B of this title, as in effect on the day*
9 *before the date of enactment of the Rehabilitation*
10 *Act Amendments of 1992.*

11 “(C) *MINIMUMS.*—*Subject to the availabil-*
12 *ity of appropriations to carry out this part and*
13 *except as provided in subparagraph (B), for a*
14 *fiscal year in which the amounts appropriated to*
15 *carry out this part exceed the amounts appro-*
16 *priated for fiscal year 1992 to carry out part B*
17 *of this title, as in effect on the day before the*
18 *date of enactment of the Rehabilitation Act*
19 *Amendments of 1992—*

20 “(i) *if such excess is not less than*
21 *\$8,000,000, the allotment to any State*
22 *under subparagraph (A) shall be not less*
23 *than \$450,000 or one-third of one percent of*
24 *the sums made available for the fiscal year*
25 *for which the allotment is made, whichever*

1 *is greater, and the allotment of any State*
2 *under this section for any fiscal year that*
3 *is less than \$450,000 or one-third of one*
4 *percent of such sums shall be increased to*
5 *the greater of the two amounts;*

6 *“(ii) if such excess is not less than*
7 *\$4,000,000 and is less than \$8,000,000, the*
8 *allotment to any State under subparagraph*
9 *(A) shall be not less than \$400,000 or one-*
10 *third of one percent of the sums made avail-*
11 *able for the fiscal year for which the allot-*
12 *ment is made, whichever is greater, and the*
13 *allotment of any State under this section for*
14 *any fiscal year that is less than \$400,000 or*
15 *one-third of one percent of such sums shall*
16 *be increased to the greater of the two*
17 *amounts; and*

18 *“(iii) if such excess is less than*
19 *\$4,000,000, the allotment to any State*
20 *under subparagraph (A) shall approach, as*
21 *nearly as possible, the greater of the two*
22 *amounts described in clause (ii).*

23 *“(2) CERTAIN TERRITORIES.—*

24 *“(A) IN GENERAL.—For the purposes of*
25 *paragraph (1)(C), Guam, American Samoa, the*

1 *United States Virgin Islands, and the Common-*
2 *wealth of the Northern Mariana Islands shall not*
3 *be considered to be States.*

4 “(B) *ALLOTMENT.*—*Each jurisdiction de-*
5 *scribed in subparagraph (A) shall be allotted*
6 *under paragraph (1)(A) not less than one-eighth*
7 *of one percent of the remainder for the fiscal*
8 *year for which the allotment is made.*

9 “(3) *ADJUSTMENT FOR INFLATION.*—*For any fis-*
10 *cal year, beginning in fiscal year 1999, in which the*
11 *total amount appropriated to carry out this part ex-*
12 *ceeds the total amount appropriated to carry out this*
13 *part for the preceding fiscal year, the Commissioner*
14 *shall increase the minimum allotment under para-*
15 *graph (1)(C) by a percentage that shall not exceed the*
16 *percentage increase in the total amount appropriated*
17 *to carry out this part between the preceding fiscal*
18 *year and the fiscal year involved.*

19 “(4) *PROPORTIONAL REDUCTION.*—*To provide*
20 *allotments to States in accordance with paragraph*
21 *(1)(B), to provide minimum allotments to States (as*
22 *increased under paragraph (3)) under paragraph*
23 *(1)(C), or to provide minimum allotments to States*
24 *under paragraph (2)(B), the Commissioner shall pro-*
25 *portionately reduce the allotments of the remaining*

1 *States under paragraph (1)(A), with such adjust-*
2 *ments as may be necessary to prevent the allotment*
3 *of any such remaining State from being reduced to*
4 *less than the amount required by paragraph (1)(B).*

5 “(d) *REALLOTMENT.*—*Whenever the Commissioner de-*
6 *termines that any amount of an allotment to a State for*
7 *any fiscal year will not be expended by such State for carry-*
8 *ing out the provisions of this part, the Commissioner shall*
9 *make such amount available for carrying out the provisions*
10 *of this part to one or more of the States that the Commis-*
11 *sioner determines will be able to use additional amounts*
12 *during such year for carrying out such provisions. Any*
13 *amount made available to a State for any fiscal year pursu-*
14 *ant to the preceding sentence shall, for the purposes of this*
15 *section, be regarded as an increase in the allotment of the*
16 *State (as determined under the preceding provisions of this*
17 *section) for such year.*

18 **“SEC. 722. GRANTS TO CENTERS FOR INDEPENDENT LIV-**
19 **ING IN STATES IN WHICH FEDERAL FUNDING**
20 **EXCEEDS STATE FUNDING.**

21 “(a) *ESTABLISHMENT.*—

22 “(1) *IN GENERAL.*—*Unless the director of a des-*
23 *ignated State unit awards grants under section 723*
24 *to eligible agencies in a State for a fiscal year, the*
25 *Commissioner shall award grants under this section*

1 to such eligible agencies for such fiscal year from the
2 amount of funds allotted to the State under subsection
3 (c) or (d) of section 721 for such year.

4 “(2) GRANTS.—The Commissioner shall award
5 such grants, from the amount of funds so allotted, to
6 such eligible agencies for the planning, conduct, ad-
7 ministration, and evaluation of centers for independ-
8 ent living that comply with the standards and assur-
9 ances set forth in section 725.

10 “(b) ELIGIBLE AGENCIES.—In any State in which the
11 Commissioner has approved the State plan required by sec-
12 tion 704, the Commissioner may make a grant under this
13 section to any eligible agency that—

14 “(1) has the power and authority to carry out
15 the purpose of this part and perform the functions set
16 forth in section 725 within a community and to re-
17 ceive and administer funds under this part, funds
18 and contributions from private or public sources that
19 may be used in support of a center for independent
20 living, and funds from other public and private pro-
21 grams;

22 “(2) is determined by the Commissioner to be
23 able to plan, conduct, administer, and evaluate a cen-
24 ter for independent living consistent with the stand-
25 ards and assurances set forth in section 725; and

1 “(3) submits an application to the Commissioner
2 at such time, in such manner, and containing such
3 information as the Commissioner may require.

4 “(c) *EXISTING ELIGIBLE AGENCIES.*—In the adminis-
5 tration of the provisions of this section, the Commissioner
6 shall award grants to any eligible agency that has been
7 awarded a grant under this part by September 30, 1997,
8 unless the Commissioner makes a finding that the agency
9 involved fails to meet program and fiscal standards and
10 assurances set forth in section 725.

11 “(d) *NEW CENTERS FOR INDEPENDENT LIVING.*—

12 “(1) *IN GENERAL.*—If there is no center for inde-
13 pendent living serving a region of the State or a re-
14 gion is underserved, and the increase in the allotment
15 of the State is sufficient to support an additional cen-
16 ter for independent living in the State, the Commis-
17 sioner may award a grant under this section to the
18 most qualified applicant proposing to serve such re-
19 gion, consistent with the provisions in the State plan
20 setting forth the design of the State for establishing a
21 statewide network of centers for independent living.

22 “(2) *SELECTION.*—In selecting from among ap-
23 plicants for a grant under this section for a new cen-
24 ter for independent living, the Commissioner—

1 “(A) shall consider comments regarding the
2 application, if any, by the Statewide Independ-
3 ent Living Council in the State in which the ap-
4 plicant is located;

5 “(B) shall consider the ability of each such
6 applicant to operate a center for independent
7 living based on—

8 “(i) evidence of the need for such a cen-
9 ter;

10 “(ii) any past performance of such ap-
11 plicant in providing services comparable to
12 independent living services;

13 “(iii) the plan for satisfying or dem-
14 onstrated success in satisfying the standards
15 and the assurances set forth in section 725;

16 “(iv) the quality of key personnel and
17 the involvement of individuals with signifi-
18 cant disabilities;

19 “(v) budgets and cost-effectiveness;

20 “(vi) an evaluation plan; and

21 “(vii) the ability of such applicant to
22 carry out the plans; and

23 “(C) shall give priority to applications from
24 applicants proposing to serve geographic areas
25 within each State that are currently unserved or

1 *underserved by independent living programs,*
2 *consistent with the provisions of the State plan*
3 *submitted under section 704 regarding establish-*
4 *ment of a statewide network of centers for inde-*
5 *pendent living.*

6 “(3) *CURRENT CENTERS.*—*Notwithstanding*
7 *paragraphs (1) and (2), a center for independent liv-*
8 *ing that receives assistance under part B for a fiscal*
9 *year shall be eligible for a grant for the subsequent*
10 *fiscal year under this subsection.*

11 “(e) *ORDER OF PRIORITIES.*—*The Commissioner shall*
12 *be guided by the following order of priorities in allocating*
13 *funds among centers for independent living within a State,*
14 *to the extent funds are available:*

15 “(1) *The Commissioner shall support existing*
16 *centers for independent living, as described in sub-*
17 *section (c), that comply with the standards and assur-*
18 *ances set forth in section 725, at the level of funding*
19 *for the previous year.*

20 “(2) *The Commissioner shall provide for a cost-*
21 *of-living increase for such existing centers for inde-*
22 *pendent living.*

23 “(3) *The Commissioner shall fund new centers*
24 *for independent living, as described in subsection (d),*

1 *that comply with the standards and assurances set*
2 *forth in section 725.*

3 “(f) *NONRESIDENTIAL AGENCIES.*—*A center that pro-*
4 *vides or manages residential housing after October 1, 1994,*
5 *shall not be considered to be an eligible agency under this*
6 *section.*

7 “(g) *REVIEW.*—

8 “(1) *IN GENERAL.*—*The Commissioner shall pe-*
9 *riodically review each center receiving funds under*
10 *this section to determine whether such center is in*
11 *compliance with the standards and assurances set*
12 *forth in section 725. If the Commissioner determines*
13 *that any center receiving funds under this section is*
14 *not in compliance with the standards and assurances*
15 *set forth in section 725, the Commissioner shall im-*
16 *mediately notify such center that it is out of compli-*
17 *ance.*

18 “(2) *ENFORCEMENT.*—*The Commissioner shall*
19 *terminate all funds under this section to such center*
20 *90 days after the date of such notification unless the*
21 *center submits a plan to achieve compliance within*
22 *90 days of such notification and such plan is ap-*
23 *proved by the Commissioner.*

1 **“SEC. 723. GRANTS TO CENTERS FOR INDEPENDENT LIV-**
2 **ING IN STATES IN WHICH STATE FUNDING**
3 **EQUALS OR EXCEEDS FEDERAL FUNDING.**

4 “(a) *ESTABLISHMENT.*—

5 “(1) *IN GENERAL.*—

6 “(A) *INITIAL YEAR.*—

7 “(i) *DETERMINATION.*—*The director of*
8 *a designated State unit, as provided in*
9 *paragraph (2), or the Commissioner, as*
10 *provided in paragraph (3), shall award*
11 *grants under this section for an initial fis-*
12 *cal year if the Commissioner determines*
13 *that the amount of State funds that were*
14 *earmarked by a State for a preceding fiscal*
15 *year to support the general operation of*
16 *centers for independent living meeting the*
17 *requirements of this part equaled or exceed-*
18 *ed the amount of funds allotted to the State*
19 *under subsection (c) or (d) of section 721*
20 *for such year.*

21 “(ii) *GRANTS.*—*The director or the*
22 *Commissioner, as appropriate, shall award*
23 *such grants, from the amount of funds so al-*
24 *lotted for the initial fiscal year, to eligible*
25 *agencies in the State for the planning, con-*
26 *duct, administration, and evaluation of cen-*

1 *ters for independent living that comply with*
2 *the standards and assurances set forth in*
3 *section 725.*

4 “(iii) *REGULATION.—The Commis-*
5 *sioner shall by regulation specify the pre-*
6 *ceding fiscal year with respect to which the*
7 *Commissioner will make the determinations*
8 *described in clause (i) and subparagraph*
9 *(B), making such adjustments as may be*
10 *necessary to accommodate State funding cy-*
11 *cles such as 2-year funding cycles or State*
12 *fiscal years that do not coincide with the*
13 *Federal fiscal year.*

14 “(B) *SUBSEQUENT YEARS.—For each year*
15 *subsequent to the initial fiscal year described in*
16 *subparagraph (A), the director of the designated*
17 *State unit shall continue to have the authority*
18 *to award such grants under this section if the*
19 *Commissioner determines that the State contin-*
20 *ues to earmark the amount of State funds de-*
21 *scribed in subparagraph (A)(i). If the State does*
22 *not continue to earmark such an amount for a*
23 *fiscal year, the State shall be ineligible to make*
24 *grants under this section after a final year fol-*
25 *lowing such fiscal year, as defined in accordance*

1 *with regulations established by the Commis-*
2 *sioner, and for each subsequent fiscal year.*

3 “(2) *GRANTS BY DESIGNATED STATE UNITS.*—*In*
4 *order for the designated State unit to be eligible to*
5 *award the grants described in paragraph (1) and*
6 *carry out this section for a fiscal year with respect*
7 *to a State, the designated State agency shall submit*
8 *an application to the Commissioner at such time, and*
9 *in such manner as the Commissioner may require,*
10 *including information about the amount of State*
11 *funds described in paragraph (1) for the preceding*
12 *fiscal year. If the Commissioner makes a determina-*
13 *tion described in subparagraph (A)(i) or (B), as ap-*
14 *propriate, of paragraph (1), the Commissioner shall*
15 *approve the application and designate the director of*
16 *the designated State unit to award the grant and*
17 *carry out this section.*

18 “(3) *GRANTS BY COMMISSIONER.*—*If the des-*
19 *ignated State agency of a State described in para-*
20 *graph (1) does not submit and obtain approval of an*
21 *application under paragraph (2), the Commissioner*
22 *shall award the grant described in paragraph (1) to*
23 *eligible agencies in the State in accordance with sec-*
24 *tion 722.*

1 “(b) *ELIGIBLE AGENCIES.*—*In any State in which the*
2 *Commissioner has approved the State plan required by sec-*
3 *tion 704, the director of the designated State unit may*
4 *award a grant under this section to any eligible agency*
5 *that—*

6 “(1) *has the power and authority to carry out*
7 *the purpose of this part and perform the functions set*
8 *forth in section 725 within a community and to re-*
9 *ceive and administer funds under this part, funds*
10 *and contributions from private or public sources that*
11 *may be used in support of a center for independent*
12 *living, and funds from other public and private pro-*
13 *grams;*

14 “(2) *is determined by the director to be able to*
15 *plan, conduct, administer, and evaluate a center for*
16 *independent living, consistent with the standards and*
17 *assurances set forth in section 725; and*

18 “(3) *submits an application to the director at*
19 *such time, in such manner, and containing such in-*
20 *formation as the head of the designated State unit*
21 *may require.*

22 “(c) *EXISTING ELIGIBLE AGENCIES.*—*In the adminis-*
23 *tration of the provisions of this section, the director of the*
24 *designated State unit shall award grants under this section*
25 *to any eligible agency that has been awarded a grant under*

1 *this part by September 30, 1997, unless the director makes*
2 *a finding that the agency involved fails to comply with the*
3 *standards and assurances set forth in section 725.*

4 *“(d) NEW CENTERS FOR INDEPENDENT LIVING.—*

5 *“(1) IN GENERAL.—If there is no center for inde-*
6 *pendent living serving a region of the State or the re-*
7 *gion is unserved or underserved, and the increase in*
8 *the allotment of the State is sufficient to support an*
9 *additional center for independent living in the State,*
10 *the director of the designated State unit may award*
11 *a grant under this section from among eligible agen-*
12 *cies, consistent with the provisions of the State plan*
13 *under section 704 setting forth the design of the State*
14 *for establishing a statewide network of centers for*
15 *independent living.*

16 *“(2) SELECTION.—In selecting from among eligi-*
17 *ble agencies in awarding a grant under this part for*
18 *a new center for independent living—*

19 *“(A) the director of the designated State*
20 *unit and the chairperson of, or other individual*
21 *designated by, the Statewide Independent Living*
22 *Council acting on behalf of and at the direction*
23 *of the Council, shall jointly appoint a peer re-*
24 *view committee that shall rank applications in*
25 *accordance with the standards and assurances*

1 *set forth in section 725 and criteria jointly es-*
2 *tablished by such director and such chairperson*
3 *or individual;*

4 “(B) *the peer review committee shall con-*
5 *sider the ability of each such applicant to oper-*
6 *ate a center for independent living, and shall*
7 *recommend an applicant to receive a grant*
8 *under this section, based on—*

9 “(i) *evidence of the need for a center*
10 *for independent living, consistent with the*
11 *State plan;*

12 “(ii) *any past performance of such ap-*
13 *plicant in providing services comparable to*
14 *independent living services;*

15 “(iii) *the plan for complying with, or*
16 *demonstrated success in complying with, the*
17 *standards and the assurances set forth in*
18 *section 725;*

19 “(iv) *the quality of key personnel of the*
20 *applicant and the involvement of individ-*
21 *uals with significant disabilities by the ap-*
22 *plicant;*

23 “(v) *the budgets and cost-effectiveness*
24 *of the applicant;*

1 “(vi) the evaluation plan of the appli-
2 cant; and

3 “(vii) the ability of such applicant to
4 carry out the plans; and

5 “(C) the director of the designated State
6 unit shall award the grant on the basis of the
7 recommendations of the peer review committee if
8 the actions of the committee are consistent with
9 Federal and State law.

10 “(3) *CURRENT CENTERS.*—Notwithstanding
11 paragraphs (1) and (2), a center for independent liv-
12 ing that receives assistance under part B for a fiscal
13 year shall be eligible for a grant for the subsequent
14 fiscal year under this subsection.

15 “(e) *ORDER OF PRIORITIES.*—Unless the director of
16 the designated State unit and the chairperson of the Council
17 or other individual designated by the Council acting on be-
18 half of and at the direction of the Council jointly agree on
19 another order of priority, the director shall be guided by
20 the following order of priorities in allocating funds among
21 centers for independent living within a State, to the extent
22 funds are available:

23 “(1) The director of the designated State unit
24 shall support existing centers for independent living,
25 as described in subsection (c), that comply with the

1 standards and assurances set forth in section 725, at
2 the level of funding for the previous year.

3 “(2) The director of the designated State unit
4 shall provide for a cost-of-living increase for such ex-
5 isting centers for independent living.

6 “(3) The director of the designated State unit
7 shall fund new centers for independent living, as de-
8 scribed in subsection (d), that comply with the stand-
9 ards and assurances set forth in section 725.

10 “(f) *NONRESIDENTIAL AGENCIES.*—A center that pro-
11 vides or manages residential housing after October 1, 1994,
12 shall not be considered to be an eligible agency under this
13 section.

14 “(g) *REVIEW.*—

15 “(1) *IN GENERAL.*—The director of the des-
16 ignated State unit shall periodically review each cen-
17 ter receiving funds under this section to determine
18 whether such center is in compliance with the stand-
19 ards and assurances set forth in section 725. If the di-
20 rector of the designated State unit determines that
21 any center receiving funds under this section is not
22 in compliance with the standards and assurances set
23 forth in section 725, the director of the designated
24 State unit shall immediately notify such center that
25 it is out of compliance.

1 “(2) *ENFORCEMENT.*—*The director of the des-*
2 *ignated State unit shall terminate all funds under*
3 *this section to such center 90 days after—*

4 “(A) *the date of such notification; or*

5 “(B) *in the case of a center that requests an*
6 *appeal under subsection (i), the date of any final*
7 *decision under subsection (i),*

8 *unless the center submits a plan to achieve compli-*
9 *ance within 90 days and such plan is approved by*
10 *the director, or if appealed, by the Commissioner.*

11 “(h) *ONSITE COMPLIANCE REVIEW.*—*The director of*
12 *the designated State unit shall annually conduct onsite*
13 *compliance reviews of at least 15 percent of the centers for*
14 *independent living that receive funding under this section*
15 *in the State. Each team that conducts onsite compliance*
16 *review of centers for independent living shall include at*
17 *least one person who is not an employee of the designated*
18 *State agency, who has experience in the operation of centers*
19 *for independent living, and who is jointly selected by the*
20 *director of the designated State unit and the chairperson*
21 *of or other individual designated by the Council acting on*
22 *behalf of and at the direction of the Council. A copy of this*
23 *review shall be provided to the Commissioner.*

24 “(i) *ADVERSE ACTIONS.*—*If the director of the des-*
25 *ignated State unit proposes to take a significant adverse*

1 *action against a center for independent living, the center*
 2 *may seek mediation and conciliation to be provided by an*
 3 *individual or individuals who are free of conflicts of interest*
 4 *identified by the chairperson of or other individual des-*
 5 *ignated by the Council. If the issue is not resolved through*
 6 *the mediation and conciliation, the center may appeal the*
 7 *proposed adverse action to the Commissioner for a final de-*
 8 *cision.*

9 **“SEC. 724. CENTERS OPERATED BY STATE AGENCIES.**

10 *“A State that receives assistance for fiscal year 1993*
 11 *with respect to a center in accordance with subsection (a)*
 12 *of this section (as in effect on the day before the date of*
 13 *enactment of the Rehabilitation Act Amendments of 1998)*
 14 *may continue to receive assistance under this part for fiscal*
 15 *year 1994 or a succeeding fiscal year if, for such fiscal*
 16 *year—*

17 *“(1) no nonprofit private agency—*

18 *“(A) submits an acceptable application to*
 19 *operate a center for independent living for the*
 20 *fiscal year before a date specified by the Com-*
 21 *missioner; and*

22 *“(B) obtains approval of the application*
 23 *under section 722 or 723; or*

1 “(2) after funding all applications so submitted
2 and approved, the Commissioner determines that
3 funds remain available to provide such assistance.

4 **“SEC. 725. STANDARDS AND ASSURANCES FOR CENTERS**
5 **FOR INDEPENDENT LIVING.**

6 “(a) *IN GENERAL.*—Each center for independent liv-
7 ing that receives assistance under this part shall comply
8 with the standards set out in subsection (b) and provide
9 and comply with the assurances set out in subsection (c)
10 in order to ensure that all programs and activities under
11 this part are planned, conducted, administered, and evalu-
12 ated in a manner consistent with the purposes of this chap-
13 ter and the objective of providing assistance effectively and
14 efficiently.

15 “(b) *STANDARDS.*—

16 “(1) *PHILOSOPHY.*—The center shall promote
17 and practice the independent living philosophy of—

18 “(A) consumer control of the center regard-
19 ing decisionmaking, service delivery, manage-
20 ment, and establishment of the policy and direc-
21 tion of the center;

22 “(B) self-help and self-advocacy;

23 “(C) development of peer relationships and
24 peer role models; and

1 “(D) equal access of individuals with sig-
2 nificant disabilities to society and to all services,
3 programs, activities, resources, and facilities,
4 whether public or private and regardless of the
5 funding source.

6 “(2) *PROVISION OF SERVICES.*—The center shall
7 provide services to individuals with a range of sig-
8 nificant disabilities. The center shall provide services
9 on a cross-disability basis (for individuals with all
10 different types of significant disabilities, including
11 individuals with significant disabilities who are
12 members of populations that are unserved or under-
13 served by programs under this title). Eligibility for
14 services at any center for independent living shall be
15 determined by the center, and shall not be based on
16 the presence of any one or more specific significant
17 disabilities.

18 “(3) *INDEPENDENT LIVING GOALS.*—The center
19 shall facilitate the development and achievement of
20 independent living goals selected by individuals with
21 significant disabilities who seek such assistance by the
22 center.

23 “(4) *COMMUNITY OPTIONS.*—The center shall
24 work to increase the availability and improve the
25 quality of community options for independent living

1 *in order to facilitate the development and achievement*
2 *of independent living goals by individuals with sig-*
3 *nificant disabilities.*

4 “(5) *INDEPENDENT LIVING CORE SERVICES.—*
5 *The center shall provide independent living core serv-*
6 *ices and, as appropriate, a combination of any other*
7 *independent living services.*

8 “(6) *ACTIVITIES TO INCREASE COMMUNITY CA-*
9 *PACITY.—The center shall conduct activities to in-*
10 *crease the capacity of communities within the service*
11 *area of the center to meet the needs of individuals*
12 *with significant disabilities.*

13 “(7) *RESOURCE DEVELOPMENT ACTIVITIES.—*
14 *The center shall conduct resource development activi-*
15 *ties to obtain funding from sources other than this*
16 *chapter.*

17 “(c) *ASSURANCES.—The eligible agency shall provide*
18 *at such time and in such manner as the Commissioner may*
19 *require, such satisfactory assurances as the Commissioner*
20 *may require, including satisfactory assurances that—*

21 “(1) *the applicant is an eligible agency;*

22 “(2) *the center will be designed and operated*
23 *within local communities by individuals with disabil-*
24 *ities, including an assurance that the center will have*
25 *a Board that is the principal governing body of the*

1 center and a majority of which shall be composed of
2 individuals with significant disabilities;

3 “(3) the applicant will comply with the stand-
4 ards set forth in subsection (b);

5 “(4) the applicant will establish clear priorities
6 through annual and 3-year program and financial
7 planning objectives for the center, including overall
8 goals or a mission for the center, a work plan for
9 achieving the goals or mission, specific objectives,
10 service priorities, and types of services to be provided,
11 and a description that shall demonstrate how the pro-
12 posed activities of the applicant are consistent with
13 the most recent 3-year State plan under section 704;

14 “(5) the applicant will use sound organizational
15 and personnel assignment practices, including taking
16 affirmative action to employ and advance in employ-
17 ment qualified individuals with significant disabili-
18 ties on the same terms and conditions required with
19 respect to the employment of individuals with disabil-
20 ities under section 503;

21 “(6) the applicant will ensure that the majority
22 of the staff, and individuals in decisionmaking posi-
23 tions, of the applicant are individuals with disabil-
24 ities;

1 “(7) the applicant will practice sound fiscal
2 management, including making arrangements for an
3 annual independent fiscal audit, notwithstanding sec-
4 tion 7502(a)(2)(A) of title 31, United States Code;

5 “(8) the applicant will conduct annual self-eval-
6 uations, prepare an annual report, and maintain
7 records adequate to measure performance with respect
8 to the standards, containing information regarding,
9 at a minimum—

10 “(A) the extent to which the center is in
11 compliance with the standards;

12 “(B) the number and types of individuals
13 with significant disabilities receiving services
14 through the center;

15 “(C) the types of services provided through
16 the center and the number of individuals with
17 significant disabilities receiving each type of
18 service;

19 “(D) the sources and amounts of funding
20 for the operation of the center;

21 “(E) the number of individuals with signifi-
22 cant disabilities who are employed by, and the
23 number who are in management and decision-
24 making positions in, the center; and

1 “(F) a comparison, when appropriate, of
2 the activities of the center in prior years with
3 the activities of the center in the most recent
4 year;

5 “(9) individuals with significant disabilities who
6 are seeking or receiving services at the center will be
7 notified by the center of the existence of, the availabil-
8 ity of, and how to contact, the client assistance pro-
9 gram;

10 “(10) aggressive outreach regarding services pro-
11 vided through the center will be conducted in an effort
12 to reach populations of individuals with significant
13 disabilities that are unserved or underserved by pro-
14 grams under this title, especially minority groups
15 and urban and rural populations;

16 “(11) staff at centers for independent living will
17 receive training on how to serve such unserved and
18 underserved populations, including minority groups
19 and urban and rural populations;

20 “(12) the center will submit to the Statewide
21 Independent Living Council a copy of its approved
22 grant application and the annual report required
23 under paragraph (8);

24 “(13) the center will prepare and submit a re-
25 port to the designated State unit or the Commis-

1 sioner, as the case may be, at the end of each fiscal
2 year that contains the information described in para-
3 graph (8) and information regarding the extent to
4 which the center is in compliance with the standards
5 set forth in subsection (b); and

6 “(14) an independent living plan described in
7 section 704(e) will be developed unless the individual
8 who would receive services under the plan signs a
9 waiver stating that such a plan is unnecessary.

10 **“SEC. 726. DEFINITIONS.**

11 “As used in this part, the term ‘eligible agency’ means
12 a consumer-controlled, community-based, cross-disability,
13 nonresidential private nonprofit agency.

14 **“SEC. 727. AUTHORIZATION OF APPROPRIATIONS.**

15 “There are authorized to be appropriated to carry out
16 this part such sums as may be necessary for each of the
17 fiscal years 1998 through 2004.

18 **“CHAPTER 2—INDEPENDENT LIVING**
19 **SERVICES FOR OLDER INDIVIDUALS**
20 **WHO ARE BLIND**

21 **“SEC. 751. DEFINITION.**

22 “For purposes of this chapter, the term ‘older individ-
23 ual who is blind’ means an individual age 55 or older whose
24 significant visual impairment makes competitive employ-

1 *ment extremely difficult to attain but for whom independ-*
2 *ent living goals are feasible.*

3 **“SEC. 752. PROGRAM OF GRANTS.**

4 *“(a) IN GENERAL.—*

5 *“(1) AUTHORITY FOR GRANTS.—Subject to sub-*
6 *sections (b) and (c), the Commissioner may make*
7 *grants to States for the purpose of providing the serv-*
8 *ices described in subsection (d) to older individuals*
9 *who are blind.*

10 *“(2) DESIGNATED STATE AGENCY.—The Com-*
11 *missioner may not make a grant under subsection (a)*
12 *unless the State involved agrees that the grant will be*
13 *administered solely by the agency described in section*
14 *101(a)(2)(A)(i).*

15 *“(b) CONTINGENT COMPETITIVE GRANTS.—Beginning*
16 *with fiscal year 1993, in the case of any fiscal year for*
17 *which the amount appropriated under section 753 is less*
18 *than \$13,000,000, grants made under subsection (a) shall*
19 *be—*

20 *“(1) discretionary grants made on a competitive*
21 *basis to States; or*

22 *“(2) grants made on a noncompetitive basis to*
23 *pay for the continuation costs of activities for which*
24 *a grant was awarded—*

25 *“(A) under this chapter; or*

1 “(B) under part C, as in effect on the day
2 before the date of enactment of the Rehabilitation
3 Act Amendments of 1992.

4 “(c) *CONTINGENT FORMULA GRANTS.*—

5 “(1) *IN GENERAL.*—*In the case of any fiscal year*
6 *for which the amount appropriated under section 753*
7 *is equal to or greater than \$13,000,000, grants under*
8 *subsection (a) shall be made only to States and shall*
9 *be made only from allotments under paragraph (2).*

10 “(2) *ALLOTMENTS.*—*For grants under subsection*
11 *(a) for a fiscal year described in paragraph (1), the*
12 *Commissioner shall make an allotment to each State*
13 *in an amount determined in accordance with sub-*
14 *section (j), and shall make a grant to the State of the*
15 *allotment made for the State if the State submits to*
16 *the Commissioner an application in accordance with*
17 *subsection (i).*

18 “(d) *SERVICES GENERALLY.*—*The Commissioner may*
19 *not make a grant under subsection (a) unless the State in-*
20 *volved agrees that the grant will be expended only for pur-*
21 *poses of—*

22 “(1) *providing independent living services to*
23 *older individuals who are blind;*

24 “(2) *conducting activities that will improve or*
25 *expand services for such individuals; and*

1 “(3) *conducting activities to help improve public*
2 *understanding of the problems of such individuals.*

3 “(e) *INDEPENDENT LIVING SERVICES.—Independent*
4 *living services for purposes of subsection (d)(1) include—*

5 “(1) *services to help correct blindness, such as—*

6 “(A) *outreach services;*

7 “(B) *visual screening;*

8 “(C) *surgical or therapeutic treatment to*
9 *prevent, correct, or modify disabling eye condi-*
10 *tions; and*

11 “(D) *hospitalization related to such services;*

12 “(2) *the provision of eyeglasses and other visual*
13 *aids;*

14 “(3) *the provision of services and equipment to*
15 *assist an older individual who is blind to become*
16 *more mobile and more self-sufficient;*

17 “(4) *mobility training, braille instruction, and*
18 *other services and equipment to help an older individ-*
19 *ual who is blind adjust to blindness;*

20 “(5) *guide services, reader services, and trans-*
21 *portation;*

22 “(6) *any other appropriate service designed to*
23 *assist an older individual who is blind in coping with*
24 *daily living activities, including supportive services*
25 *and rehabilitation teaching services;*

1 “(7) *independent living skills training, informa-*
2 *tion and referral services, peer counseling, and indi-*
3 *vidual advocacy training; and*

4 “(8) *other independent living services.*

5 “(f) *MATCHING FUNDS.—*

6 “(1) *IN GENERAL.—The Commissioner may not*
7 *make a grant under subsection (a) unless the State*
8 *involved agrees, with respect to the costs of the pro-*
9 *gram to be carried out by the State pursuant to such*
10 *subsection, to make available (directly or through do-*
11 *nations from public or private entities) non-Federal*
12 *contributions toward such costs in an amount that is*
13 *not less than \$1 for each \$9 of Federal funds provided*
14 *in the grant.*

15 “(2) *DETERMINATION OF AMOUNT CONTRIB-*
16 *UTED.—Non-Federal contributions required in para-*
17 *graph (1) may be in cash or in kind, fairly evaluated,*
18 *including plant, equipment, or services. Amounts pro-*
19 *vided by the Federal Government, or services assisted*
20 *or subsidized to any significant extent by the Federal*
21 *Government, may not be included in determining the*
22 *amount of such non-Federal contributions.*

23 “(g) *CERTAIN EXPENDITURES OF GRANTS.—A State*
24 *may expend a grant under subsection (a) to carry out the*

1 *purposes specified in subsection (d) through grants to public*
2 *and nonprofit private agencies or organizations.*

3 “(h) *REQUIREMENT REGARDING STATE PLAN.*—The
4 *Commissioner may not make a grant under subsection (a)*
5 *unless the State involved agrees that, in carrying out sub-*
6 *section (d)(1), the State will seek to incorporate into the*
7 *State plan under section 704 any new methods and ap-*
8 *proaches relating to independent living services for older*
9 *individuals who are blind.*

10 “(i) *APPLICATION FOR GRANT.*—

11 “(1) *IN GENERAL.*—The Commissioner may not
12 *make a grant under subsection (a) unless an applica-*
13 *tion for the grant is submitted to the Commissioner*
14 *and the application is in such form, is made in such*
15 *manner, and contains such agreements, assurances,*
16 *and information as the Commissioner determines to*
17 *be necessary to carry out this section (including*
18 *agreements, assurances, and information with respect*
19 *to any grants under subsection (j)(4)).*

20 “(2) *CONTENTS.*—An application for a grant
21 *under this section shall contain—*

22 “(A) *an assurance that the agency described*
23 *in subsection (a)(2) will prepare and submit to*
24 *the Commissioner a report, at the end of each*
25 *fiscal year, with respect to each project or pro-*

1 *gram the agency operates or administers under*
2 *this section, whether directly or through a grant*
3 *or contract, which report shall contain, at a*
4 *minimum, information on—*

5 *“(i) the number and types of older in-*
6 *dividuals who are blind and are receiving*
7 *services;*

8 *“(ii) the types of services provided and*
9 *the number of older individuals who are*
10 *blind and are receiving each type of service;*

11 *“(iii) the sources and amounts of fund-*
12 *ing for the operation of each project or pro-*
13 *gram;*

14 *“(iv) the amounts and percentages of*
15 *resources committed to each type of service*
16 *provided;*

17 *“(v) data on actions taken to employ,*
18 *and advance in employment, qualified indi-*
19 *viduals with significant disabilities, includ-*
20 *ing older individuals who are blind; and*

21 *“(vi) a comparison, if appropriate, of*
22 *prior year activities with the activities of*
23 *the most recent year;*

24 *“(B) an assurance that the agency will—*

1 “(i) provide services that contribute to
2 the maintenance of, or the increased inde-
3 pendence of, older individuals who are
4 blind; and

5 “(ii) engage in—

6 “(I) capacity-building activities,
7 including collaboration with other
8 agencies and organizations;

9 “(II) activities to promote com-
10 munity awareness, involvement, and
11 assistance; and

12 “(III) outreach efforts; and

13 “(C) an assurance that the application is
14 consistent with the State plan for providing
15 independent living services required by section
16 704.

17 “(j) AMOUNT OF FORMULA GRANT.—

18 “(1) IN GENERAL.—Subject to the availability of
19 appropriations, the amount of an allotment under
20 subsection (a) for a State for a fiscal year shall be the
21 greater of—

22 “(A) the amount determined under para-
23 graph (2); or

24 “(B) the amount determined under para-
25 graph (3).

1 “(2) *MINIMUM ALLOTMENT.*—

2 “(A) *STATES.*—*In the case of the several*
3 *States, the District of Columbia, and the Com-*
4 *monwealth of Puerto Rico, the amount referred*
5 *to in subparagraph (A) of paragraph (1) for a*
6 *fiscal year is the greater of—*

7 “(i) \$225,000; or

8 “(ii) *an amount equal to one-third of*
9 *one percent of the amount appropriated*
10 *under section 753 for the fiscal year and*
11 *available for allotments under subsection*
12 *(a).*

13 “(B) *CERTAIN TERRITORIES.*—*In the case*
14 *of Guam, American Samoa, the United States*
15 *Virgin Islands, and the Commonwealth of the*
16 *Northern Mariana Islands, the amount referred*
17 *to in subparagraph (A) of paragraph (1) for a*
18 *fiscal year is \$40,000.*

19 “(3) *FORMULA.*—*The amount referred to in sub-*
20 *paragraph (B) of paragraph (1) for a State for a fis-*
21 *cal year is the product of—*

22 “(A) *the amount appropriated under sec-*
23 *tion 753 and available for allotments under sub-*
24 *section (a); and*

25 “(B) *a percentage equal to the quotient of—*

1 “(i) an amount equal to the number of
2 individuals residing in the State who are
3 not less than 55 years of age; divided by

4 “(ii) an amount equal to the number of
5 individuals residing in the United States
6 who are not less than 55 years of age.

7 “(4) DISPOSITION OF CERTAIN AMOUNTS.—

8 “(A) GRANTS.—From the amounts specified
9 in subparagraph (B), the Commissioner may
10 make grants to States whose population of older
11 individuals who are blind has a substantial need
12 for the services specified in subsection (d) rel-
13 ative to the populations in other States of older
14 individuals who are blind.

15 “(B) AMOUNTS.—The amounts referred to
16 in subparagraph (A) are any amounts that are
17 not paid to States under subsection (a) as a re-
18 sult of—

19 “(i) the failure of any State to submit
20 an application under subsection (i);

21 “(ii) the failure of any State to pre-
22 pare within a reasonable period of time
23 such application in compliance with such
24 subsection; or

1 “(iii) any State informing the Com-
2 missioner that the State does not intend to
3 expend the full amount of the allotment
4 made for the State under subsection (a).

5 “(C) CONDITIONS.—The Commissioner may
6 not make a grant under subparagraph (A) unless
7 the State involved agrees that the grant is subject
8 to the same conditions as grants made under
9 subsection (a).

10 **“SEC. 753. AUTHORIZATION OF APPROPRIATIONS.**

11 *“There are authorized to be appropriated to carry out*
12 *this chapter such sums as may be necessary for each of the*
13 *fiscal years 1998 through 2004.”.*

14 **SEC. 611. HELEN KELLER NATIONAL CENTER ACT.**

15 (a) *GENERAL AUTHORIZATION OF APPROPRIATIONS.—*
16 *The first sentence of section 205(a) of the Helen Keller Na-*
17 *tional Center Act (29 U.S.C. 1904(a)) is amended by strik-*
18 *ing “1993 through 1997” and inserting “1998 through*
19 *2004”.*

20 (b) *HELEN KELLER NATIONAL CENTER FEDERAL EN-*
21 *DOWMENT FUND.—The first sentence of section 208(h) of*
22 *such Act (29 U.S.C. 1907(h)) is amended by striking “1993*
23 *through 1997” and inserting “1998 through 2004”.*

24 (c) *REGISTRY.—Such Act (29 U.S.C. 1901 et seq.) is*
25 *amended by adding at the end the following:*

1 **“SEC. 209. NATIONAL REGISTRY AND AUTHORIZATION OF**
2 **APPROPRIATIONS.**

3 *“(a) REGISTRY.—The Center shall establish and main-*
4 *tain a national registry of individuals who are deaf-blind,*
5 *using funds made available under subsection (b).*

6 *“(b) AUTHORIZATION OF APPROPRIATIONS.—There*
7 *are authorized to be appropriated to carry out subsection*
8 *(a) such sums as may be necessary for each of fiscal years*
9 *1998 through 2004.”.*

10 **SEC. 612. PRESIDENT’S COMMITTEE ON EMPLOYMENT OF**
11 **PEOPLE WITH DISABILITIES.**

12 *Section 2(2) of the joint resolution approved July 11,*
13 *1949 (63 Stat. 409, chapter 302; 36 U.S.C. 155b(2)) is*
14 *amended by inserting “solicit,” before “accept,”.*

15 **SEC. 613. CONFORMING AMENDMENTS.**

16 *(a) PREPARATION.—After consultation with the appro-*
17 *priate committees of Congress and the Director of the Office*
18 *of Management and Budget, the Secretary of Education*
19 *shall prepare recommended legislation containing technical*
20 *and conforming amendments to reflect the changes made by*
21 *this title.*

22 *(b) SUBMISSION TO CONGRESS.—Not later than 6*
23 *months after the date of enactment of this Act, the Secretary*

- 1 *of Education shall submit to Congress the recommended leg-*
- 2 *islation referred to under subsection (a).*

Attest:

Secretary.

105TH CONGRESS
2^D SESSION

H. R. 1385

AMENDMENT

HR 1385 EAS—2
HR 1385 EAS—3
HR 1385 EAS—4
HR 1385 EAS—5
HR 1385 EAS—6
HR 1385 EAS—7
HR 1385 EAS—8
HR 1385 EAS—9
HR 1385 EAS—10
HR 1385 EAS—11
HR 1385 EAS—12
HR 1385 EAS—13
HR 1385 EAS—14
HR 1385 EAS—15

HR 1385 EAS	16
HR 1385 EAS	17
HR 1385 EAS	18
HR 1385 EAS	19
HR 1385 EAS	20
HR 1385 EAS	21
HR 1385 EAS	22
HR 1385 EAS	23
HR 1385 EAS	24
HR 1385 EAS	25
HR 1385 EAS	26
HR 1385 EAS	27
HR 1385 EAS	28
HR 1385 EAS	29

HR 1385 EAS	30
HR 1385 EAS	31
HR 1385 EAS	32
HR 1385 EAS	33
HR 1385 EAS	34
HR 1385 EAS	35
HR 1385 EAS	36
HR 1385 EAS	37
HR 1385 EAS	38
HR 1385 EAS	39
HR 1385 EAS	40
HR 1385 EAS	41
HR 1385 EAS	42
HR 1385 EAS	43

HR 1385 EAS	44
HR 1385 EAS	45
HR 1385 EAS	46
HR 1385 EAS	47
HR 1385 EAS	48
HR 1385 EAS	49
HR 1385 EAS	50
HR 1385 EAS	51
HR 1385 EAS	52
HR 1385 EAS	53
HR 1385 EAS	54
HR 1385 EAS	55
HR 1385 EAS	56
HR 1385 EAS	57

HR 1385 EAS—58

HR 1385 EAS—59

HR 1385 EAS—60