

Calendar No. 214

105TH CONGRESS
1ST Session

S. 1186

[Report No. 105-109]

A BILL

To provide for education and training; and for
other purposes.

OCTOBER 15, 1997

Reported with an amendment

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1ST SESSION

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To provide for education and training, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1997

Mr. DEWINE (for himself, Mr. JEFFORDS, Mr. KENNEDY, and Mr. WELLSTONE) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

OCTOBER 15, 1997

Reported under authority of the order of the Senate of October 9, 1997 by
Mr. JEFFORDS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide for education and training, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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

4 (a) ~~SHORT TITLE.~~—This Act may be cited as the

5 ~~“Workforce Investment Partnership Act of 1997”.~~

- 1 (b) TABLE OF CONTENTS.—The table of contents is
 2 as 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.

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.

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.

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.

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.

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. National Apprenticeship Act.
- Sec. 423. Veterans' employment programs.
- Sec. 424. Older Americans Act of 1965.

TITLE V—GENERAL PROVISIONS

- Sec. 501. State unified plans.
- Sec. 502. Transition provisions.
- Sec. 503. Effective date.

1 **SEC. 2. DEFINITIONS.**

2 **In this Act:**

1 (1) ADULT.—In paragraph (14) and title III,
2 the term “adult” means an individual who is age 22
3 or older.

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

7 (A) who have attained 16 years of age or
8 who are beyond the age of compulsory school
9 attendance under State law;

10 (B) who are not enrolled in secondary
11 school; and

12 (C) who—

13 (i) lack sufficient mastery of basic
14 educational skills to enable the individuals
15 to function effectively in society;

16 (ii) do not possess a secondary school
17 diploma or its recognized equivalent; or

18 (iii) are unable to speak, read, or
19 write the English language.

20 (3) AREA VOCATIONAL EDUCATION SCHOOL.—

21 The term “area vocational education school”
22 means—

23 (A) a specialized public secondary school
24 used exclusively or principally for the provision
25 of vocational education for individuals who seek

1 to study and prepare for entering the labor
2 market;

3 (B) the department of a public secondary
4 school exclusively or principally used for provid-
5 ing vocational education in not fewer than 5
6 different occupational fields to individuals who
7 are available for study in preparation for enter-
8 ing the labor market;

9 (C) a technical institute or vocational
10 school used exclusively or principally for the
11 provision of vocational education to individuals
12 who have completed or left public secondary
13 school and who seek to study and prepare for
14 entering the labor market, if the institute or
15 school admits as regular students both individ-
16 uals who have completed public secondary
17 school and individuals who have left public sec-
18 ondary school; or

19 (D) the department or division of a junior
20 college, community college, or university operat-
21 ing under the policies of the eligible agency and
22 that provides vocational education in not fewer
23 than 5 different occupational fields leading to
24 immediate employment but not necessarily lead-
25 ing to a baccalaureate degree, if the department

1 or division admits as regular students both indi-
 2 viduals who have completed public secondary
 3 school and individuals who have left public sec-
 4 ondary school.

5 (4) CHIEF ELECTED OFFICIAL.—The term
 6 “chief elected official” means the chief elected execu-
 7 tive officer of a unit of general local government in
 8 a local area.

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

13 (6) DISLOCATED WORKER.—The term “dis-
 14 located worker” means an individual who—

15 (A)(i) has been terminated or laid off, or
 16 who has received a notice of termination or lay-
 17 off, from employment;

18 (ii)(I) is eligible for or has exhausted enti-
 19 tlement to unemployment compensation; or

20 (II) has been employed for a duration suf-
 21 ficient to demonstrate, to the appropriate entity
 22 at a one-stop customer service center, attach-
 23 ment to the workforce, but is not eligible for
 24 unemployment compensation due to insufficient
 25 earnings or having performed services for an

1 employer that were not covered under a State
2 unemployment compensation law; and

3 (iii) is unlikely to return to a previous in-
4 dustry or occupation;

5 (B)(i) has been terminated or laid off, or
6 has received a notice of termination or layoff,
7 from employment as a result of any permanent
8 closure of, or any substantial layoff at, a plant,
9 facility, or enterprise;

10 (ii) is employed at a facility at which the
11 employer has made a general announcement
12 that such facility will close within 180 days; or

13 (iii) for purposes of eligibility to receive
14 services under title III other than training serv-
15 ices described in section 315(e)(3), intensive
16 services, or supportive services, is employed at
17 a facility at which the employer has made a
18 general announcement that such facility will
19 close;

20 (C) was self-employed (including employ-
21 ment as a farmer, a rancher, or a fisherman)
22 but is unemployed as a result of general eco-
23 nomic conditions in the community in which the
24 individual resides or because of natural disas-
25 ters; or

1 (D) is a displaced homemaker.

2 (7) ~~DISPLACED~~ ~~HOMEMAKER~~.—The term “dis-

3 placed homemaker” means an individual who has

4 been providing unpaid services to family members in

5 the home and who—

6 (A) has been dependent on the income of

7 another family member but is no longer sup-

8 ported by that income; and

9 (B) is unemployed or underemployed and

10 is experiencing difficulty in obtaining or up-

11 grading employment.

12 (8) ~~ECONOMIC DEVELOPMENT AGENCIES~~.—The

13 term “economic development agencies” includes local

14 planning and zoning commissions or boards, commu-

15 nity development agencies, and other local agencies

16 and institutions responsible for regulating, promot-

17 ing, or assisting in local economic development.

18 (9) ~~EDUCATIONAL SERVICE AGENCY~~.—The

19 term “educational service agency” means a regional

20 public multiservice agency authorized by State stat-

21 ute to develop and manage a service or program,

22 and provide the service or program to a local edu-

23 cational agency.

24 (10) ~~ELEMENTARY SCHOOL; LOCAL EDU-~~

25 ~~CATIONAL AGENCY~~.—The terms “elementary school”

1 and “local educational agency” have the meanings
2 given the terms in section 14101 of the Elementary
3 and Secondary Education Act of 1965 (20 U.S.C.
4 8801).

5 (11) ELIGIBLE AGENCY.—The term “eligible
6 agency” means—

7 (A) in the case of vocational education ac-
8 tivities or requirements described in title I—

9 (i) the individual, entity, or agency in
10 a State or an outlying area responsible for
11 administering or setting policy for voca-
12 tional education in the State or outlying
13 area, respectively, pursuant to the law of
14 the State or outlying area, respectively; or

15 (ii) if no individual, entity, or agency
16 is responsible for administering or setting
17 such policy pursuant to the law of the
18 State or outlying area, the individual, en-
19 tity, or agency in a State or outlying area,
20 respectively, responsible for administering
21 or setting policy for vocational education in
22 the State or outlying area, respectively, on
23 the date of enactment of the Workforce In-
24 vestment Partnership Act of 1997; and

1 (B) in the case of adult education and lit-
2 eracy activities or requirements described in
3 title II—

4 (i) the individual, entity, or agency in
5 a State or an outlying area responsible for
6 administering or setting policy for adult
7 education and literacy in the State or out-
8 lying area, respectively, pursuant to the
9 law of the State or outlying area, respec-
10 tively; or

11 (ii) if no individual, entity, or agency
12 is responsible for administering or setting
13 such policy pursuant to the law of the
14 State or outlying area, the individual, en-
15 tity, or agency in a State or outlying area,
16 respectively, responsible for administering
17 or setting policy for adult education and
18 literacy in the State or outlying area, re-
19 spectively, on the date of enactment of the
20 Workforce Investment Partnership Act of
21 1997.

22 (12) ELIGIBLE INSTITUTION.—In title I, the
23 term “eligible institution” means—

24 (A) an institution of higher education;

1 ~~(B)~~ a local educational agency providing
2 education at the postsecondary level;

3 ~~(C)~~ an area vocational education school
4 providing education at the postsecondary level;

5 ~~(D)~~ a postsecondary educational institution
6 controlled by the Bureau of Indian Affairs or
7 operated by or on behalf of any Indian tribe
8 that is eligible to contract with the Secretary of
9 the Interior for the administration of programs
10 under the Indian Self-Determination Act or the
11 Act of April 16, 1934 (48 Stat. 596; 25 U.S.C.
12 452 et seq.); and

13 ~~(E)~~ a consortium of 2 or more of the enti-
14 ties described in subparagraphs ~~(A)~~ through
15 ~~(D)~~.

16 ~~(13)~~ ELIGIBLE PROVIDER.—The term “eligible
17 provider”—

18 ~~(A)~~ in title II, means—

19 ~~(i)~~ a local educational agency;

20 ~~(ii)~~ a community-based organization;

21 ~~(iii)~~ an institution of higher education;

22 ~~(iv)~~ a public or private nonprofit
23 agency;

24 ~~(v)~~ a consortium of such agencies, or-
25 ganizations, or institutions; or

- 1 (vi) a library; and
- 2 (B) in title III, used with respect to—
- 3 (i) training services (other than on-
- 4 the-job training); means a provider who is
- 5 identified in accordance with section 312;
- 6 (ii) youth activities; means a provider
- 7 who is awarded a grant in accordance with
- 8 section 313; or
- 9 (iii) other workforce investment activi-
- 10 ties; means a public or private entity se-
- 11 lected to be responsible for such activities;
- 12 in accordance with subtitle A of title III,
- 13 such as a one-stop customer service center
- 14 operator designated or certified under sec-
- 15 tion 311.

16 (14) EMPLOYMENT AND TRAINING ACTIVITY.—

17 The term “employment and training activity” means

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

19 section (c)(1) or (d) of section 315, carried out for

20 an adult or dislocated worker.

21 (15) ENGLISH LITERACY PROGRAM.—The term

22 “English literacy program” means a program of in-

23 struction designed to help individuals of limited

24 English proficiency achieve competence in the Eng-

25 lish language.

1 (16) GOVERNOR.—The term “Governor” means
2 the chief executive officer of a State.

3 (17) INDIVIDUAL WITH A DISABILITY.—

4 (A) IN GENERAL.—The term “individual
5 with a disability” means an individual with any
6 disability (as defined in section 3 of the Ameri-
7 cans with Disabilities Act of 1990 (42 U.S.C.
8 12102)).

9 (B) INDIVIDUALS WITH DISABILITIES.—

10 The term “individuals with disabilities” means
11 more than 1 individual with a disability.

12 (18) INDIVIDUAL OF LIMITED ENGLISH PRO-
13 FICIENCY.—The term “individual of limited English
14 proficiency” means an adult or out-of-school youth
15 who has limited ability in speaking, reading, writing,
16 or understanding the English language, and—

17 (A) whose native language is a language
18 other than English; or

19 (B) who lives in a family or community en-
20 vironment where a language other than English
21 is the dominant language.

22 (19) INSTITUTION OF HIGHER EDUCATION.—

23 Except for purposes of subtitle B of title I, the term
24 “institution of higher education” has the meaning

1 given the term in section 1201(a) of the Higher
2 Education Act of 1965 (20 U.S.C. 1141(a)).

3 ~~(20) LITERACY.—~~

4 ~~(A) IN GENERAL.—~~The term “literacy”
5 means an individual’s ability to read, write, and
6 speak in English, compute, and solve problems,
7 at levels of proficiency necessary to function on
8 the job and in society.

9 ~~(B) WORKPLACE LITERACY PROGRAM.—~~

10 The term “workplace literacy program” means
11 a program of literacy activities that is offered
12 in the workplace for the purpose of improving
13 the productivity of the workforce through the
14 improvement of literacy skills.

15 ~~(21) LOCAL AREA.—~~In paragraph (4) and title
16 III, the term “local area” means a local workforce
17 investment area designated under section 307.

18 ~~(22) LOCAL PARTNERSHIP.—~~In title III, the
19 term “local partnership” means a local workforce in-
20 vestment partnership established under section
21 308(a).

22 ~~(23) LOCAL PERFORMANCE MEASURE.—~~The
23 term “local performance measure” means a perform-
24 ance measure established under section 321(b).

1 ~~(24) LOW-INCOME INDIVIDUAL.—~~In paragraph
2 ~~(49)~~ and title III, the term “low-income individual”
3 means an individual who—

4 ~~(A)~~ receives, or is a member of a family
5 that receives, cash payments under a Federal,
6 State, or local income-based public assistance
7 program;

8 ~~(B)~~ received an income, or is a member of
9 a family that received a total family income, for
10 the 6-month period prior to application for the
11 program involved (exclusive of unemployment
12 compensation, child support payments, pay-
13 ments described in subparagraph ~~(A)~~, and old-
14 age and survivors insurance benefits received
15 under section 202 of the Social Security Act
16 (~~42 U.S.C. 402~~)) that, in relation to family
17 size, does not exceed the higher of—

18 ~~(i)~~ the poverty line, for an equivalent
19 period; or

20 ~~(ii)~~ 70 percent of the lower living
21 standard income level, for an equivalent
22 period;

23 ~~(C)~~ is a member of a household that re-
24 ceives (or has been determined within the 6-
25 month period prior to application for the pro-

1 gram involved to be eligible to receive) food
 2 stamps pursuant to the Food Stamp Act of
 3 1977 (7 U.S.C. 2011 et seq.);

4 (D) qualifies as a homeless individual, as
 5 defined in subsections (a) and (e) of section
 6 103 of the Stewart B. McKinney Homeless As-
 7 sistance Act (42 U.S.C. 11302);

8 (E) is a foster child on behalf of whom
 9 State or local government payments are made;
 10 or

11 (F) in cases permitted by regulations of
 12 the Secretary of Labor, is an individual with a
 13 disability whose own income meets the require-
 14 ments of a program described in subparagraph
 15 (A) or of subparagraph (B), but who is a mem-
 16 ber of a family whose income does not meet
 17 such requirements.

18 (25) LOWER LIVING STANDARD INCOME
 19 LEVEL.—The term “lower living standard income
 20 level” means that income level (adjusted for re-
 21 gional, metropolitan, urban, and rural differences
 22 and family size) determined annually by the Sec-
 23 retary of Labor based on the most recent lower liv-
 24 ing family budget issued by the Secretary of Labor.

1 (26) ~~NONTRADITIONAL EMPLOYMENT.~~—In ti-
 2 tles I and III, the term “nontraditional employ-
 3 ment” refers to occupations or fields of work for
 4 which individuals from one gender comprise less
 5 than 25 percent of the individuals employed in each
 6 such occupation or field of work.

7 (27) ~~ON-THE-JOB TRAINING.~~—The term “on-
 8 the-job training” means training in the public or pri-
 9 vate sector that is provided to a paid participant
 10 while engaged in productive work in a job that—

11 (A) provides knowledge or skills essential
 12 to the full and adequate performance of the job;

13 (B) provides reimbursement to employers
 14 of up to 50 percent of the wage rate of the par-
 15 ticipant, for the extraordinary costs of provid-
 16 ing the training and additional supervision re-
 17 lated to the training; and

18 (C) is limited in duration as appropriate to
 19 the occupation for which the participant is
 20 being trained.

21 (28) ~~OUT-OF-SCHOOL YOUTH.~~—The term “out-
 22 of-school youth” means—

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

24 (B) a youth who has received a secondary
 25 school diploma or its equivalent but is basic lit-

1 eracy skills deficient, unemployed, or under-
2 employed.

3 (29) OUTLYING AREA.—The term “outlying
4 area” means the United States Virgin Islands,
5 Guam, American Samoa, the Commonwealth of the
6 Northern Mariana Islands, the Republic of the Mar-
7 shall Islands, the Federated States of Micronesia,
8 and the Republic of Palau.

9 (30) PARTICIPANT.—The term “participant”,
10 used with respect to an activity carried out under
11 title III, means an individual participating in the ac-
12 tivity.

13 (31) POSTSECONDARY EDUCATIONAL INSTITU-
14 TION.—The term “postsecondary educational institu-
15 tion” means—

16 (A) an institution of higher education that
17 provides not less than a 2-year program of in-
18 struction that is acceptable for credit toward a
19 bachelor’s degree;

20 (B) a tribally controlled community college;
21 or

22 (C) a nonprofit educational institution of-
23 fering certificate or apprenticeship programs at
24 the postsecondary level.

1 ~~(32)~~ POVERTY LINE.—The term “poverty line”
 2 means the poverty line (as defined by the Office of
 3 Management and Budget, and revised annually in
 4 accordance with section ~~673(2)~~ of the Community
 5 Services Block Grant Act (42 U.S.C. 9902(2))) ap-
 6 plicable to a family of the size involved.

7 ~~(33)~~ PUBLIC ASSISTANCE.—In title III, the
 8 term “public assistance” means Federal, State, or
 9 local government cash payments for which eligibility
 10 is determined by a needs or income test.

11 ~~(34)~~ RAPID RESPONSE ACTIVITY.—In title III,
 12 the term “rapid response activity” means an activity
 13 provided by a State, or by an entity designated by
 14 a State, with funds provided by the State under sec-
 15 tion ~~306(a)(2)~~, in the case of a permanent closure
 16 or mass layoff at a plant, facility, or enterprise, or
 17 a natural or other disaster, that results in mass job
 18 dislocation, in order to assist dislocated workers in
 19 obtaining reemployment as soon as possible, with
 20 services including—

21 ~~(A)~~ the establishment of onsite contact
 22 with employers and employee representatives—

23 ~~(i)~~ immediately after the State is noti-
 24 fied of a current or projected permanent
 25 closure or mass layoff; or

1 (ii) in the case of a disaster, imme-
2 diately after the State is made aware of
3 mass job dislocation as a result of such
4 disaster;

5 (B) the provision of information and access
6 to available employment and training activities;

7 (C) assistance in establishing a labor-man-
8 agement committee, voluntarily agreed to by
9 labor and management, with the ability to de-
10 vise and implement a strategy for assessing the
11 employment and training needs of dislocated
12 workers and obtaining services to meet such
13 needs;

14 (D) the provision of emergency assistance
15 adapted to the particular closure, layoff, or dis-
16 aster; and

17 (E) the provision of assistance to the local
18 community in developing a coordinated response
19 and in obtaining access to State economic devel-
20 opment assistance.

21 (35) SCHOOL DROPOUT.—The term “school
22 dropout” means an individual who is no longer at-
23 tending any school and who has not received a sec-
24 ondary school diploma or its recognized equivalent.

1 (36) SECONDARY SCHOOL.—The term “second-
 2 ary school” has the meaning given the term in sec-
 3 tion 14101 of the Elementary and Secondary Edu-
 4 cation Act of 1965 (20 U.S.C. 8801), except that
 5 the term does not include education below grade 9.

6 (37) SECRETARY.—

7 (A) TITLES I AND II.—In titles I and II,
 8 the term “Secretary” means the Secretary of
 9 Education.

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

12 (38) STATE.—The term “State” means each of
 13 the several States of the United States, the District
 14 of Columbia, and the Commonwealth of Puerto Rico.

15 (39) STATE EDUCATIONAL AGENCY.—The term
 16 “State educational agency” means the State board
 17 of education or other agency or officer primarily re-
 18 sponsible for the State supervision of public elemen-
 19 tary or secondary schools, or, if there is no such
 20 agency or officer, an agency or officer designated by
 21 the Governor or by State law.

22 (40) STATE PERFORMANCE MEASURE.—In title
 23 III, the term “State performance measure” means a
 24 performance measure established under section
 25 321(a).

1 (41) STATEWIDE PARTNERSHIP.—The term
2 “statewide partnership” means a partnership estab-
3 lished under section 303.

4 (42) SUPPORTIVE SERVICES.—In title III, the
5 term “supportive services” means services such as
6 transportation, child care, dependent care, housing,
7 and needs-based payments, that are necessary to en-
8 able an individual to participate in employment and
9 training activities or youth activities.

10 (43) TRIBALLY CONTROLLED COMMUNITY COL-
11 LEGE.—The term “tribally controlled community
12 college” means an institution that receives assistance
13 under the Tribally Controlled Community College
14 Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or
15 the Navajo Community College Act (25 U.S.C. 640a
16 et seq.).

17 (44) UNIT OF GENERAL LOCAL GOVERN-
18 MENT.—In title III, the term “unit of general local
19 government” means any general purpose political
20 subdivision of a State that has the power to levy
21 taxes and spend funds, as well as general corporate
22 and police powers.

23 (45) VETERAN; RELATED DEFINITIONS.—

24 (A) VETERAN.—The term “veteran”
25 means an individual who served in the active

1 military, naval, or air service, and who was dis-
 2 charged or released from such service under
 3 conditions other than dishonorable.

4 (B) ~~DISABLED VETERAN.~~—The term “dis-
 5 abled veteran” means—

6 (i) a veteran who is entitled to com-
 7 pensation under laws administered by the
 8 Secretary of Veterans Affairs; or

9 (ii) an individual who was discharged
 10 or released from active duty because of
 11 service-connected disability.

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

18 (D) ~~VIETNAM ERA VETERAN.~~—The term
 19 “Vietnam era veteran” means a veteran any
 20 part of whose active military, naval, or air serv-
 21 ice occurred between August 5, 1964, and May
 22 7, 1975.

23 (46) ~~VOCATIONAL EDUCATION.~~—The term “vo-
 24 cational education” means organized education
 25 that—

1 (A) offers a sequence of courses that pro-
 2 vides individuals with the academic knowledge
 3 and skills the individuals need to prepare for
 4 further education and for careers in current or
 5 emerging employment sectors; and

6 (B) includes competency-based applied
 7 learning that contributes to the academic
 8 knowledge, higher-order reasoning and problem-
 9 solving skills, work attitudes, general employ-
 10 ability skills, and occupation-specific skills, of
 11 an individual.

12 (47) VOCATIONAL REHABILITATION PRO-
 13 GRAM.—The term “vocational rehabilitation pro-
 14 gram” means a program assisted under title I of the
 15 Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

16 (48) WORKFORCE INVESTMENT ACTIVITY.—The
 17 term “workforce investment activity” means an em-
 18 ployment and training activity, a youth activity, and
 19 an activity described in section 314.

20 (49) YOUTH.—In paragraph (50) and title III
 21 (other than subtitles B and C of such title), the
 22 term “youth” means an individual who—

23 (A) is not less than age 14 and not more
 24 than age 21;

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

1 (C) an individual who is 1 or more of the
2 following:

3 (i) Deficient in basic literacy skills.

4 (ii) A school dropout.

5 (iii) Homeless, a runaway, or a foster
6 child.

7 (iv) Pregnant or a parent.

8 (v) An offender.

9 (vi) An individual who requires addi-
10 tional assistance to complete an edu-
11 cational program, or to secure and hold
12 employment.

13 (50) YOUTH ACTIVITY.—The term “youth activ-
14 ity” means an activity described in section 316, ear-
15 ried out for youth.

16 (51) YOUTH PARTNERSHIP.—The term “youth
17 partnership” means a partnership established under
18 section 308(i).

19 **TITLE I—VOCATIONAL, TECHNO-**
20 **LOGICAL, AND TECH-PREP**
21 **EDUCATION**

22 **SEC. 101. SHORT TITLE.**

23 This title may be cited as the “Carl D. Perkins Voca-
24 tional and Applied Technology Education Act of 1997”.

1 **SEC. 102. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress finds that—

3 (1) in order to be successful workers, citizens,
4 and learners in the 21st century, individuals will
5 need—

6 (A) a combination of strong basic and ad-
7 vanced academic skills;

8 (B) computer and other technical skills;

9 (C) theoretical knowledge;

10 (D) communications, problem-solving,
11 teamwork, and employability skills; and

12 (E) the ability to acquire additional knowl-
13 edge and skills throughout a lifetime;

14 (2) students participating in vocational edu-
15 cation can achieve challenging academic and tech-
16 nical skills, and may learn better and retain more,
17 when the students learn in context, learn by doing,
18 and have an opportunity to learn and understand
19 how academic, vocational, and technological skills
20 are used outside the classroom;

21 (3)(A) many high school graduates in the Unit-
22 ed States do not complete a rigorous course of study
23 that prepares the graduates for completing a 2-year
24 or 4-year college degree or for entering high-skill,
25 high-wage careers;

1 (B) adult students are an increasingly diverse
2 group and often enter postsecondary education un-
3 prepared for academic and technical work; and

4 (C) certain individuals often face great chal-
5 lenges in acquiring the knowledge and skills needed
6 for successful employment;

7 (4) community colleges, technical colleges, and
8 area vocational education schools are offering adults
9 a gateway to higher education, and access to quality
10 certificates and degrees that increase their skills and
11 earnings, by—

12 (A) ensuring that the academic, vocational,
13 and technological skills gained by students ade-
14 quately prepare the students for the workforce;
15 and

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

18 (5) local, State, and national programs sup-
19 ported under the Carl D. Perkins Vocational and
20 Applied Technology Education Act (20 U.S.C. 2301
21 et seq.) (as such Act was in effect on the day before
22 the date of enactment of this Act) have assisted
23 many students in obtaining technical, academic, and
24 employability skills, and tech-prep education;

1 (6) the Federal Government can assist States
2 and localities by carrying out nationally significant
3 research, program development, demonstration, dis-
4 semination, evaluation, data collection, professional
5 development, and technical assistance activities that
6 support State and local efforts regarding vocational
7 education; and

8 (7) through a performance partnership with
9 States and localities based on clear programmatic
10 goals, increased State and local flexibility, improved
11 accountability, and performance measures, the Fed-
12 eral Government will provide to States and localities
13 financial assistance for the improvement and expan-
14 sion of vocational education for students participat-
15 ing in vocational education.

16 (b) PURPOSE.—The purpose of this title is to make
17 the United States more competitive in the world economy
18 by developing more fully the academic, vocational, and em-
19 ployability skills of secondary students and postsecondary
20 students who elect to enroll in vocational education pro-
21 grams, by—

22 (1) building on the efforts of States and local-
23 ities to develop challenging academic standards;

24 (2) promoting the development of services and
25 activities that integrate academic, vocational, and

1 technological instruction, and that link secondary
 2 and postsecondary education for participating voca-
 3 tional education students;

4 (3) increasing State and local flexibility in pro-
 5 viding services and activities designed to develop, im-
 6 plement, and improve vocational education, including
 7 tech-prep education; and

8 (4) disseminating national research, and provid-
 9 ing professional development and technical assist-
 10 ance, that will improve vocational education pro-
 11 grams, services, and activities.

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

13 No funds made available under this title shall be
 14 used—

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

18 (2) to mandate that any individual participate
 19 in a vocational education program under this title.

20 **Subtitle A—Vocational Education**

21 **CHAPTER 1—FEDERAL PROVISIONS**

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

23 (a) RESERVATIONS AND STATE ALLOTMENT.—

1 (1) RESERVATIONS.—From the sum appro-
 2 priated under section 171 for each fiscal year, the
 3 Secretary shall reserve—

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

5 (B) 1.75 percent to carry out sections 114
 6 and 115, of which—

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

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

11 (iii) 0.25 percent of the sum shall be
 12 available to carry out section 115; and

13 (C) 1.3 percent of the sum shall be used
 14 to carry out sections 116, 163, 164, 165, and
 15 166, of which not less than 0.65 percent of the
 16 sum shall be available to carry out section 116.

17 (2) STATE ALLOTMENT FORMULA.—Subject to
 18 paragraphs (3) and (4), from the remainder of the
 19 sums appropriated under section 171 and not re-
 20 served under paragraph (1) for a fiscal year, the
 21 Secretary shall allot to a State for the fiscal year—

22 (A) an amount that bears the same ratio
 23 to 50 percent of the sums being allotted as the
 24 product of the population aged 15 to 19 inclu-
 25 sive, in the State in the fiscal year preceding

1 the fiscal year for which the determination is
2 made and the State's allotment ratio bears to
3 the sum of the corresponding products for all
4 the States;

5 (B) an amount that bears the same ratio
6 to 20 percent of the sums being allotted as the
7 product of the population aged 20 to 24, inclu-
8 sive, in the State in the fiscal year preceding
9 the fiscal year for which the determination is
10 made and the State's allotment ratio bears to
11 the sum of the corresponding products for all
12 the States;

13 (C) an amount that bears the same ratio
14 to 15 percent of the sums being allotted as the
15 product of the population aged 25 to 65, inclu-
16 sive, in the State in the fiscal year preceding
17 the fiscal year for which the determination is
18 made and the State's allotment ratio bears to
19 the sum of the corresponding products for all
20 the States; and

21 (D) an amount that bears the same ratio
22 to 15 percent of the sums being allotted as the
23 amounts allotted to the State under subpara-
24 graphs (A), (B), and (C) for such years bears
25 to the sum of the amounts allotted to all the

1 States under subparagraphs (A), (B), and (C)
2 for such year.

3 ~~(3) MINIMUM ALLOTMENT.—~~

4 (A) IN GENERAL.—Notwithstanding any
5 other provision of law and subject to subpara-
6 graphs (B) and (C), and paragraph (4), no
7 State shall receive for a fiscal year under this
8 subsection less than $\frac{1}{2}$ of 1 percent of the
9 amount appropriated under section 171 and not
10 reserved under paragraph (1) for such fiscal
11 year. Amounts necessary for increasing such
12 payments to States to comply with the preced-
13 ing sentence shall be obtained by ratably reduc-
14 ing the amounts to be paid to other States.

15 (B) REQUIREMENT.—Due to the applica-
16 tion of subparagraph (A), for any fiscal year,
17 no State shall receive more than 150 percent of
18 the amount the State received under this sub-
19 section for the preceding fiscal year (or in the
20 case of fiscal year 1999 only, under section 101
21 of the Carl D. Perkins Vocational and Applied
22 Technology Education Act, as such section was
23 in effect on the day before the date of enact-
24 ment of this Act).

25 (C) SPECIAL RULE.—

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

5 (I) 150 percent of the amount
6 that the State received in the preced-
7 ing fiscal year (or in the case of fiscal
8 year 1999 only, under section 101 of
9 the Carl D. Perkins Vocational and
10 Applied Technology Education Act, as
11 such section was in effect on the day
12 before the date of enactment of this
13 Act); and

14 (II) the amount calculated under
15 clause (ii).

16 (ii) AMOUNT.—The amount calculated
17 under this clause shall be determined by
18 multiplying—

19 (I) the number of individuals in
20 the State counted under paragraph
21 (2) in the preceding fiscal year; by

22 (II) 150 percent of the national
23 average per pupil payment made with
24 funds available under this section for
25 that year (or in the case of fiscal year

1 1999, only, under section 101 of the
2 Carl D. Perkins Vocational and Ap-
3 plied Technology Education Act, as
4 such section was in effect on the day
5 before the date of enactment of this
6 Act).

7 (4) HOLD HARMLESS.—

8 (A) IN GENERAL.—No State shall receive
9 an allotment under this section for a fiscal year
10 that is less than the allotment the State re-
11 ceived under part A of title I of the Carl D.
12 Perkins Vocational and Applied Technology
13 Education Act (20 U.S.C. 2311 et seq.) (as
14 such part was in effect on the day before the
15 date of enactment of this Act) for fiscal year
16 1997.

17 (B) RATABLE REDUCTION.—If for any fis-
18 cal year the amount appropriated for allotments
19 under this section is insufficient to satisfy the
20 provisions of subparagraph (A), the payments
21 to all States under such subparagraph shall be
22 ratably reduced.

23 (b) REALLOTMENT.—If the Secretary determines
24 that any amount of any State's allotment under subsection
25 (a) for any fiscal year will not be required for such fiscal

1 year for carrying out the activities for which such amount
 2 has been allotted, the Secretary shall make such amount
 3 available for reallocation. Any such reallocation among
 4 other States shall occur on such dates during the same
 5 year as the Secretary shall fix, and shall be made on the
 6 basis of criteria established by regulation. No funds may
 7 be reallocated for any use other than the use for which the
 8 funds were appropriated. Any amount reallocated to a State
 9 under this subsection for any fiscal year shall remain
 10 available for obligation during the succeeding fiscal year
 11 and shall be deemed to be part of the State's allotment
 12 for the year in which the amount is obligated.

13 (c) ALLOTMENT RATIO.—

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

16 (A) 0.50; and

17 (B) the quotient obtained by dividing the
 18 per capita income for the State by the per cap-
 19 ita income for all the States (exclusive of the
 20 Commonwealth of Puerto Rico), except that—

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

23 (ii) the allotment ratio for the Com-
 24 monwealth of Puerto Rico shall be 0.60.

1 (2) PROMULGATION.—The allotment ratios
2 shall be promulgated by the Secretary for each fiscal
3 year between October 1 and December 31 of the fis-
4 cal year preceding the fiscal year for which the de-
5 termination is made. Allotment ratios shall be com-
6 puted on the basis of the average of the appropriate
7 per capita incomes for the 3 most recent consecutive
8 fiscal years for which satisfactory data are available.

9 (3) DEFINITION OF PER CAPITA INCOME.—For
10 the purpose of this section, the term “per capita in-
11 come” means, with respect to a fiscal year, the total
12 personal income in the calendar year ending in such
13 year, divided by the population of the area concerned
14 in such year.

15 (4) POPULATION DETERMINATION.—For the
16 purposes of this section, population shall be deter-
17 mined by the Secretary on the basis of the latest es-
18 timates available to the Department of Education.

19 **SEC. 112. PERFORMANCE MEASURES AND EXPECTED LEV-**
20 **ELS OF PERFORMANCE.**

21 (a) ESTABLISHMENT OF PERFORMANCE MEAS-
22 URES.—After consultation with eligible agencies, local
23 educational agencies, eligible institutions, and other inter-
24 ested parties (including representatives of business and
25 representatives of labor organizations), the Secretary shall

1 establish and publish performance measures described in
 2 this subsection to assess the progress of each eligible agen-
 3 cy in achieving the following:

4 (1) Student mastery of academic skills.

5 (2) Student mastery of job readiness skills.

6 (3) Student mastery of vocational skill pro-
 7 ficiencies for students in vocational education pro-
 8 grams, that are necessary for the receipt of a sec-
 9 ondary school diploma or its recognized equivalent,
 10 or a secondary school skill certificate.

11 (4) Receipt of a postsecondary degree or certifi-
 12 cate.

13 (5) Placement in, retention in, and completion
 14 of, secondary school education (as determined under
 15 State law) and postsecondary education, and place-
 16 ment and retention in employment and in military
 17 service, including for the populations described in
 18 section 124(c)(16).

19 (6) Participation in and completion of nontradi-
 20 tional vocational education programs.

21 (7) Other performance measures as determined
 22 by the Secretary.

23 (b) EXPECTED LEVELS OF PERFORMANCE.—In de-
 24 veloping a State plan, each eligible agency shall negotiate

1 with the Secretary the expected levels of performance for
2 the performance measures described in subsection (a).

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

4 (a) IN GENERAL.—From the funds reserved under
5 section 111(a)(1)(A), the Secretary—

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

11 (A) teacher and counselor training and re-
12 training;

13 (B) curriculum development; and

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

19 (2) shall award a grant in the amount of
20 \$600,000 to the United States Virgin Islands for vo-
21 cational education for the purpose described in para-
22 graph (1); and

23 (3) shall award a grant in the amount of
24 \$190,000 to each of American Samoa and the Com-
25 monwealth of the Northern Mariana Islands for vo-

1 eational education for the purpose described in para-
2 graph (1).

3 (b) SPECIAL RULE.—

4 (1) IN GENERAL.—From funds reserved under
5 section 111(a)(1)(A) and not awarded under sub-
6 section (a), the Secretary shall make available the
7 amount awarded to the Republic of the Marshall Is-
8 lands, the Federated States of Micronesia, and the
9 Republic of Palau under section 101A of the Carl D.
10 Perkins Vocational and Applied Technology Edu-
11 cation Act (as such section was in effect on the day
12 before the date of enactment of this Act) to award
13 grants under the succeeding sentence. From the
14 amount made available under the preceding sen-
15 tence, the Secretary shall award grants, to Guam,
16 American Samoa, the Commonwealth of the North-
17 ern Mariana Islands, the Republic of the Marshall
18 Islands, the Federated States of Micronesia, or the
19 Republic of Palau for the purpose described in sub-
20 section (a)(1).

21 (2) AWARD BASIS.—The Secretary shall award
22 grants pursuant to paragraph (1) on a competitive
23 basis and pursuant to recommendations from the
24 Pacific Region Educational Laboratory in Honolulu,
25 Hawaii.

1 (3) **TERMINATION OF ELIGIBILITY.**—Notwith-
 2 standing any other provision of law, the Republic of
 3 the Marshall Islands, the Federated States of Micro-
 4 nesia, and the Republic of Palau shall not receive
 5 any funds under this title for any fiscal year that be-
 6 gins after September 30, 2004.

7 (4) **ADMINISTRATIVE COSTS.**—The Secretary
 8 may provide not more than 5 percent of the funds
 9 made available for grants under this subsection to
 10 pay the administrative costs of the Pacific Region
 11 Educational Laboratory regarding activities assisted
 12 under this subsection.

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

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

15 (1) **DEFINITIONS.**—For the purpose of this sec-
 16 tion—

17 (A) the term “Act of April 16, 1934”
 18 means the Act entitled “An Act authorizing the
 19 Secretary of the Interior to arrange with States
 20 or territories for the education, medical atten-
 21 tion, relief of distress, and social welfare of In-
 22 dians, and for other purposes”, enacted April
 23 16, 1934 (48 Stat. 596; 25 U.S.C. 452 et seq.);

24 (B) the term “Bureau funded school” has
 25 the meaning given the term in section 1146 of

1 the Education Amendments of 1978 (25 U.S.C.
2 2026); and

3 (C) the term “Hawaiian native” means
4 any individual any of whose ancestors were na-
5 tives, prior to 1778, of the area which now com-
6 prises the State of Hawaii.

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

14 (b) INDIAN PROGRAMS.—

15 (1) AUTHORITY.—

16 (A) IN GENERAL.—Except as provided in
17 subparagraph (B), from the funds reserved pur-
18 suant to section 111(a)(1)(B)(i), the Secretary
19 is directed—

20 (i) upon the request of any Indian
21 tribe, or a tribal organization serving an
22 Indian tribe, which is eligible to contract
23 with the Secretary of the Interior for the
24 administration of programs under the In-
25 dian Self-Determination Act (25 U.S.C.

1 450 et seq.) or under the Act of April 16,
2 1934; or

3 (ii) upon an application received from
4 a Bureau funded school offering post-
5 secondary or adult education programs
6 filed at such time and under such condi-
7 tions as the Secretary may prescribe;

8 to make grants to or enter into contracts with
9 any Indian tribe or tribal organization, or to
10 make a grant to such Bureau funded school, as
11 appropriate; to plan, conduct, and administer
12 programs or portions of programs authorized
13 by, and consistent with the purpose of, this
14 title.

15 (B) REQUIREMENTS.—The grants or con-
16 tracts described in subparagraph (A), shall be
17 subject to the following:

18 (i) TRIBAL ORGANIZATIONS.—Such
19 grants or contracts with any tribal organi-
20 zation shall be subject to the terms and
21 conditions of section 102 of the Indian
22 Self-Determination Act (25 U.S.C. 450f)
23 and shall be conducted in accordance with
24 the provisions of sections 4, 5, and 6 of the
25 Act of April 16, 1934, which are relevant

1 to the programs administered under this
2 subsection.

3 (ii) BUREAU FUNDED SCHOOLS.—

4 Such grants to Bureau funded schools
5 shall not be subject to the requirements of
6 the Indian Self-Determination Act (25
7 U.S.C. 450f et seq.) or the Act of April 16,
8 1934.

9 (C) APPLICATION.—Any Indian tribe, trib-
10 al organization, or Bureau funded school eligi-
11 ble to receive assistance under this paragraph
12 may apply individually or as part of a consor-
13 tium with another such Indian tribe, tribal or-
14 ganization, or Bureau funded school.

15 (D) PERFORMANCE MEASURES AND EVAL-
16 UATION.—Any Indian tribe, tribal organization,
17 or Bureau funded school that receives assist-
18 ance under this section shall—

19 (i) establish performance measures
20 and expected level of performance to be
21 achieved by students served under this sec-
22 tion; and

23 (ii) evaluate the quality and effective-
24 ness of activities and services provided
25 under this subsection.

1 (E) MINIMUM.—In the case of a Bureau
2 funded school, the minimum amount of a grant
3 awarded or contract entered into under this sec-
4 tion shall be \$35,000.

5 (F) RESTRICTIONS.—The Secretary may
6 not place upon grants awarded or contracts en-
7 tered into under this paragraph any restrictions
8 relating to programs other than restrictions
9 that apply to grants made to or contracts en-
10 tered into with States pursuant to allotments
11 under section 111(a). The Secretary, in award-
12 ing grants and entering into contracts under
13 this paragraph, shall ensure that the grants and
14 contracts will improve vocational education pro-
15 grams, and shall give special consideration to—

16 (i) grants or contracts which involve,
17 coordinate with, or encourage tribal eco-
18 nomic development plans; and

19 (ii) applications from tribally con-
20 trolled community colleges that—

21 (I) are accredited or are can-
22 didates for accreditation by a nation-
23 ally recognized accreditation organiza-
24 tion as an institution of postsecondary
25 vocational education; or

1 (H) operate vocational education
2 programs that are accredited or are
3 candidates for accreditation by a na-
4 tionally recognized accreditation orga-
5 nization, and issue certificates for
6 completion of vocational education
7 programs.

8 (G) STIPENDS.—

9 (i) IN GENERAL.—Funds received
10 pursuant to grants or contracts described
11 in subparagraph (A) may be used to pro-
12 vide stipends to students who are enrolled
13 in vocational education programs and who
14 have acute economic needs which cannot be
15 met through work-study programs.

16 (ii) AMOUNT.—Stipends described in
17 clause (i) shall not exceed reasonable
18 amounts as prescribed by the Secretary.

19 (2) MATCHING.—If sufficient funding is avail-
20 able, the Bureau of Indian Affairs shall expend an
21 amount equal to the amount made available under
22 this subsection, relating to programs for Indians, to
23 pay a part of the costs of programs funded under
24 this subsection. During each fiscal year the Bureau
25 of Indian Affairs shall expend no less than the

1 amount expended during the prior fiscal year on vo-
2 cational education programs, services, and activities
3 administered either directly by, or under contract
4 with, the Bureau of Indian Affairs, except that in no
5 year shall funding for such programs, services, and
6 activities be provided from accounts and programs
7 that support other Indian education programs. The
8 Secretary and the Assistant Secretary of the Interior
9 for Indian Affairs shall prepare jointly a plan for the
10 expenditure of funds made available and for the
11 evaluation of programs assisted under this sub-
12 section. Upon the completion of a joint plan for the
13 expenditure of the funds and the evaluation of the
14 programs, the Secretary shall assume responsibility
15 for the administration of the program, with the as-
16 sistance and consultation of the Bureau of Indian
17 Affairs.

18 (3) SPECIAL RULE.—Programs funded under
19 this subsection shall be in addition to such other
20 programs, services, and activities as are made avail-
21 able to eligible Indians under other provisions of this
22 Act.

23 (c) HAWAIIAN NATIVE PROGRAMS.—From the funds
24 reserved pursuant to section 111(a)(1)(B)(ii), the Sec-
25 retary is directed, to award grants or enter into contracts

1 with organizations primarily serving and representing Ha-
2 waiian natives which are recognized by the Governor of
3 the State of Hawaii to plan, conduct, and administer pro-
4 grams, or portions thereof, which are authorized by and
5 consistent with the purpose of this title, for the benefit
6 of Hawaiian natives.

7 **SEC. 115. TRIBALLY CONTROLLED POSTSECONDARY VOCA-**
8 **TIONAL INSTITUTIONS.**

9 (a) IN GENERAL.—It is the purpose of this section
10 to provide grants for the operation and improvement of
11 tribally controlled postsecondary vocational institutions to
12 ensure continued and expanded educational opportunities
13 for Indian students, and to allow for the improvement and
14 expansion of the physical resources of such institutions.

15 (b) GRANTS AUTHORIZED.—From the funds reserved
16 pursuant to section 111(a)(1)(B)(iii), the Secretary shall
17 make grants to tribally controlled postsecondary voca-
18 tional institutions to provide basic support for the voca-
19 tional education and training of Indian students.

20 (c) ELIGIBLE GRANT RECIPIENTS.—To be eligible
21 for assistance under this section a tribally controlled post-
22 secondary vocational institution shall—

23 (1) be governed by a board of directors or
24 trustees, a majority of whom are Indians;

1 (2) demonstrate adherence to stated goals, a
2 philosophy, or a plan of operation which fosters indi-
3 vidual Indian economic and self-sufficiency oppor-
4 tunity, including programs that are appropriate to
5 stated tribal goals of developing individual entrepre-
6 neurships and self-sustaining economic infrastruc-
7 tures on reservations;

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

9 (4) hold accreditation with or be a candidate for
10 accreditation by a nationally recognized accrediting
11 authority for postsecondary vocational education;
12 and

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

15 (d) GRANT REQUIREMENTS.—

16 (1) APPLICATIONS.—Any tribally controlled
17 postsecondary vocational institution that desires to
18 receive a grant under this section shall submit an
19 application to the Secretary. Such application shall
20 include a description of recordkeeping procedures for
21 the expenditure of funds received under this section
22 that will allow the Secretary to audit and monitor
23 programs.

1 (2) NUMBER.—The Secretary shall award not
2 less than 2 grants under this section for each fiscal
3 year.

4 (3) CONSULTATION.—In awarding grants under
5 this section, the Secretary shall, to the extent prac-
6 ticable, consult with the boards of trustees of, and
7 the tribal governments chartering, the institutions
8 desiring the grants.

9 (4) LIMITATION.—Amounts made available
10 through grants under this section shall not be used
11 in connection with religious worship or sectarian in-
12 struction.

13 (e) USES OF GRANTS.—

14 (1) IN GENERAL.—The Secretary shall, subject
15 to the availability of appropriations, provide for each
16 program year to each tribally controlled vocational
17 institution having an application approved by the
18 Secretary, an amount necessary to pay expenses as-
19 sociated with—

20 (A) the maintenance and operation of the
21 program, including development costs, costs of
22 basic and special instruction (including special
23 programs for individuals with disabilities and
24 academic instruction); materials, student costs,
25 administrative expenses, boarding costs, trans-

1 portation, student services, daycare and family
2 support programs for students and their fami-
3 lies (including contributions to the costs of edu-
4 cation for dependents), and student stipends;

5 (B) capital expenditures, including oper-
6 ations and maintenance, and minor improve-
7 ments and repair, and physical plant mainte-
8 nance costs, for the conduct of programs fund-
9 ed under this section; and

10 (C) costs associated with repair, upkeep,
11 replacement, and upgrading of the instructional
12 equipment.

13 (2) ACCOUNTING.—Each institution receiving a
14 grant under this section shall provide annually to
15 the Secretary an accurate and detailed accounting of
16 the institution's operating and maintenance expenses
17 and such other information concerning costs as the
18 Secretary may reasonably require.

19 (f) EFFECT ON OTHER PROGRAMS.—

20 (1) IN GENERAL.—Except as specifically pro-
21 vided in this Act, eligibility for assistance under this
22 section shall not preclude any tribally controlled
23 postsecondary vocational institution from receiving
24 Federal financial assistance under any program au-
25 thorized under the Higher Education Act of 1965

1 (20 U.S.C. 1001 et seq.) or any other applicable
2 program for the benefit of institutions of higher edu-
3 cation or vocational education.

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

12 (3) PROHIBITION ON CONTRACT DENIAL.—No
13 tribally controlled postsecondary vocational institu-
14 tion for which an Indian tribe has designated a por-
15 tion of the funds appropriated for the tribe from
16 funds appropriated under such Act of November 2,
17 1921, may be denied a contract for such portion
18 under the Indian Self-Determination and Education
19 Assistance Act (25 U.S.C. 450b et seq.) (except as
20 provided in that Act), or denied appropriate contract
21 support to administer such portion of the appro-
22 priated funds.

23 (g) NEEDS ESTIMATE AND REPORT ON FACILITIES
24 AND FACILITIES IMPROVEMENT.—

1 (1) NEEDS ESTIMATE.—The Secretary shall,
2 based on the most accurate data available from the
3 institutions and Indian tribes whose Indian students
4 are served under this section, and in consideration
5 of employment needs, economic development needs,
6 population training needs, and facilities needs, pre-
7 pare an actual budget needs estimate for each insti-
8 tution eligible under this section for each subsequent
9 program year, and submit such budget needs esti-
10 mate to Congress in such a timely manner as will
11 enable the appropriate committees of Congress to
12 consider such needs data for purposes of the un-
13 interrupted flow of adequate appropriations to such in-
14 stitutions. Such data shall take into account the
15 goals and requirements of the Personal Responsibil-
16 ity and Work Opportunity Reconciliation Act of
17 1996 (Public Law 104–193; 110 Stat. 2105).

18 (2) STUDY OF TRAINING AND HOUSING
19 NEEDS.—

20 (A) IN GENERAL.—The Secretary shall
21 conduct a detailed study of the training, hous-
22 ing, and immediate facilities needs of each insti-
23 tution eligible under this section. The study
24 shall include an examination of—

25 (i) training equipment needs;

1 (ii) housing needs of families whose
2 heads of households are students and
3 whose dependents have no alternate source
4 of support while such heads of households
5 are students; and

6 (iii) immediate facilities needs.

7 (B) REPORT.—The Secretary shall report
8 to Congress not later than July 1, 1999, on the
9 results of the study required by subparagraph
10 (A).

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

16 (D) PRIORITY.—In conducting the study
17 required by subparagraph (A), the Secretary
18 shall give priority to institutions that are receiv-
19 ing assistance under this section.

20 (3) LONG-TERM STUDY OF FACILITIES.—

21 (A) IN GENERAL.—The Secretary shall
22 provide for the conduct of a long-term study of
23 the facilities of each institution eligible for as-
24 sistance under this section.

1 (B) CONTENTS.—The study required by
 2 subparagraph (A) shall include a 5-year projec-
 3 tion of training facilities, equipment, and hous-
 4 ing needs and shall consider such factors as
 5 projected service population, employment, and
 6 economic development forecasting, based on the
 7 most current and accurate data available from
 8 the institutions and Indian tribes affected.

9 (B) SUBMISSION.—The Secretary shall
 10 submit to Congress a detailed report on the re-
 11 sults of such study not later than the end of the
 12 18-month period beginning on the date of en-
 13 actment of this Act.

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

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

20 (2) TRIBALLY CONTROLLED POSTSECONDARY
 21 VOCATIONAL INSTITUTION.—The term “tribally con-
 22 trolled postsecondary vocational institution” means
 23 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 **SEC. 116. INCENTIVE GRANTS.**

7 (a) IN GENERAL.—The Secretary may make grants
 8 to States that exceed—

9 (1) the State performance measures established
 10 by the Secretary of Education under this Act; and

11 (2) the State performance measures established
 12 under title III.

13 (b) PRIORITY.—In awarding incentive grants under
 14 this section, the Secretary shall give priority to those
 15 States submitting a State unified plan as described in sec-
 16 tion 501 that is approved by the appropriate Secretaries
 17 as described in such section.

18 (c) USE OF FUNDS.—A State that receives an incen-
 19 tive grant under this section shall use the funds made
 20 available through the grant to carry out innovative pro-
 21 grams as determined by the State.

22 **CHAPTER 2—STATE PROVISIONS**

23 **SEC. 121. STATE ADMINISTRATION.**

24 Each eligible agency shall be responsible for the State
 25 administration of activities under this subtitle, including—

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

3 (2) the efficient and effective performance of
4 the eligible agency's duties under this subtitle; and

5 (3) consultation with other appropriate agen-
6 cies, groups, and individuals that are involved in the
7 development and implementation of activities as-
8 sisted under this subtitle, such as employers, par-
9 ents, students, teachers, labor organizations, State
10 and local elected officials, and local program admin-
11 istrators.

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

13 (a) RESERVATIONS.—From funds allotted to each
14 State under section 111(a) for each fiscal year, the eligible
15 agency shall reserve—

16 (1) not more than 14 percent of the funds to
17 carry out section 123;

18 (2) not more than 10 percent of the funds, or
19 \$300,000, whichever is greater, of which—

20 (A) \$60,000 shall be available to provide
21 technical assistance and advice to local edu-
22 cational agencies, postsecondary educational in-
23 stitutions, and other interested parties in the
24 State for gender equity activities; and

25 (B) the remainder may be used to—

- 1 (i) develop the State plan;
- 2 (ii) review local applications;
- 3 (iii) monitor and evaluate program ef-
- 4 fectiveness;
- 5 (iv) provide technical assistance; and
- 6 (v) assure compliance with all applica-
- 7 ble Federal laws, including required serv-
- 8 ices and activities for individuals who are
- 9 members of populations described in sec-
- 10 tion 124(c)(16); and

11 (3) 1 percent of the funds, or the amount the

12 State expended under the Carl D. Perkins Voca-

13 tional and Applied Technology Education Act (20

14 U.S.C. 2301 et seq.) for vocational education pro-

15 grams for criminal offenders for the fiscal year

16 1997, whichever is greater, to carry out programs

17 for criminal offenders.

18 (b) REMAINDER.—From funds allotted to each State

19 under section 111(a) for each fiscal year and not reserved

20 under subsection (a), the eligible agency shall determine

21 the portion of the funds that will be available to carry out

22 sections 131 and 132.

23 (c) MATCHING REQUIREMENT.—Each eligible agency

24 receiving funds under this subtitle shall match, from non-

1 Federal sources and on a dollar-for-dollar basis, the funds
2 received under subsection (a)(2).

3 **SEC. 123. STATE LEADERSHIP ACTIVITIES.**

4 (a) MANDATORY.—Each eligible agency shall use the
5 funds reserved under section 122(a)(1) to conduct pro-
6 grams, services, and activities that further the develop-
7 ment, implementation, and improvement of vocational
8 education within the State and that are integrated, to the
9 maximum extent possible, with challenging State academic
10 standards, including—

11 (1) providing comprehensive professional devel-
12 opment (including initial teacher preparation) for vo-
13 cational, academic, guidance, and administrative
14 personnel, that—

15 (A) will help the teachers and personnel to
16 meet the expected levels of performance estab-
17 lished under section 112;

18 (B) reflects the eligible agency's assess-
19 ment of the eligible agency's needs for profes-
20 sional development; and

21 (C) is integrated with the professional de-
22 velopment activities that the State carries out
23 under title II of the Elementary and Secondary
24 Education Act of 1965 (20 U.S.C. 6001 et
25 seq.);

1 (2) developing and disseminating curricula that
2 are aligned, as appropriate, with challenging State
3 academic standards, and vocational and techno-
4 logical skills;

5 (3) monitoring and evaluating the quality of,
6 and improvement in, activities conducted with assist-
7 ance under this subtitle;

8 (4) promoting gender equity in secondary and
9 postsecondary vocational education;

10 (5) supporting tech-prep education activities;

11 (6) improving and expanding the use of tech-
12 nology in instruction;

13 (7) supporting partnerships among local edu-
14 cational agencies, institutions of higher education,
15 adult education providers, and, as appropriate, other
16 entities, such as employers, labor organizations, par-
17 ents, and local partnerships, to enable students to
18 achieve to challenging State academic standards,
19 and vocational and technological skills; and

20 (8) serving individuals in State institutions,
21 such as State correctional institutions and institu-
22 tions that serve individuals with disabilities.

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

1 (1) improving guidance and counseling pro-
2 grams that assist students in making informed edu-
3 cation and vocational decisions;

4 (2) supporting vocational student organizations,
5 especially with respect to efforts to increase the par-
6 ticipation of students who are members of popu-
7 lations described in section 124(c)(16);

8 (3) providing vocational education programs for
9 adults and school dropouts to complete their second-
10 ary school education; and

11 (4) providing assistance to students who have
12 participated in services and activities under this sub-
13 title in finding an appropriate job and continuing
14 their education.

15 **SEC. 124. STATE PLAN.**

16 (a) STATE PLAN.—

17 (1) IN GENERAL.—Each eligible entity desiring
18 assistance under this subtitle for any fiscal year
19 shall prepare and submit to the Secretary a State
20 plan for a 3-year period, together with such annual
21 revisions as the eligible agency determines to be nec-
22 essary.

23 (2) COORDINATION.—The period required by
24 paragraph (1) shall be coordinated with the period
25 covered by the State plan described in section 304.

1 (3) HEARING PROCESS.—The eligible agency
2 shall conduct public hearings in the State, after ap-
3 propriate and sufficient notice, for the purpose of af-
4 fording all segments of the public and interested or-
5 ganizations and groups (including employers, labor
6 organizations, and parents), an opportunity to
7 present their views and make recommendations re-
8 garding the State plan. A summary of such rec-
9 ommendations and the eligible agency's response to
10 such recommendations shall be included with the
11 State plan.

12 (b) DEVELOPMENT OF PLAN.—The eligible agency
13 shall develop the State plan with representatives of sec-
14 ondary and postsecondary vocational education, and busi-
15 ness, in the State and shall also consult the Governor of
16 the State.

17 (c) CONTENTS OF THE PLAN.—The State plan shall
18 include information that—

19 (1) describes the vocational education activities
20 to be assisted that are designed to meet and reach
21 the State performance measures;

22 (2) describes the integration of academic edu-
23 cation with vocational education, and with techno-
24 logical education related to vocational education;

1 (3) describes how the eligible agency will
2 disaggregate data relating to students participating
3 in vocational education in order to adequately meas-
4 ure the progress of the students;

5 (4) describes how the eligible agency will ade-
6 quately address the needs of students in alternative
7 education programs;

8 (5) describes how the eligible agency will pro-
9 vide local educational agencies, area vocational edu-
10 cation schools, and eligible institutions in the State
11 with technical assistance;

12 (6) describes how the eligible agency will en-
13 courage the participation of the parents of secondary
14 school students who are involved in vocational edu-
15 cation activities;

16 (7) identifies how the eligible agency will obtain
17 the active participation of business, labor organiza-
18 tions, and parents in the development and improve-
19 ment of vocational education activities carried out by
20 the eligible agency;

21 (8) describes how vocational education is
22 aligned with State and regional employment oppor-
23 tunities;

24 (9) describes the methods proposed for the joint
25 planning and coordination of programs carried out

1 under this subtitle with other Federal education pro-
2 grams;

3 (10) describes how funds will be used to pro-
4 mote gender equity in secondary and postsecondary
5 vocational education;

6 (11) describes how funds will be used to im-
7 prove and expand the use of technology in instruc-
8 tion;

9 (12) describes how funds will be used to serve
10 individuals in State correctional institutions;

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

13 (14) describes how funds will be allocated and
14 used at the secondary and postsecondary level, any
15 consortia that will be formed among secondary
16 schools and eligible institutions, and how funds will
17 be allocated among the members of the consortia;

18 (15) describes how the eligible agency will en-
19 sure that the data reported to the eligible agency
20 from local educational agencies and eligible institu-
21 tions under this subtitle and the data the eligible
22 agency reports to the Secretary are complete, accu-
23 rate, and reliable;

1 (16) describes how the eligible agency will de-
2 velop program strategies for populations that in-
3 clude, at a minimum—

4 (A) low-income individuals, including foster
5 children;

6 (B) individuals with disabilities;

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

9 (D) individuals with multiple barriers to
10 educational enhancement; and

11 (17) contains the description and information
12 specified in paragraphs (8) and (16) of section
13 304(b) concerning postsecondary students and
14 school dropouts.

15 (d) PLAN APPROVAL.—

16 (1) IN GENERAL.—The Secretary shall approve
17 a State plan, or a revision to an approved State
18 plan, only if the Secretary determines that—

19 (A) the State plan, or revision, respec-
20 tively, meets the requirements of this section;
21 and

22 (B) the State's performance measures and
23 expected levels of performance under section
24 112 are sufficiently rigorous to meet the pur-
25 pose of this title.

1 (2) ~~DISAPPROVAL.~~—The Secretary shall not fi-
2 nally disapprove a State plan, except after giving the
3 eligible agency notice and an opportunity for a hear-
4 ing.

5 (3) ~~PEER REVIEW.~~—The Secretary shall estab-
6 lish a peer review process to make recommendations
7 regarding approval of State plans and revisions to
8 State plans.

9 (4) ~~TIMEFRAME.~~—A State plan shall be deemed
10 approved if the Secretary has not responded to the
11 eligible agency regarding the plan within 90 days of
12 the date the Secretary receives the plan.

13 (e) ~~ELIGIBLE AGENCY REPORT.~~—

14 (1) ~~IN GENERAL.~~—The eligible agency shall an-
15 nually report to the Secretary regarding—

16 (A) the quality and effectiveness of the
17 programs, services, and activities, assisted
18 under this subtitle, based on the performance
19 measures and expected levels of performance
20 described in section 112; and

21 (B) the progress each population of indi-
22 viduals described in section 124(c)(16) is mak-
23 ing toward achieving the expected levels of per-
24 formance.

1 (2) CONTENTS.—The eligible agency report
2 also—

3 (A) shall include such information, in such
4 form, as the Secretary may reasonably require,
5 in order to ensure the collection of uniform
6 data; and

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

8 **CHAPTER 3—LOCAL PROVISIONS**

9 **SEC. 131. DISTRIBUTION FOR SECONDARY SCHOOL VOCA-** 10 **TIONAL EDUCATION.**

11 (a) ALLOCATION.—Except as otherwise provided in
12 this section, each eligible agency shall distribute the por-
13 tion of the funds made available for secondary school voca-
14 tional education activities under section 122(b) for any fis-
15 cal year to local educational agencies within the State as
16 follows:

17 (1) SEVENTY PERCENT.—From 70 percent of
18 such portion, each local educational agency shall be
19 allocated an amount that bears the same relation-
20 ship to such 70 percent as the amount such local
21 educational agency was allocated under section 1124
22 of the Elementary and Secondary Education Act of
23 1965 (20 U.S.C. 6333) for the preceding fiscal year
24 bears to the total amount received under such sec-

1 tion by all local educational agencies in the State for
2 such year.

3 (2) ~~TWENTY PERCENT.~~—From 20 percent of
4 such portion, each local educational agency shall be
5 allocated an amount that bears the same relation-
6 ship to such 20 percent as the number of students
7 with disabilities who have individualized education
8 programs under section 614(d) of the Individuals
9 with Disabilities Education Act (20 U.S.C. 1414(d))
10 served by such local educational agency for the pre-
11 ceding fiscal year bears to the total number of such
12 students served by all local educational agencies in
13 the State for such year.

14 (3) ~~TEN PERCENT.~~—From 10 percent of such
15 portion, each local educational agency shall be allo-
16 cated an amount that bears the same relationship to
17 such 10 percent as the number of students enrolled
18 in schools and adults enrolled in training programs
19 under the jurisdiction of such local educational agen-
20 cy for the preceding fiscal year bears to the number
21 of students enrolled in schools and adults enrolled in
22 training programs under the jurisdiction of all local
23 educational agencies in the State for such year.

24 (b) ~~MINIMUM ALLOCATION.~~—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), no local educational agency shall receive
3 an allocation under subsection (a) unless the amount
4 allocated to such agency under subsection (a) is not
5 less than \$25,000. A local educational agency may
6 enter into a consortium with other local educational
7 agencies for purposes of meeting the minimum allo-
8 cation requirement of this paragraph.

9 (2) WAIVER.—The eligible agency may waive
10 the application of paragraph (1) in any case in
11 which the local educational agency—

12 (A) is located in a rural, sparsely popu-
13 lated area; and

14 (B) demonstrates that such agency is un-
15 able to enter into a consortium for purposes of
16 providing services under this section.

17 (3) REALLOCATION.—Any amounts that are not
18 allocated by reason of paragraph (1) or (2) shall be
19 reallocated to local educational agencies that meet
20 the requirements of paragraph (1) or (2) in accord-
21 ance with the provisions of this section.

22 (c) LIMITED JURISDICTION AGENCIES.—

23 (1) IN GENERAL.—In applying the provisions of
24 subsection (a), no eligible agency receiving assistance
25 under this subtitle shall allocate funds to a local

1 educational agency that serves only elementary
 2 schools, but shall distribute such funds to the local
 3 educational agency or regional educational agency
 4 that provides secondary school services to secondary
 5 school students in the same attendance area.

6 (2) SPECIAL RULE.—The amount to be allo-
 7 cated under paragraph (1) to a local educational
 8 agency that has jurisdiction only over secondary
 9 schools shall be determined based on the number of
 10 students that entered such secondary schools in the
 11 previous year from the elementary schools involved.

12 (d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION
 13 SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

14 (1) IN GENERAL.—Each eligible agency shall
 15 distribute the portion of funds made available for
 16 any fiscal year by such entity for secondary school
 17 vocational education activities under section 122(b)
 18 to the appropriate area vocational education school
 19 or educational service agency in any case in which—

20 (A) the area vocational education school or
 21 educational service agency, and the local edu-
 22 cational agency concerned—

23 (i) have formed or will form a consor-
 24 tium for the purpose of receiving funds
 25 under this section; or

1 (ii) have entered into or will enter into
2 a cooperative arrangement for such pur-
3 pose; and

4 (B)(i) the area vocational education school
5 or educational service agency serves an approxi-
6 mately equal or greater proportion of students
7 who are individuals with disabilities or are low-
8 income than the proportion of such students at-
9 tending the secondary schools under the juris-
10 diction of all of the local educational agencies
11 sending students to the area vocational edu-
12 cation school or the educational service agency;
13 or

14 (ii) the area vocational education school,
15 educational service agency, or local educational
16 agency demonstrates that the vocational edu-
17 cation school or educational service agency is
18 unable to meet the criterion described in clause
19 (i) due to the lack of interest by students de-
20 scribed in clause (i) in attending vocational edu-
21 cation programs in that area vocational edu-
22 cation school or educational service agency.

23 (2) ALLOCATION BASIS.—If an area vocational
24 education school or educational service agency meets
25 the requirements of paragraph (1), then—

1 (A) the amount that will otherwise be dis-
 2 tributed to the local educational agency under
 3 this section shall be allocated to the area voca-
 4 tional education school, the educational service
 5 agency, and the local educational agency, based
 6 on each school's or agency's relative share of
 7 students described in paragraph (1)(B)(i) who
 8 are attending vocational education programs
 9 (based, if practicable, on the average enrollment
 10 for the prior 3 years); or

11 (B) such amount may be allocated on the
 12 basis of an agreement between the local edu-
 13 cational agency and the area vocational edu-
 14 cation school or educational service agency.

15 (3) STATE DETERMINATION.—

16 (A) IN GENERAL.—For the purposes of
 17 this subsection, the eligible agency may deter-
 18 mine the number of students who are low-in-
 19 come on the basis of—

20 (i) eligibility for—

21 (I) free or reduced-price meals
 22 under the National School Lunch Act
 23 (7 U.S.C. 1751 et seq.);

1 (II) assistance under a State pro-
2 gram funded under part A of title IV
3 of the Social Security Act;

4 (III) benefits under the Food
5 Stamp Act of 1977 (7 U.S.C. 2011 et
6 seq.); or

7 (IV) services under title I of the
8 Elementary and Secondary Education
9 Act of 1965 (20 U.S.C. 6301 et seq.);
10 and

11 (ii) another index of economic status,
12 including an estimate of such index, if the
13 eligible agency demonstrates to the satis-
14 faction of the Secretary that such index is
15 a more representative means of determin-
16 ing such number.

17 (B) DATA.—If an eligible agency elects to
18 use more than 1 factor described in subpara-
19 graph (A) for purposes of making the deter-
20 mination described in such subparagraph, the
21 eligible agency shall ensure that the data used
22 is not duplicative.

23 (4) APPEALS PROCEDURE.—The eligible agency
24 shall establish an appeals procedure for resolution of
25 any dispute arising between a local educational

1 agency and an area vocational education school or
2 an educational service agency with respect to the al-
3 location procedures described in this section, includ-
4 ing the decision of a local educational agency to
5 leave a consortium.

6 (5) SPECIAL RULE.—Notwithstanding the pro-
7 visions of paragraphs (1), (2), (3), and (4), any local
8 educational agency receiving an allocation that is not
9 sufficient to conduct a secondary school vocational
10 education program of sufficient size, scope, and
11 quality to be effective may—

12 (A) form a consortium or enter into a co-
13 operative agreement with an area vocational
14 education school or educational service agency
15 offering secondary school vocational education
16 programs of sufficient size, scope, and quality
17 to be effective and that are accessible to stu-
18 dents who are individuals with disabilities or
19 are low-income, and are served by such local
20 educational agency; and

21 (B) transfer such allocation to the area vo-
22 cational education school or educational service
23 agency.

24 (c) SPECIAL RULE.—Each eligible agency distribut-
25 ing funds under this section shall treat a secondary school

1 funded by the Bureau of Indian Affairs within the State
2 as if such school were a local educational agency within
3 the State for the purpose of receiving a distribution under
4 this section.

5 **SEC. 132. DISTRIBUTION FOR POSTSECONDARY VOCA-**
6 **TIONAL EDUCATION.**

7 (a) DISTRIBUTION.—

8 (1) IN GENERAL.—Except as otherwise pro-
9 vided in this section, each eligible agency shall dis-
10 tribute the portion of funds made available for post-
11 secondary vocational education under section 122(b)
12 for any fiscal year to eligible institutions within the
13 State in accordance with paragraph (2).

14 (2) ALLOCATION.—Each eligible institution in
15 the State having an application approved under sec-
16 tion 134 for a fiscal year shall be allocated an
17 amount that bears the same relationship to the
18 amount of funds made available for postsecondary
19 vocational education under section 122(b) for the
20 fiscal year as the number of Pell Grant recipients
21 and recipients of assistance from the Bureau of In-
22 dian Affairs enrolled for the preceding fiscal year by
23 such eligible institution in vocational education pro-
24 grams that do not exceed 2 years in duration bears

1 to the number of such recipients enrolled in such
2 programs within the State for such fiscal year.

3 ~~(3) MINIMUM ALLOCATION.—~~

4 ~~(A) IN GENERAL.—~~Except as provided in
5 subparagraph (B), no eligible institution shall
6 receive an allocation under paragraph ~~(2)~~ un-
7 less the amount allocated to the eligible institu-
8 tion under paragraph ~~(2)~~ is not less than
9 \$65,000.

10 ~~(B) WAIVER.—~~The eligible agency may
11 waive the application of subparagraph (A) in
12 any case in which the eligible institution is lo-
13 cated in a rural, sparsely populated area.

14 ~~(C) REALLOCATION.—~~Any amounts that
15 are not allocated by reason of subparagraph (A)
16 or (B) shall be reallocated to eligible institu-
17 tions that meet the requirements of subpara-
18 graph (A) or (B) in accordance with the provi-
19 sions of this section.

20 ~~(4) DEFINITION OF PELL GRANT RECIPIENT.—~~

21 The term “Pell Grant recipient” means a recipient
22 of financial aid under subpart 1 of part A of title
23 IV of the Higher Education Act of 1965 (20 U.S.C.
24 1070a).

1 (b) **ALTERNATIVE ALLOCATION.**—An eligible agency
 2 may allocate funds made available for postsecondary edu-
 3 cation under section 122(b) for a fiscal year using an al-
 4 ternative formula if the eligible agency demonstrates to
 5 the Secretary's satisfaction that—

6 (1) the alternative formula better meets the
 7 purpose of this title; and

8 (2)(A) the formula described in subsection (a)
 9 does not result in an allocation of funds to the eligi-
 10 ble institutions that serve the highest numbers or
 11 percentages of low-income students; and

12 (B) the alternative formula will result in such
 13 a distribution.

14 **SEC. 133. LOCAL ACTIVITIES.**

15 (a) **MANDATORY.**—Funds made available to a local
 16 educational agency or an eligible institution under this
 17 subtitle shall be used—

18 (1) to conduct vocational education programs,
 19 and technological education programs related to vo-
 20 cational education, that further student achievement;

21 (2) to provide services and activities that are of
 22 sufficient size, scope, and quality to be effective;

23 (3) to integrate academic education with voca-
 24 tional education for students participating in voca-
 25 tional education;

1 (4) to link secondary education (as determined
2 under State law) and postsecondary education, in-
3 cluding implementing tech-prep programs;

4 (5) to provide professional development activi-
5 ties to teachers, counselors, and administrators, in-
6 cluding—

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

9 (B) internship programs that provide busi-
10 ness experience to teachers; and

11 (C) programs designed to train teachers
12 specifically in the use and application of tech-
13 nology;

14 (6) to improve or expand the use of technology
15 in vocational instruction, including professional de-
16 velopment in the use of technology, which may in-
17 clude distance learning;

18 (7) to expand, improve, and modernize quality
19 vocational education programs;

20 (8) to provide access to quality vocational edu-
21 cation programs for students, including students
22 who are members of the populations described in
23 section 124(e)(16);

24 (9) to develop and implement performance man-
25 agement systems and evaluations; and

1 (10) to promote gender equity in secondary and
2 postsecondary vocational education.

3 (b) PERMISSIVE.—Funds made available to a local
4 educational agency or an eligible institution under this
5 subtitle may be used—

6 (1) to carry out student internships;

7 (2) to provide guidance and counseling for stu-
8 dents participating in vocational education pro-
9 grams;

10 (3) to provide vocational education programs
11 for adults and school dropouts to complete their sec-
12 ondary school education;

13 (4) to acquire and adapt equipment, including
14 instructional aids;

15 (5) to support vocational student organizations;

16 (6) to provide assistance to students who have
17 participated in services and activities under this sub-
18 title in finding an appropriate job and continuing
19 their education; and

20 (7) to support other activities that are consist-
21 ent with the purpose of this title.

22 **SEC. 134. LOCAL APPLICATION.**

23 (a) IN GENERAL.—Each local educational agency or
24 eligible institution desiring assistance under this subtitle
25 shall submit an application to the eligible agency at such

1 time, in such manner, and accompanied by such informa-
 2 tion as the eligible agency (in consultation with such other
 3 educational entities as the eligible agency determines to
 4 be appropriate) may require.

5 (b) CONTENTS.—Each application shall, at a mini-
 6 mum—

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

10 (2) describe the process that will be used to
 11 independently evaluate and continuously improve the
 12 performance of the local educational agency or eligi-
 13 ble institution, as appropriate; and

14 (3) describe how the local educational agency or
 15 eligible institution, as appropriate, will consult with
 16 students, parents, business, labor organizations, and
 17 other interested individuals, in carrying out activities
 18 under this subtitle.

19 **Subtitle B—Tech-Prep Education**

20 **SEC. 151. SHORT TITLE.**

21 This subtitle may be cited as the “Tech-Prep Edu-
 22 cation Act”.

23 **SEC. 152. PURPOSES.**

24 The purposes of this subtitle are—

1 (1) to provide implementation grants to consor-
 2 tia of local educational agencies, postsecondary edu-
 3 cational institutions, and employers or labor organi-
 4 zations, for the development and operation of pro-
 5 grams designed to provide a tech-prep education
 6 program leading to a 2-year associate degree or a 2-
 7 year certificate;

8 (2) to provide, in a systematic manner, strong,
 9 comprehensive links among secondary schools, post-
 10 secondary educational institutions, and local or re-
 11 gional employers, or labor organizations; and

12 (3) to support the use of contextual, authentic,
 13 and applied teaching and curriculum based on each
 14 State's academic, occupational, and employability
 15 standards.

16 **SEC. 153. DEFINITIONS.**

17 (a) In this subtitle:

18 (1) **ARTICULATION AGREEMENT.**—The term
 19 “articulation agreement” means a written commit-
 20 ment to a program designed to provide students with
 21 a non duplicative sequence of progressive achieve-
 22 ment leading to degrees or certificates in a tech-prep
 23 education program.

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

1 (A) has the meaning provided in section
2 1201(a) of the Higher Education Act of 1965
3 (20 U.S.C. 1141) for an institution which pro-
4 vides not less than a 2-year program which is
5 acceptable for full credit toward a bachelor's de-
6 gree; and

7 (B) includes tribally controlled community
8 colleges.

9 ~~(3) TECH-PREP PROGRAM.~~—The term “tech-
10 prep program” means a program of study that—

11 (A) combines at a minimum 2 years of sec-
12 ondary education (as determined under State
13 law) and a minimum 2 years of postsecondary
14 education in a nonduplicative, sequential course
15 of study;

16 (B) integrates academic and vocational in-
17 struction, and utilizes work-based and worksite
18 learning where appropriate and available;

19 (C) provides technical preparation in a ca-
20 reer field such as engineering technology, ap-
21 plied science, a mechanical, industrial, or prac-
22 tical art or trade, agriculture, health occupa-
23 tions, business, or applied economics;

24 (D) builds student competence in mathe-
25 matics, science, communications, economics,

1 and workplace skills, through applied, contex-
 2 tual academics, and integrated instruction in a
 3 coherent sequence of courses;

4 (E) leads to an associate or a baccalaureate degree or a certificate in a specific career field; and

7 (F) leads to placement in appropriate employment or further education.

9 **SEC. 154. PROGRAM AUTHORIZED.**

10 (a) DISCRETIONARY AMOUNTS.—

11 (1) IN GENERAL.—For any fiscal year for
 12 which the amount appropriated under section 158 to
 13 carry out this subtitle is equal to or less than
 14 \$50,000,000, the Secretary shall award grants for
 15 tech-prep education programs to consortia of—

16 (A) local educational agencies, intermedi-
 17 ate educational agencies or area vocational edu-
 18 cation schools serving secondary school stu-
 19 dents, or secondary schools funded by the Bu-
 20 reau of Indian Affairs;

21 (B)(i) nonprofit institutions of higher edu-
 22 cation that offer—

23 (I) a 2-year associate degree program,
 24 or a 2-year certificate program, and are
 25 qualified as institutions of higher education

1 pursuant to section 481(a) of the Higher
2 Education Act of 1965 (20 U.S.C.
3 1088(a)), including institutions receiving
4 assistance under the Tribally Controlled
5 Community College Assistance Act of 1978
6 (25 U.S.C. 1801 et seq.) and tribally con-
7 trolled postsecondary vocational institu-
8 tions; or

9 (H) a 2-year apprenticeship program
10 that follows secondary instruction,

11 if such nonprofit institutions of higher edu-
12 cation are not prohibited from receiving assist-
13 ance under part B of the Higher Education Act
14 of 1965 (20 U.S.C. 1071 et seq.) pursuant to
15 the provisions of section 435(a)(3) of such Act
16 (20 U.S.C. 1083(a)); or

17 (ii) proprietary institutions of higher edu-
18 cation which offer a 2-year associate degree
19 program and which are qualified as institutions
20 of higher education pursuant to section 481(a)
21 of the Higher Education Act of 1965 (20
22 U.S.C. 1088(a)) if such proprietary institutions
23 of higher education are not subject to a default
24 management plan required by the Secretary; or

25 (C) employers or labor organizations.

1 (2) SPECIAL RULE.—A consortium described in
2 paragraph (1) may include 1 or more institutions of
3 higher education that award baccalaureate degrees.

4 (b) STATE GRANTS.—

5 (1) IN GENERAL.—For any fiscal year for
6 which the amount made available under section 158
7 to carry out this subtitle exceeds \$50,000,000, the
8 Secretary shall allot such amount among the States
9 in the same manner as funds are allotted to States
10 under paragraphs (2), (3), and (4) of section 111(a).

11 (2) PAYMENTS TO ELIGIBLE AGENCIES.—The
12 Secretary shall make a payment in the amount of a
13 State's allotment under this paragraph to the eligi-
14 ble agency that serves the State and has an applica-
15 tion approved under paragraph (4).

16 (3) AWARD BASIS.—From amounts made avail-
17 able to each eligible agency under this subsection,
18 the eligible agency shall award grants, on a competi-
19 tive basis or on the basis of a formula determined
20 by the eligible agency, for tech-prep education pro-
21 grams to consortia described in subsection (a).

22 (4) STATE APPLICATION.—Each eligible agency
23 desiring assistance under this subtitle shall submit
24 an application to the Secretary at such time, in such

1 manner, and accompanied by such information as
2 the Secretary may require.

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

4 (a) GENERAL AUTHORITY.—Each consortium shall
5 use amounts provided through the grant to develop and
6 operate a tech-prep education program.

7 (b) CONTENTS OF PROGRAM.—Any such tech-prep
8 program shall—

9 (1) be carried out under an articulation agree-
10 ment between the participants in the consortium;

11 (2) consist of at least 2 years of secondary
12 school preceding graduation and 2 years or more of
13 higher education, or an apprenticeship program of at
14 least 2 years following secondary instruction, with a
15 common core of required proficiency in mathematics,
16 science, communications, and technologies designed
17 to lead to an associate or baccalaureate degree or a
18 certificate in a specific career field;

19 (3) include the development of tech-prep edu-
20 cation program curricula for both secondary and
21 postsecondary levels that—

22 (A) meets challenging academic standards
23 developed by the State;

24 (B) links secondary schools and 2-year
25 postsecondary institutions, and where possible

1 and practicable, 4-year institutions of higher
2 education through nonduplicative sequences of
3 courses in career fields;

4 (C) uses, where appropriate and available,
5 work-based or worksite learning in conjunction
6 with business and industry; and

7 (D) uses educational technology and dis-
8 tance learning, as appropriate, to involve all the
9 consortium partners more fully in the develop-
10 ment and operation of programs.

11 (4) include a professional development program
12 for academic, vocational, and technical teachers
13 that—

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

16 (B) provides for joint training for teachers
17 from all participants in the consortium;

18 (C) is designed to ensure that teachers
19 stay current with the needs, expectations, and
20 methods of business and industry;

21 (D) focuses on training postsecondary edu-
22 cation faculty in the use of contextual and ap-
23 plied curricula and instruction; and

24 (E) provides training in the use and appli-
25 cation of technology;

1 ~~(5)~~ include training programs for counselors de-
2 signed to enable counselors to more effectively—

3 ~~(A)~~ make tech-prep education opportuni-
4 ties known to students interested in such activi-
5 ties;

6 ~~(B)~~ ensure that such students successfully
7 complete such programs;

8 ~~(C)~~ ensure that such students are placed in
9 appropriate employment; and

10 ~~(D)~~ stay current with the needs, expecta-
11 tions, and methods of business and industry;

12 ~~(6)~~ provide equal access to the full range of
13 technical preparation programs to individuals who
14 are members of populations described in section
15 ~~124(c)(16)~~; including the development of tech-prep
16 education program services appropriate to the needs
17 of such individuals; and

18 ~~(7)~~ provide for preparatory services that assist
19 all participants in such programs.

20 ~~(e)~~ ~~ADDITIONAL AUTHORIZED ACTIVITIES.~~—Each
21 such tech-prep program may—

22 ~~(1)~~ provide for the acquisition of tech-prep edu-
23 cation program equipment;

24 ~~(2)~~ as part of the program's planning activities,
25 acquire technical assistance from State or local enti-

1 ties that have successfully designed, established and
2 operated tech-prep programs;

3 ~~(3)~~ acquire technical assistance from State or
4 local entities that have designed, established, and op-
5 erated tech-prep programs that have effectively used
6 educational technology and distance learning in the
7 delivery of curricula and services and in the articula-
8 tion process; and

9 ~~(4)~~ establish articulation agreements with insti-
10 tutions of higher education, labor organizations, or
11 businesses located outside of the State served by the
12 consortium, especially with regard to using distance
13 learning and educational technology to provide for
14 the delivery of services and programs.

15 **SEC. 156. APPLICATIONS.**

16 ~~(a) IN GENERAL.~~—Each consortium that desires to
17 receive a grant under this subtitle shall submit an applica-
18 tion to the Secretary or the eligible agency, as appropriate,
19 at such time and in such manner as the Secretary or the
20 eligible agency, as appropriate, shall prescribe.

21 ~~(b) THREE-YEAR PLAN.~~—Each application submit-
22 ted under this section shall contain a ~~3~~-year plan for the
23 development and implementation of activities under this
24 subtitle.

1 (c) APPROVAL.—The Secretary or the eligible agency,
2 as appropriate, shall approve applications based on the po-
3 tential of the activities described in the application to ere-
4 ate an effective tech-prep education program described in
5 section 155.

6 (d) SPECIAL CONSIDERATION.—The Secretary or the
7 eligible agency, as appropriate, shall give special consider-
8 ation to applications that—

9 (1) provide for effective employment placement
10 activities or the transfer of students to 4-year insti-
11 tutions of higher education;

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

14 (3) address effectively the needs of populations
15 described in section 124(e)(16);

16 (4) provide education and training in areas or
17 skills where there are significant workforce short-
18 ages, including the information technology industry;
19 and

20 (5) demonstrate how tech-prep programs will
21 help students meet high academic and employability
22 competencies.

23 (e) EQUITABLE DISTRIBUTION OF ASSISTANCE.—In
24 awarding grants under this subtitle, the Secretary shall
25 ensure an equitable distribution of assistance among

1 States, and the Secretary or the eligible agency, as appro-
 2 priate, shall ensure an equitable distribution of assistance
 3 between urban and rural consortium participants.

4 (f) NOTICE.—

5 (1) IN GENERAL.—In the case of grants to be
 6 awarded by the Secretary, each consortium that sub-
 7 mits an application under this section shall provide
 8 notice of such submission and a copy of such appli-
 9 cation to the State educational agency and the State
 10 agency for higher education of the State in which
 11 the consortium is located.

12 (2) NOTIFICATION.—The Secretary shall notify
 13 the State educational agency and the State agency
 14 for higher education of a State each time a consor-
 15 tium located in the State is selected to receive a
 16 grant under this subtitle.

17 **SEC. 157. AUTHORIZATION OF APPROPRIATIONS.**

18 There are authorized to be appropriated to carry out
 19 this subtitle such sums as may be necessary for each of
 20 the fiscal years 1999 through 2004.

21 **Subtitle C—General Provisions**

22 **SEC. 161. ADMINISTRATIVE PROVISIONS.**

23 (a) SUPPLEMENT NOT SUPPLANT.—Funds made
 24 available under this title for vocational education activities
 25 shall supplement, and shall not supplant, other public

1 funds expended to carry out vocational education and
2 tech-prep activities.

3 (b) MAINTENANCE OF EFFORT.—

4 (1) DETERMINATION.—No payments shall be
5 made under this title for any fiscal year to an eligi-
6 ble agency for vocational education or tech-prep ac-
7 tivities unless the Secretary determines that the fis-
8 cal effort per student or the aggregate expenditures
9 of the State for vocational education for the fiscal
10 year preceding the fiscal year for which the deter-
11 mination is made, equaled or exceeded such effort or
12 expenditures for vocational education for the second
13 fiscal year preceding the fiscal year for which the de-
14 termination is made.

15 (2) WAIVER.—The Secretary may waive the re-
16 quirements of this section, with respect to not more
17 than 5 percent of expenditures by any eligible agen-
18 cy for 1 fiscal year only, on making a determination
19 that such waiver would be equitable due to excep-
20 tional or uncontrollable circumstances affecting the
21 ability of the applicant to meet such requirements,
22 such as a natural disaster or an unforeseen and pre-
23 cipitous decline in financial resources. No level of
24 funding permitted under such a waiver may be used
25 as the basis for computing the fiscal effort or aggre-

1 gate expenditures required under this section for
2 years subsequent to the year covered by such waiver.
3 The fiscal effort or aggregate expenditures for the
4 subsequent years shall be computed on the basis of
5 the level of funding that would, but for such waiver,
6 have been required.

7 (c) REPRESENTATION.—The eligible agency shall
8 provide representation to the statewide partnership.

9 **SEC. 162. EVALUATION, IMPROVEMENT, AND ACCOUNT-**
10 **ABILITY.**

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

16 (b) IMPROVEMENT ACTIVITIES.—If, after reviewing
17 the evaluation, an eligible agency determines that a local
18 educational agency or eligible institution is not making
19 substantial progress in achieving the purpose of this title,
20 the eligible agency may work jointly with the local edu-
21 cational agency or eligible institution, respectively, to de-
22 velop an improvement plan. If, after not more than 2 years
23 of implementation of the improvement plan, the eligible
24 agency determines that the local educational agency or eli-
25 gible institution, respectively, is not making substantial

1 progress, the eligible agency shall take whatever corrective
2 action the eligible agency deems necessary, which may in-
3 clude termination of funding or the implementation of al-
4 ternative service arrangements, consistent with State law.
5 The eligible agency shall take corrective action under the
6 preceding sentence only after the eligible agency has pro-
7 vided technical assistance to the local educational agency
8 or eligible institution and shall ensure, to the extent prac-
9 ticable, that any corrective action the eligible agency takes
10 allows for continued services to and activities for individ-
11 uals served by the local educational agency or eligible in-
12 stitution, respectively.

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
19 in the eligible agency's State plan, the Secretary shall
20 work with the eligible agency to implement improvement
21 activities.

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

1 sufficient progress, based on the eligible agency's perform-
2 ance measures and expected levels of performance; the
3 Secretary, after notice and opportunity for a hearing; shall
4 withhold from the eligible agency all, or a portion, of the
5 eligible agency's grant funds under this subtitle. The Sec-
6 retary may use funds withheld under the preceding sen-
7 tence to provide, through alternative arrangements, serv-
8 ices, and activities within the State to meet the purpose
9 of this title.

10 **SEC. 163. NATIONAL ACTIVITIES.**

11 The Secretary may, directly or through grants, con-
12 tracts, or cooperative agreements, carry out research, de-
13 velopment, dissemination, evaluation, capacity-building,
14 and technical assistance activities that carry out the pur-
15 pose of this title.

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

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

22 (b) **INDEPENDENT ADVISORY PANEL.**—The Sec-
23 retary shall appoint an independent advisory panel, con-
24 sisting of vocational education administrators, educators,
25 researchers, and representatives of labor organizations,

1 business, parents, guidance and counseling professionals,
2 and other relevant groups, to advise the Secretary on the
3 implementation of such assessment, including the issues
4 to be addressed and the methodology of the studies in-
5 volved, and the findings and recommendations resulting
6 from the assessment. The panel shall submit to the Com-
7 mittee on Education and the Workforce of the House of
8 Representatives, the Committee on Labor and Human Re-
9 sources of the Senate, and the Secretary an independent
10 analysis of the findings and recommendations resulting
11 from the assessment. The Federal Advisory Committee
12 Act (5 U.S.C. App.) shall not apply to the panel estab-
13 lished under this subsection.

14 (e) CONTENTS.—The assessment required under sub-
15 section (a) shall include descriptions and evaluations of—

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

22 (2) expenditures at the Federal, State, tribal,
23 and local levels to address program improvement in
24 vocational education, including the impact of Federal

1 allocation requirements (such as within-State dis-
 2 tribution formulas) on the delivery of services;

3 ~~(3) preparation and qualifications of teachers of~~
 4 ~~vocational and academic curricula in vocational edu-~~
 5 ~~cation programs, as well as shortages of such teach-~~
 6 ~~ers;~~

7 ~~(4) participation in vocational education pro-~~
 8 ~~grams;~~

9 ~~(5) academic and employment outcomes of vo-~~
 10 ~~ccational education, including analyses of—~~

11 ~~(A) the extent and success of integration~~
 12 ~~of academic and vocational curricula; and~~

13 ~~(B) the degree to which vocational edu-~~
 14 ~~cation is relevant to subsequent employment or~~
 15 ~~participation in postsecondary education;~~

16 ~~(6) employer involvement in, and satisfaction~~
 17 ~~with, vocational education programs; and~~

18 ~~(7) the effect of performance measures, and~~
 19 ~~other measures of accountability, on the delivery of~~
 20 ~~vocational education services.~~

21 ~~(d) CONSULTATION.—~~

22 ~~(1) IN GENERAL.—~~The Secretary shall consult
 23 with the Committee on Education and the Workforce
 24 of the House of Representatives and the Committee
 25 on Labor and Human Resources of the Senate in

1 the design and implementation of the assessment re-
2 quired under subsection (a).

3 ~~(2) REPORTS.—~~The Secretary shall submit to
4 the Committee on Education and the Workforce of
5 the House of Representatives, the Committee on
6 Labor and Human Resources of the Senate, and the
7 Secretary—

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

10 (B) a final report, summarizing all studies
11 and analyses that relate to the assessment and
12 that are completed after the assessment, on or
13 before July 1, 2002.

14 ~~(3) PROHIBITION.—~~Notwithstanding any other
15 provision of law or regulation, the reports required
16 by this subsection shall not be subject to any review
17 outside of the Department of Education before their
18 transmittal to the Committee on Education and the
19 Workforce of the House of Representatives, the
20 Committee on Labor and Human Resources of the
21 Senate, and the Secretary, but the President, the
22 Secretary, and the independent advisory panel estab-
23 lished under subsection (b) may make such addi-
24 tional recommendations to Congress with respect to

1 the assessment as the President, the Secretary, or
2 the panel determine to be appropriate.

3 **SEC. 165. NATIONAL RESEARCH CENTER.**

4 (a) GENERAL AUTHORITY.—

5 (1) IN GENERAL.—The Secretary, through
6 grants, contracts, or cooperative agreements, may
7 establish 1 or more national centers in the areas
8 of—

9 (A) applied research and development; and

10 (B) dissemination and training.

11 (2) CONSULTATION.—The Secretary shall con-
12 sult with the States prior to establishing 1 or more
13 such centers.

14 (3) ELIGIBLE ENTITIES.—Entities eligible to
15 receive funds under this section are institutions of
16 higher education, other public or private nonprofit
17 organizations or agencies, and consortia of such in-
18 stitutions, organizations, or agencies.

19 (b) ACTIVITIES.—

20 (1) IN GENERAL.—The national center or cen-
21 ters shall carry out such activities as the Secretary
22 determines to be appropriate to assist State and
23 local recipients of funds under this title to achieve
24 the purpose of this title, which may include the re-
25 search and evaluation activities in such areas as—

- 1 (A) the integration of vocational and aca-
2 demic instruction, secondary and postsecondary
3 instruction;
- 4 (B) effective inservice and preservice
5 teacher education that assists vocational edu-
6 cation systems;
- 7 (C) performance measures and expected
8 levels of performance that serve to improve vo-
9 cational education programs and student
10 achievement;
- 11 (D) effects of economic changes on the
12 kinds of knowledge and skills required for em-
13 ployment or participation in postsecondary edu-
14 cation;
- 15 (E) longitudinal studies of student achieve-
16 ment; and
- 17 (F) dissemination and training activities
18 related to the applied research and demonstra-
19 tion activities described in this subsection;
20 which may also include—
- 21 (i) serving as a repository for infor-
22 mation on vocational and technological
23 skills, State academic standards, and relat-
24 ed materials; and

1 (ii) developing and maintaining na-
2 tional networks of educators who facilitate
3 the development of vocational education
4 systems.

5 (2) REPORT.—The center or centers conducting
6 the activities described in paragraph (1) annually
7 shall prepare a report of key research findings of
8 such center or centers and shall submit copies of the
9 report to the Secretary, the Secretary of Labor, and
10 the Secretary of Health and Human Services. The
11 Secretary shall submit that report to the Committee
12 on Education and the Workforce of the House of
13 Representatives, the Committee on Labor and
14 Human Resources of the Senate, the Library of
15 Congress, and each eligible agency.

16 (c) REVIEW.—The Secretary shall—

17 (1) consult at least annually with the national
18 center or centers and with experts in education to
19 ensure that the activities of the national center or
20 centers meet the needs of vocational education pro-
21 grams; and

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

1 **SEC. 166. DATA SYSTEMS.**

2 (a) **IN GENERAL.**—The Secretary shall maintain a
 3 data system to collect information about, and report on,
 4 the condition of vocational education and on the effective-
 5 ness of State and local programs, services, and activities
 6 carried out under this title in order to provide the Sec-
 7 retary and Congress, as well as Federal, State, local, and
 8 tribal agencies, with information relevant to improvement
 9 in the quality and effectiveness of vocational education.
 10 The Secretary annually shall report to Congress on the
 11 Secretary's analysis of performance data collected each
 12 year pursuant to this title.

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

16 (c) **ASSESSMENTS.**—As a regular part of its assess-
 17 ments, the National Center for Education Statistics shall
 18 collect and report information on vocational education for
 19 a nationally representative sample of students. Such as-
 20 sessment may include international comparisons.

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

23 **SEC. 171. AUTHORIZATION OF APPROPRIATIONS.**

24 There are authorized to be appropriated to carry out
 25 subtitle (A), and sections 163, 164, 165, and 166, such

1 sums as may be necessary for each of the fiscal years 1999
 2 through 2004.

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
 7 seq.) 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 Nation-
 12 ality 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 1997”.

16 (2) NATIONAL DEFENSE AUTHORIZATION
 17 ACT.—Section 4461 of the National Defense Author-
 18 ization Act for Fiscal Year 1993 (10 U.S.C. 1143
 19 note) is 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 eation Act of 1965 (20 U.S.C. 6301 et seq.) is
2 amended—

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 Voca-
7 tional and Applied Technology Education Act of
8 1997”;

9 (B) in section 9115(b)(5) (20 U.S.C.
10 7815(b)(5)), by striking “Carl D. Perkins Voca-
11 tional and Applied Technology Education Act”
12 and inserting “Carl D. Perkins Vocational and
13 Applied Technology Education Act of 1997”;

14 (C) in section 14302(a)(2) (20 U.S.C.
15 8852(a)(2))—

16 (i) by striking subparagraph (C); and

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

20 (D) in the matter preceding subparagraph
21 (A) of section 14307(a)(1) (20 U.S.C.
22 8857(a)(1)), by striking “Carl D. Perkins Voca-
23 tional and Applied Technology Education Act”
24 and inserting “Carl D. Perkins Vocational and
25 Applied Technology Education Act of 1997”.

1 (4) ~~EQUITY IN EDUCATIONAL LAND-GRANT STA-~~
2 ~~TUS ACT OF 1994.~~—Section ~~533(e)(4)(A)~~ of the ~~Eq-~~
3 ~~uity in Educational Land-Grant Status Act of 1994~~
4 ~~(7 U.S.C. 301 note)~~ is amended by striking “(20
5 ~~U.S.C. 2397h(3))”~~ and inserting “, as such section
6 was in effect on the day preceding the date of enact-
7 ment of the Carl D. Perkins Vocational and Applied
8 Technology Education Act of 1997”.

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
12 amended by striking “the date of enactment of an
13 Act reauthorizing the Carl D. Perkins Vocational
14 and Applied Technology Education Act (20 U.S.C.
15 2301 et seq.)” and inserting “July 1, 1999”.

16 (6) ~~INTERNAL REVENUE CODE OF 1986.~~—Sec-
17 ~~tion 135(e)(3)(B)~~ of the ~~Internal Revenue Code of~~
18 ~~1986 (26 U.S.C. 135(e)(3)(B))~~ is amended—

19 (A) by striking “subparagraph (C) or (D)
20 of section 521(3) of the Carl D. Perkins Voca-
21 tional Education Act” and inserting “subpara-
22 graph (C) or (D) of section 2(3) of the
23 Workforce Investment Partnership Act of
24 1997”; and

1 (B) by striking “any State (as defined in
2 section 521(27) of such Act)” and inserting
3 “any State or outlying area (as the terms
4 ‘State’ and ‘outlying area’ are defined in section
5 2 of such Act)”.

6 (7) APPALACHIAN REGIONAL DEVELOPMENT
7 ACT OF 1965.—Section 214(e) of the Appalachian
8 Regional Development Act of 1965 (40 U.S.C. App.
9 214(e)) (as amended by subsection (e)(5)) is further
10 amended by striking “Carl D. Perkins Vocational
11 Education Act” and inserting “Carl D. Perkins Vo-
12 cational and Applied Technology Education Act of
13 1997”.

14 (8) VOCATIONAL EDUCATION AMENDMENTS OF
15 1968.—Section 104 of the Vocational Education
16 Amendments of 1968 (82 Stat. 1091) is amended by
17 striking “section 3 of the Carl D. Perkins Vocational
18 Education Act” and inserting “the Carl D. Perkins
19 Vocational and Applied Technology Education Act of
20 1997”.

21 (9) OLDER AMERICANS ACT OF 1965.—The
22 Older Americans Act of 1965 (42 U.S.C. 3001 et
23 seq.) is amended—

24 (A) in section 502(b)(1)(N)(i) (42 U.S.C.
25 3056(b)(1)(N)(i)), by striking “or the Carl D.

1 Perkins Vocational and Applied Technology
 2 Education Act (20 U.S.C. 2301 et seq.)”;

3 (B) in section 505(d)(2) (42 U.S.C.
 4 3056e(d)(2))—

5 (i) by striking “employment and
 6 training programs” and inserting
 7 “workforce investment activities”; and

8 (ii) by striking “the Carl D. Perkins
 9 Vocational and Applied Technology Edu-
 10 cation Act (20 U.S.C. 2301 et seq.)” and
 11 inserting “the Carl D. Perkins Vocational
 12 and Applied Technology Education Act of
 13 1997”.

14 **TITLE II—ADULT EDUCATION**
 15 **AND LITERACY**

16 **SEC. 201. SHORT TITLE.**

17 This title may be cited as the “Adult Education and
 18 Literacy Act”.

19 **SEC. 202. FINDINGS AND PURPOSE.**

20 (a) FINDINGS.—Congress finds that—

21 (1) the National Adult Literacy Survey and
 22 other studies have found that more than one-fifth of
 23 American adults demonstrate very low literacy skills
 24 that make it difficult for the adults to be economi-

1 eally self-sufficient, much less enter high-skill, high-
2 wage jobs;

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

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

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

14 (1) become literate and obtain the knowledge
15 and skills needed to compete in a global economy;

16 (2) complete a secondary school education; and

17 (3) have the education skills necessary to sup-
18 port the educational development of their children.

19 **Subtitle A—Adult Education and** 20 **Literacy Programs**

21 **CHAPTER 1—FEDERAL PROVISIONS**

22 **SEC. 211. RESERVATION; GRANTS TO STATES; ALLOT-** 23 **MENTS.**

24 (a) RESERVATION OF FUNDS FOR NATIONAL LEAD-
25 ERSHIP ACTIVITIES.—From the amount appropriated for

1 any fiscal year under section 246, the Secretary shall
2 reserve—

3 (1) 1.5 percent to carry out section 213;

4 (2) 2 percent to carry out section 243; and

5 (3) 1.5 percent to carry out section 245.

6 (b) GRANTS TO STATES.—From the sum appro-
7 priated under section 246 and not reserved under sub-
8 section (a) for a fiscal year, the Secretary shall award a
9 grant to each eligible agency having a State plan approved
10 under section 224 in an amount equal to the sum of the
11 initial allotment under subsection (c)(1) and the additional
12 allotment under subsection (c)(2) for the eligible agency
13 for the fiscal year to enable the eligible agency to carry
14 out the activities assisted under this subtitle.

15 (c) ALLOTMENTS.—

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

22 (A) \$100,000 in the case of an eligible
23 agency serving the United States Virgin Is-
24 lands, Guam, American Samoa, the Common-
25 wealth of the Northern Mariana Islands, the

1 Republic of the Marshall Islands, the Federated
2 States of Micronesia, and the Republic of
3 Palau.

4 (B) \$250,000, in the case of any other eli-
5 gible agency.

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

15 (d) *QUALIFYING ADULT.*—For the purposes of this
16 subsection, the term “qualifying adult” means an adult
17 who—

18 (1) is at least 16 years of age;

19 (2) is beyond the age of compulsory school at-
20 tendance under the law of the State or outlying
21 area;

22 (3) does not possess a secondary school diploma
23 or its recognized equivalent; and

24 (4) is not enrolled in secondary school.

25 (e) *SPECIAL RULE.*—

1 (1) ~~IN GENERAL.~~—From amounts made avail-
2 able under subsection (e) for the Republic of the
3 Marshall Islands, the Federated States of Microne-
4 sia, and the Republic of Palau, the Secretary shall
5 award grants to Guam, American Samoa, the Com-
6 monwealth of the Northern Mariana Islands, the Re-
7 public of the Marshall Islands, the Federated States
8 of Micronesia, or the Republic of Palau to carry out
9 activities described in this part in accordance with
10 the provisions of this subtitle that the Secretary de-
11 termines are not inconsistent with this subsection.

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

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

23 (4) ~~ADMINISTRATIVE COSTS.~~—The Secretary
24 may provide not more than 5 percent of the funds
25 made available for grants under this subsection to

1 pay the administrative costs of the Pacific Region
2 Educational Laboratory regarding activities assisted
3 under this subsection.

4 (f) MAINTENANCE OF EFFORT.—

5 (1) IN GENERAL.—An eligible agency may re-
6 ceive a grant under this subtitle for any fiscal year
7 only if the Secretary finds that the amount expended
8 by the State for adult education and literacy, in the
9 second fiscal year preceding the fiscal year for which
10 the determination is made, was not less than 90 per-
11 cent of the amount expended for adult education and
12 literacy in the third fiscal year preceding the fiscal
13 year for which the determination is made.

14 (2) WAIVER.—The Secretary may waive the re-
15 quirements of this subsection for 1 fiscal year only
16 if the Secretary determines that such a waiver is eq-
17 uitable due to exceptional or uncontrollable cir-
18 cumstances, such as a natural disaster or an unfore-
19 seen and precipitous decline in the financial re-
20 sources of the State.

21 (g) REALLOTMENT.—If the Secretary determines
22 that any amount of a State's allotment under this section
23 for any fiscal year will not be required for carrying out
24 the program for which such amount has been allotted, the
25 Secretary shall make such amount available for reallot-

1 ment to 1 or more States on the basis that the Secretary
2 determines would best serve the purpose of this title.

3 **SEC. 212. PERFORMANCE MEASURES AND EXPECTED**
4 **LEVELS OF PERFORMANCE.**

5 (a) ESTABLISHMENT OF PERFORMANCE MEAS-
6 URES.—After consultation with eligible agencies, eligible
7 providers, and other interested parties (including rep-
8 resentatives of business, representatives of labor organiza-
9 tions, and institutions of higher education), the Secretary
10 shall establish and publish performance measures de-
11 scribed in this subsection that assess the progress of each
12 eligible agency in enhancing and developing more fully the
13 literacy skills of the adult population in the State or outly-
14 ing area. The measures, at a minimum, shall include—

15 (1) demonstrated improvements in literacy skill
16 levels in reading and writing the English language,
17 numeracy, and problem solving;

18 (2) attainment of secondary school diplomas or
19 their recognized equivalent;

20 (3) placement in, retention in, or completion of,
21 postsecondary education, training, or unsubsidized
22 employment; and

23 (4) other performance measures the Secretary
24 determines necessary.

1 (b) EXPECTED LEVELS OF PERFORMANCE.—In de-
2 veloping a State plan, each eligible agency shall negotiate
3 with the Secretary the expected levels of performance for
4 the performance measures described in subsection (a).

5 **SEC. 213. NATIONAL LEADERSHIP ACTIVITIES.**

6 (a) AUTHORITY.—From the amount reserved under
7 section 211(a)(1) for any fiscal year, the Secretary may
8 establish a program of national leadership and evaluation
9 activities to enhance the quality of adult education and
10 literacy nationwide.

11 (b) METHOD OF FUNDING.—The Secretary may
12 carry out national leadership and evaluation activities di-
13 rectly or through grants, contracts, or cooperative
14 agreements.

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

17 (1) research, such as estimating the number of
18 adults functioning at the lowest levels of literacy
19 proficiency;

20 (2) demonstration of model and innovative pro-
21 grams, such as the development of models for basic
22 skill certificates, identification of effective strategies
23 for working with adults with learning disabilities and
24 with individuals with limited English proficiency who
25 are adults, and workplace literacy programs;

1 (3) dissemination, such as dissemination of in-
2 formation regarding promising practices resulting
3 from federally funded demonstration programs;

4 (4) evaluations and assessments, such as peri-
5 odic independent evaluations of activities assisted
6 under this subtitle and assessments of the condition
7 and progress of literacy in the United States;

8 (5) efforts to support capacity building at the
9 State and local levels, such as technical assistance in
10 program planning, assessment, evaluation, and mon-
11 itoring of activities under this subtitle;

12 (6) data collection, such as improvement of
13 both local and State data systems through technical
14 assistance and development of model performance
15 data collection systems;

16 (7) professional development, such as technical
17 assistance activities to advance effective training
18 practices, identify exemplary professional develop-
19 ment projects, and disseminate new findings in adult
20 education training;

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

24 (9) other activities designed to enhance the
25 quality of adult education and literacy nationwide.

1 **CHAPTER 2—STATE PROVISIONS**

2 **SEC. 221. STATE ADMINISTRATION.**

3 (a) ~~IN GENERAL.~~—Each eligible agency shall be re-
4 sponsible for the State administration of activities under
5 this subtitle, including—

6 (1) the development, submission, and implemen-
7 tation of the State plan;

8 (2) consultation with other appropriate agen-
9 cies, groups, and individuals that are involved in, or
10 interested in, the development and implementation
11 of activities assisted under this subtitle; and

12 (3) ~~coordination and nonduplication with other~~
13 ~~Federal and State education, training, corrections,~~
14 ~~public housing, and social service programs.~~

15 (b) ~~STATE-IMPOSED REQUIREMENTS.~~—Whenever a
16 State imposes any rule or policy relating to the adminis-
17 tration and operation of activities funded under this sub-
18 title (including any rule or policy based on State interpre-
19 tation of any Federal law, regulation, or guideline); the
20 State shall identify the rule or policy as a State-imposed
21 requirement.

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

23 (a) ~~STATE DISTRIBUTION OF FUNDS.~~—Each eligible
24 agency receiving a grant under this subtitle for a fiscal
25 year—

1 (1) shall use not less than 80 percent of the
2 grant funds to carry out section 225 and to award
3 grants and contracts under section 231 for the fiscal
4 year, of which not more than 10 percent of the sum
5 shall be available to carry out section 225 for the
6 fiscal year;

7 (2) shall use not more than 15 percent of the
8 grant funds to carry out State leadership activities
9 under section 223 for the fiscal year; and

10 (3) shall use not more than 5 percent of the
11 grant funds, or \$80,000, whichever is greater, for
12 administrative expenses of the eligible agency for the
13 fiscal year.

14 (b) STATE SHARE REQUIREMENT.—

15 (1) IN GENERAL.—In order to receive a grant
16 from the Secretary under section 211(b) each eligi-
17 ble agency shall provide an amount equal to 25 per-
18 cent of the total amount of funds expended for adult
19 education in the State, except that the Secretary
20 may decrease the amount of funds required under
21 this subsection for an eligible agency serving an out-
22 lying area.

23 (2) STATE'S SHARE.—An eligible agency's
24 funds required under paragraph (1) may be in cash
25 or in kind, fairly evaluated, and shall include only

1 non-Federal funds that are used for adult education
2 and literacy activities in a manner that is consistent
3 with the purpose of this subtitle.

4 **SEC. 223. STATE LEADERSHIP ACTIVITIES.**

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

8 (1) Professional development and training, in-
9 cluding training in the use of software and
10 technology.

11 (2) Developing and disseminating curricula for
12 adult education and literacy activities.

13 (3) Monitoring and evaluating the quality of,
14 and improvement in, services and activities con-
15 ducted with assistance under this subtitle.

16 (4) Establishing challenging performance meas-
17 ures and levels of performance for literacy pro-
18 ficiency in order to assess program quality and im-
19 provement.

20 (5) Integration of literacy instruction and occu-
21 pational skill training, and promoting linkages with
22 employers.

23 (6) Linkages with postsecondary institutions.

24 (7) Supporting State or regional networks of
25 literacy resource centers.

1 (8) Other activities of statewide significance
2 that promote the purpose of this subtitle.

3 (b) **COLLABORATION.**—In carrying out this section,
4 eligible agencies shall collaborate where possible and avoid
5 duplicating efforts in order to maximize the impact of the
6 activities described in subsection (a).

7 **SEC. 224. STATE PLAN.**

8 (a) **3-YEAR PLANS.**—

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

13 (2) **COMPREHENSIVE PLAN OR APPLICATION.**—
14 The eligible agency may submit the State plan as
15 part of a comprehensive plan or application for Fed-
16 eral education assistance.

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

20 (1) an objective assessment of the needs of indi-
21 viduals in the State for adult education and literacy
22 activities, including individuals most in need or
23 hardest to serve, such as educationally disadvan-
24 taged adults, immigrants, individuals with limited
25 English proficiency, incarcerated individuals, home-

1 less individuals, recipients of public assistance, and
2 individuals with disabilities;

3 ~~(2)~~ a description of the adult education and lit-
4 eracy activities that will be carried out with any
5 funds received under this subtitle;

6 ~~(3)~~ a description of how the eligible agency will
7 evaluate annually the effectiveness of the adult edu-
8 cation and literacy activities based on the perform-
9 ance measures described in section 212;

10 ~~(4)~~ a description of how the eligible agency will
11 ensure that the data reported to the eligible agency
12 from eligible providers under this subtitle and the
13 data the eligible agency reports to the Secretary are
14 complete, accurate, and reliable;

15 ~~(5)~~ a description of the performance measures
16 required under section 212(a) and how such per-
17 formance measures and the expected levels of per-
18 formance will ensure improvement of adult education
19 and literacy activities in the State or outlying area;

20 ~~(6)~~ an assurance that the funds received under
21 this subtitle will not be expended for any purpose
22 other than for activities under this subtitle;

23 ~~(7)~~ a description of how the eligible agency will
24 fund local activities in accordance with the priorities
25 described in section 242(a);

1 (8) a description of how the eligible agency will
2 determine which eligible providers are eligible for
3 funding in accordance with the preference described
4 in section 242(b);

5 (9) a description of how funds will be used for
6 State leadership activities, which activities may in-
7 clude professional development and training, instruc-
8 tional technology, and management technology;

9 (10) an assurance that the eligible agency will
10 expend the funds under this subtitle only in a man-
11 ner consistent with fiscal requirement in section 241;

12 (11) a description of the process that will be
13 used for public participation and comment with re-
14 spect to the State plan;

15 (12) a description of how the eligible agency
16 will develop program strategies for populations that
17 include, at a minimum—

18 (A) low-income students;

19 (B) individuals with disabilities;

20 (C) single parents and displaced home-
21 makers; and

22 (D) individuals with multiple barriers to
23 educational enhancement;

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

4 (A) adult education activities authorized
5 under this subtitle;

6 (B) activities authorized under title III;

7 (C) programs authorized under the Wag-
8 ner-Peyser Act (29 U.S.C. 49 et seq.); title I of
9 the Rehabilitation Act of 1973 (29 U.S.C. 720
10 et seq.); part A of title IV of the Social Security
11 Act (42 U.S.C. 601 et seq.); section 6(d) of the
12 Food Stamp Act of 1977 (7 U.S.C. 2015(d));
13 and title V of the Older Americans Act of 1965
14 (42 U.S.C. 3056 et seq.);

15 (D) a work program authorized under sec-
16 tion 6(o) of the Food Stamp Act of 1977 (7
17 U.S.C. 2015(o));

18 (E) activities authorized under chapter 2
19 of title II of the Trade Act of 1974 (19 U.S.C.
20 2271 et seq.);

21 (F) activities authorized under chapter 41
22 of title 38, United States Code;

23 (G) activities carried out by the Bureau of
24 Apprenticeship and Training;

1 (H) training activities carried out by the
2 Department of Housing and Urban Develop-
3 ment; and

4 (I) programs authorized under State un-
5 employment compensation laws and the Federal
6 unemployment insurance program under titles
7 III, IX, and XII of the Social Security Act (42
8 U.S.C. 501 et seq., 1101 et seq., and 1321 et
9 seq.); and

10 (14) the description and information specified
11 in paragraphs (8) and (16) of section 304(b).

12 (c) ~~PLAN REVISIONS.~~—When changes in conditions
13 or other factors require substantial revisions to an ap-
14 proved State plan, the eligible agency shall submit a revi-
15 sion to the State plan to the Secretary.

16 (d) ~~CONSULTATION.~~—The eligible agency shall—

17 (1) submit the State plan, and any revisions to
18 the State plan, to the Governor of the State for re-
19 view and comment; and

20 (2) ensure that any comments by the Governor
21 regarding the State plan, and any revision to the
22 State plan, are submitted to the Secretary.

23 (e) ~~PLAN APPROVAL.~~—

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

4 (A) the State plan, or revision, respec-
5 tively, meets the requirements of this section;
6 and

7 (B) the State’s performance measures and
8 expected levels of performance under section
9 212 are sufficiently rigorous to meet the pur-
10 pose of this title.

11 (2) DISAPPROVAL.—The Secretary shall not fi-
12 nally disapprove a State plan, except after giving the
13 eligible agency notice and an opportunity for a
14 hearing.

15 (3) PEER REVIEW.—The Secretary shall estab-
16 lish a peer review process to make recommendations
17 regarding the approval of State plans and revisions
18 to the State plan.

19 **SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
20 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

21 (a) PROGRAM AUTHORIZED.—From funds made
22 available under section 222(a)(1) for a fiscal year, each
23 eligible agency shall carry out corrections education or
24 education for other institutionalized individuals.

1 (b) USES OF FUNDS.—The funds described in sub-
 2 section (a) shall be used for the cost of educational pro-
 3 grams for criminal offenders in corrections institutions
 4 and for other institutionalized individuals, including aca-
 5 demic programs for—

6 (1) basic education;

7 (2) special education programs as determined
 8 by the State;

9 (3) bilingual programs, or English as a second
 10 language programs; and

11 (4) secondary school credit programs.

12 (c) DEFINITION OF CRIMINAL OFFENDER.—

13 (1) CRIMINAL OFFENDER.—The term “criminal
 14 offender” means any individual who is charged with
 15 or convicted of any criminal offense.

16 (2) CORRECTIONAL INSTITUTION.—The term
 17 “correctional institution” means any—

18 (A) prison;

19 (B) jail;

20 (C) reformatory;

21 (D) work farm;

22 (E) detention center; or

23 (F) halfway house, community-based reha-
 24 bilitation center, or any other similar institution

1 designed for the confinement or rehabilitation
2 of criminal offenders.

3 **CHAPTER 3—LOCAL PROVISIONS**

4 **SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE** 5 **PROVIDERS.**

6 (a) GRANTS.—From funds made available under sec-
7 tion 222(a)(1), each eligible agency shall award multiyear
8 grants or contracts to eligible providers within the State
9 to enable the eligible providers to develop, implement, and
10 improve adult education and literacy activities within the
11 State.

12 (b) SPECIAL RULE.—Each eligible agency receiving
13 funds under this subtitle shall ensure that all eligible pro-
14 viders have direct and equitable access to apply for grants
15 or contracts under this section.

16 (c) REQUIRED LOCAL ACTIVITIES.—Each eligible
17 provider receiving a grant or contract under this subtitle
18 shall establish programs that provide instruction or serv-
19 ices, such as—

20 (1) adult education and literacy services; or

21 (2) English literacy programs.

22 **SEC. 232. LOCAL APPLICATION.**

23 Each eligible provider desiring a grant or contract
24 under this subtitle shall submit an application to the eligi-

1 ble agency containing such information and assurances as
 2 the eligible agency may require, including—

3 (1) a description of how funds awarded under
 4 this subtitle will be spent;

5 (2) how the expected levels of performance of
 6 the eligible provider with respect to participant re-
 7 cruitment, retention, and performance measures de-
 8 scribed in section 212 will be met and reported to
 9 the eligible agency; and

10 (3) a description of any cooperative arrange-
 11 ments the eligible provider has with other agencies,
 12 institutions, or organizations for the delivery of
 13 adult education and literacy programs.

14 **SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

15 (a) **IN GENERAL.**—Subject to subsection (b), of the
 16 sum that is made available under this subtitle to an eligi-
 17 ble provider—

18 (1) not less than 95 percent shall be expended
 19 for carrying out adult education and literacy activi-
 20 ties; and

21 (2) the remaining amount, not to exceed 5 per-
 22 cent, shall be used for planning, administration, per-
 23 sonnel development, and interagency coordination.

24 (b) **SPECIAL RULE.**—In cases where the cost limits
 25 described in subsection (a) are too restrictive to allow for

1 adequate planning, administration, personnel develop-
2 ment, and interagency coordination, the eligible agency
3 shall negotiate with the eligible provider in order to deter-
4 mine an adequate level of funds to be used for noninstruc-
5 tional purposes.

6 **CHAPTER 4—GENERAL PROVISIONS**

7 **SEC. 241. ADMINISTRATIVE PROVISIONS.**

8 (a) **SUPPLEMENT NOT SUPPLANT.**—Funds made
9 available for adult education and literacy activities under
10 this subtitle shall supplement and not supplant other
11 State, or local public funds expended for adult education
12 and literacy activities.

13 (b) **REPRESENTATION.**—The eligible agency shall
14 provide representation to the statewide partnership.

15 **SEC. 242. PRIORITIES AND PREFERENCES.**

16 (a) **PRIORITIES.**—Each eligible agency and eligible
17 provider receiving assistance under this subtitle shall give
18 priority in using the assistance to adult education and lit-
19 eracy activities that—

20 (1) are built on a strong foundation of research
21 and effective educational practice;

22 (2) effectively employ advances in technology,
23 as appropriate, including the use of computers;

24 (3) provide learning in real life contexts to en-
25 sure that an individual has the skills needed to com-

1 pete in a global economy and exercise the rights and
2 responsibilities of citizenship;

3 (4) are staffed by well-trained instructors, coun-
4 selors, and administrators;

5 (5) are of sufficient intensity and duration for
6 participants to achieve substantial learning gains,
7 such as by earning a basic skills certificate that re-
8 flects skills acquisition and has meaning to
9 employers;

10 (6) establish measurable performance levels for
11 participant outcomes, such as levels of literacy
12 achieved and attainment of a secondary school di-
13 ploma or its recognized equivalent, that are tied to
14 challenging State performance levels for literacy
15 proficiency;

16 (7) coordinate with other available resources in
17 the community, such as by establishing strong links
18 with elementary schools and secondary schools, post-
19 secondary institutions, 1-stop customer service cen-
20 ters, job training programs, and social service
21 agencies;

22 (8) offer flexible schedules and support services
23 (such as child care and transportation) that are nec-
24 essary to enable individuals, including individuals

1 with disabilities or other special needs, to attend and
2 complete programs; and

3 ~~(9) maintain a high-quality information man-~~
4 ~~agement system that has the capacity to report eli-~~
5 ~~ent outcomes and to monitor program performance~~
6 ~~against the State performance measures.~~

7 (b) PREFERENCES.—In determining which eligible
8 providers will receive funds under this subtitle for a fiscal
9 year, each eligible agency receiving a grant under this sub-
10 title, in addition to addressing the priorities described in
11 subsection (a), shall—

12 (1) give preference to eligible providers that the
13 eligible agency determines serve local areas with
14 high concentrations of individuals in poverty or with
15 low levels of literacy (including English language
16 proficiency); and

17 (2) consider—

18 (A) the results, if any, of the evaluations
19 required under section 245(a); and

20 (B) the degree to which the eligible pro-
21 vider will coordinate with and utilize other lit-
22 eracy and social services available in the
23 community.

1 **SEC. 243. INCENTIVE GRANTS.**

2 (a) **IN GENERAL.**—The Secretary may make grants
3 to States that exceed—

4 (1) the State performance measures established
5 by the Secretary of Education under this Act; and

6 (2) the State performance measures established
7 under title III.

8 (b) **PRIORITY.**—In awarding incentive grants under
9 this section, the Secretary shall give priority to those
10 States submitting a State unified plan as described in sec-
11 tion 501 that is approved by the appropriate Secretaries
12 as described in such section.

13 (c) **USE OF FUNDS.**—A State that receives an incen-
14 tive grant under this section shall use the funds made
15 available through the grant to carry out innovative pro-
16 grams as determined by the State.

17 **SEC. 244. EVALUATION, IMPROVEMENT, AND ACCOUNT-**
18 **ABILITY.**

19 (a) **LOCAL EVALUATION.**—Each eligible agency shall
20 biennially evaluate the adult education and literacy activi-
21 ties of each eligible provider that receives a grant or con-
22 tract under this subtitle, using the performance measures
23 established under section 212.

24 (b) **IMPROVEMENT ACTIVITIES.**—If, after reviewing
25 the evaluation, an eligible agency determines that an eligi-
26 ble provider is not making substantial progress in achiev-

1 ing the purpose of this subtitle, the eligible agency may
2 work jointly with the eligible provider to develop an im-
3 provement plan. If, after not more than 2 years of imple-
4 mentation of the improvement plan, the eligible agency de-
5 termines that the eligible provider is not making substan-
6 tial progress, the eligible agency shall take whatever cor-
7 rective action the eligible agency deems necessary, which
8 may include termination of funding or the implementation
9 of alternative service arrangements, consistent with State
10 law. The eligible agency shall take corrective action under
11 the preceding sentence only after the eligible agency has
12 provided technical assistance to the eligible provider and
13 shall ensure, to the extent practicable, that any corrective
14 action the eligible agency takes allows for continued serv-
15 ices to and activities for the individuals served by the eligi-
16 ble provider.

17 (c) STATE REPORT.—

18 (1) IN GENERAL.—The eligible agency shall re-
19 port annually to the Secretary regarding the quality
20 and effectiveness of the adult education and literacy
21 activities funded through the eligible agency's grants
22 or contracts under this subtitle, based on the per-
23 formance measures and expected levels of perform-
24 ance included in the State plan.

1 (2) INFORMATION.—The eligible agency shall
2 include in the reports such information, in such
3 form, as the Secretary may require in order to en-
4 sure the collection of uniform national data.

5 (3) AVAILABILITY.—The eligible agency shall
6 make available to the public the annual report under
7 this subsection.

8 (d) TECHNICAL ASSISTANCE.—If the Secretary de-
9 termines that the eligible agency is not properly imple-
10 menting the eligible agency's responsibilities under sub-
11 section (b), or is not making substantial progress in meet-
12 ing the purpose of this subtitle, based on the performance
13 measures and expected levels of performance included in
14 the eligible agency's State plan, the Secretary shall work
15 with the eligible agency to implement improvement
16 activities.

17 (e) WITHHOLDING OF FEDERAL FUNDS.—If, not
18 earlier than 2 years after implementing activities described
19 in subsection (d), the Secretary determines that the eligi-
20 ble agency is not making sufficient progress, based on the
21 eligible agency's performance measures and expected lev-
22 els of performance, the Secretary, after notice and oppor-
23 tunity for a hearing, shall withhold from the eligible agen-
24 cy all, or a portion, of the eligible agency's grant under
25 this subtitle. The Secretary may use funds withheld under

1 the preceding sentence to provide, through alternative ar-
 2 rangements, services and activities within the State to
 3 meet the purpose of this title.

4 **SEC. 245. NATIONAL INSTITUTE FOR LITERACY.**

5 (a) PURPOSE.—The purpose of this section is to es-
 6 tablish a National Institute for Literacy that—

7 (1) provides national leadership regarding
 8 literacy;

9 (2) coordinates literacy services and policy; and

10 (3) is a national resource for adult education
 11 and literacy, by providing the best and most current
 12 information available and supporting the creation of
 13 new ways to offer improved literacy services.

14 (b) ESTABLISHMENT.—

15 (1) IN GENERAL.—There shall be a National
 16 Institute for Literacy (in this section referred to as
 17 the “Institute”). The Institute shall be administered
 18 under the terms of an interagency agreement en-
 19 tered into by the Secretary with the Secretary of
 20 Labor and the Secretary of Health and Human
 21 Services (in this section referred to as the “Inter-
 22 agency Group”). The Secretary may include in the
 23 Institute any research and development center, insti-
 24 tute, or clearinghouse established within the Depart-
 25 ment of Education the purpose of which is deter-

1 mined by the Secretary to be related to the purpose
2 of the Institute.

3 (2) RECOMMENDATIONS.—The Interagency
4 Group shall consider the recommendations of the
5 National Institute for Literacy Advisory Board (in
6 this section referred to as the “Board”) established
7 under subsection (c) in planning the goals of the In-
8 stitute and in the implementation of any programs
9 to achieve the goals. If the Board’s recommendations
10 are not followed, the Interagency Group shall pro-
11 vide a written explanation to the Board concerning
12 actions the Interagency Group takes that are incon-
13 sistent with the Board’s recommendations, including
14 the reasons for not following the Board’s rec-
15 ommendations with respect to the actions. The
16 Board may also request a meeting of the Inter-
17 agency Group to discuss the Board’s recommenda-
18 tions.

19 (3) DAILY OPERATIONS.—The daily operations
20 of the Institute shall be administered by the Director
21 of the Institute.

22 (c) DUTIES.—

23 (1) IN GENERAL.—In order to provide leader-
24 ship for the improvement and expansion of the sys-

1 tem for delivery of literacy services, the Institute is
2 authorized to—

3 (A) establish a national electronic data
4 base of information that disseminates informa-
5 tion to the broadest possible audience within
6 the literacy and basic skills field, and that
7 includes—

8 (i) effective practices in the provision
9 of literacy and basic skills instruction, in-
10 cluding the integration of such instruction
11 with occupational skills training;

12 (ii) public and private literacy and
13 basic skills programs and Federal, State,
14 and local policies affecting the provision of
15 literacy services at the national, State, and
16 local levels;

17 (iii) opportunities for technical assist-
18 ance, meetings, conferences, and other op-
19 portunities that lead to the improvement of
20 literacy and basic skills services; and

21 (iv) a communication network for lit-
22 eracy programs, providers, social service
23 agencies, and students;

1 (B) coordinate support for the provision of
2 literacy and basic skills services across Federal
3 agencies and at the State and local levels;

4 (C) coordinate the support of research and
5 development on literacy and basic skills for
6 adults across Federal agencies, especially with
7 the Office of Educational Research and Im-
8 provement in the Department of Education,
9 and carry out basic and applied research and
10 development on topics that are not being inves-
11 tigated by other organizations or agencies;

12 (D) collect and disseminate information on
13 methods of advancing literacy;

14 (E) provide policy and technical assistance
15 to Federal, State, and local entities for the im-
16 provement of policy and programs relating to
17 literacy;

18 (F) fund a network of State or regional
19 adult literacy resource centers to assist State
20 and local public and private nonprofit efforts to
21 improve literacy by—

22 (i) encouraging the coordination of lit-
23 eracy services; and

24 (ii) serving as a link between the In-
25 stitute and providers of adult education

1 and literacy activities for the purpose of
2 sharing information, data, research, exper-
3 tise, and literacy resources; and

4 (G) undertake other activities that lead to
5 the improvement of the Nation's literacy deliv-
6 ery system and that complement other such ef-
7 forts being undertaken by public and private
8 agencies and organizations.

9 (2) GRANTS, CONTRACTS, AND COOPERATIVE
10 AGREEMENTS.—The Institute may award grants to,
11 or enter into contracts or cooperative agreements
12 with, individuals, public or private institutions, agen-
13 cies, organizations, or consortia of such institutions,
14 agencies, or organizations to carry out the activities
15 of the Institute. Such grants, contracts, or agree-
16 ments shall be subject to the laws and regulations
17 that generally apply to grants, contracts, or agree-
18 ments entered into by Federal agencies.

19 (d) LITERACY LEADERSHIP.—

20 (1) IN GENERAL.—The Institute may, in con-
21 sultation with the Board, award fellowships, with
22 such stipends and allowances that the Director con-
23 siders necessary, to outstanding individuals pursuing
24 careers in adult education or literacy in the areas of
25 instruction, management, research, or innovation.

1 (2) FELLOWSHIPS.—Fellowships awarded under
 2 this subsection shall be used, under the auspices of
 3 the Institute, to engage in research, education, train-
 4 ing, technical assistance, or other activities to ad-
 5 vance the field of adult education or literacy, includ-
 6 ing the training of volunteer literacy providers at the
 7 national, State, or local level.

8 (3) INTERNSHIPS.—The Institute, in consulta-
 9 tion with the Board, is authorized to award paid and
 10 unpaid internships to individuals seeking to assist in
 11 carrying out the Institute's purpose and to accept
 12 assistance from volunteers.

13 (e) NATIONAL INSTITUTE FOR LITERACY ADVISORY
 14 BOARD.—

15 (1) ESTABLISHMENT.—

16 (A) IN GENERAL.—There shall be a Na-
 17 tional Institute for Literacy Advisory Board,
 18 which shall consist of 10 individuals appointed
 19 by the President with the advice and consent of
 20 the Senate.

21 (B) COMPOSITION.—The Board shall com-
 22 prise individuals who are not otherwise officers
 23 or employees of the Federal Government and
 24 who are representative of such entities as—

1 (i) literacy organizations and provid-
 2 ers of literacy services, including nonprofit
 3 providers, providers of English as a second
 4 language programs and services, social
 5 service organizations, and eligible providers
 6 receiving assistance under this subtitle;

7 (ii) businesses that have demonstrated
 8 interest in literacy programs;

9 (iii) literacy students, including lit-
 10 eracy students with disabilities;

11 (iv) experts in the area of literacy
 12 research;

13 (v) State and local governments;

14 (vi) State Directors of adult edu-
 15 cation; and

16 (vii) labor organizations.

17 ~~(2) DUTIES.—~~The Board shall—

18 ~~(A)~~ make recommendations concerning the
 19 appointment of the Director and staff of the In-
 20 stitute; and

21 ~~(B)~~ provide independent advice on the op-
 22 eration of the Institute.

23 ~~(3) APPOINTMENTS.—~~

24 ~~(A) IN GENERAL.—~~Appointments to the
 25 Board made after the date of enactment of the

1 Workforce Investment Partnership Act shall be
2 for 3-year terms, except that the initial terms
3 for members may be established at 1, 2, or 3
4 years in order to establish a rotation in which
5 $\frac{1}{3}$ of the members are selected each year.

6 (B) VACANCIES.—Any member appointed
7 to fill a vacancy occurring before the expiration
8 of the term for which the member's predecessor
9 was appointed shall be appointed only for the
10 remainder of that term. A member may serve
11 after the expiration of that member's term until
12 a successor has taken office.

13 (4) OFFICERS.—The Chairperson and Vice
14 Chairperson of the Board shall be elected by the
15 members.

16 (5) MEETINGS.—The Board shall meet at the
17 call of the Chairperson or a majority of its members.

18 (f) GIFTS, BEQUESTS, AND DEVISES.—

19 (1) IN GENERAL.—The Institute may accept,
20 administer, and use gifts or donations of services,
21 money, or property, whether real or personal, tan-
22 gible or intangible.

23 (2) RULES.—The Board shall establish written
24 rules setting forth the criteria to be used by the In-
25 stitute in determining whether the acceptance of

1 contributions of services, money, or property whether
2 real or personal, tangible or intangible, would reflect
3 unfavorably upon the ability of the Institute or any
4 employee to carry out its responsibilities or official
5 duties in a fair and objective manner, or would com-
6 promise the integrity or the appearance of the integ-
7 rity of its programs or any official involved in those
8 programs.

9 (g) **MAILS.**—The Board and the Institute may use
10 the United States mails in the same manner and under
11 the same conditions as other departments and agencies of
12 the United States.

13 (h) **STAFF.**—The Interagency Group, after consider-
14 ing recommendations made by the Board, shall appoint
15 and fix the pay of a Director.

16 (i) **APPLICABILITY OF CERTAIN CIVIL SERVICE**
17 **LAWS.**—The Director and staff of the Institute may be
18 appointed without regard to the provisions of title 5, Unit-
19 ed States Code, governing appointments in the competitive
20 service, and may be paid without regard to the provisions
21 of chapter 51 and subchapter III of chapter 53 of that
22 title relating to classification and General Schedule pay
23 rates, except that an individual so appointed may not re-
24 ceive pay in excess of the annual rate of basic pay payable
25 for level IV of the Executive Schedule.

1 (j) EXPERTS AND CONSULTANTS.—The Institute
 2 may procure temporary and intermittent services under
 3 section 3109(b) of title 5, United States Code.

4 (k) REPORT.—The Institute shall submit a biennial
 5 report to the Interagency Group and Congress.

6 (l) NONDUPLICATION.—The Institute shall not dupli-
 7 cate any functions carried out by the Secretary, the Sec-
 8 retary of Labor, or the Secretary of Health and Human
 9 Services under this subtitle. This subsection shall not be
 10 construed to prohibit the Secretaries from delegating such
 11 functions to the Institute.

12 (m) FUNDING.—Any amounts appropriated to the
 13 Secretary, the Secretary of Labor, the Secretary of Health
 14 and Human Services, or any other department that par-
 15 ticipates in the Institute for purposes that the Institute
 16 is authorized to perform under this section may be pro-
 17 vided to the Institute for such purposes.

18 **SEC. 246. AUTHORIZATION OF APPROPRIATIONS.**

19 There are authorized to be appropriated to carry out
 20 this title such sums as may be necessary for fiscal year
 21 1998 and each of the 3 succeeding fiscal years.

22 **Subtitle B—Repeal**

23 **SEC. 251. REPEAL.**

24 (a) REPEAL.—The Adult Education Act (20 U.S.C.
 25 1201 et. seq.) is repealed.

1 (b) CONFORMING AMENDMENTS.—

2 (1) REFUGEE EDUCATION ASSISTANCE ACT.—

3 Subsection (b) of section 402 of the Refugee Edu-
4 cation Assistance Act of 1980 (8 U.S.C. 1522 note)
5 is repealed.

6 (2) ELEMENTARY AND SECONDARY EDUCATION
7 ACT OF 1965.—

8 (A) SECTION 1202 OF ESEA.—Section
9 1202(c)(1) of the Elementary and Secondary
10 Education Act of 1965 (20 U.S.C. 6362(c)(1))
11 is amended by striking “Adult Education Act”
12 and inserting “Workforce Investment Partner-
13 ship Act of 1997”.

14 (B) SECTION 1205 OF ESEA.—Section
15 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B))
16 is amended by striking “Adult Education Act”
17 and inserting “Workforce Investment Partner-
18 ship Act of 1997”.

19 (C) SECTION 1206 OF ESEA.—Section
20 1206(a)(1)(A) of such Act (20 U.S.C.
21 6366(a)(1)(A)) is amended by striking “an
22 adult basic education program under the Adult
23 Education Act” and inserting “adult education
24 and literacy activities under the Workforce In-
25 vestment Partnership Act of 1997”.

1 (D) SECTION 3113 OF ESEA.—Section
2 3113(1) of such Act (20 U.S.C. 6813(1)) is
3 amended by striking “section 312 of the Adult
4 Education Act” and inserting “section 2 of the
5 Workforce Investment Partnership Act of
6 1997”.

7 (E) SECTION 9161 OF ESEA.—Section
8 9161(2) of such Act (20 U.S.C. 7881(2)) is
9 amended by striking “section 312(2) of the
10 Adult Education Act” and inserting “section 2
11 of the Workforce Investment Partnership Act of
12 1997”.

13 (3) OLDER AMERICANS ACT OF 1965.—Section
14 203(b)(8) of the Older Americans Act of 1965 (42
15 U.S.C. 3013(b)(8)) is amended by striking “Adult
16 Education Act” and inserting “Workforce Invest-
17 ment Partnership Act of 1997”.

18 (4) NATIONAL LITERACY ACT OF 1991.—The
19 National Literacy Act of 1991 (20 U.S.C. 1201
20 note) is repealed.

1 **TITLE III—WORKFORCE INVEST-**
 2 **MENT AND RELATED ACTIVI-**
 3 **TIES**

4 **Subtitle A—Workforce Investment**
 5 **Activities**

6 **CHAPTER 1—ALLOTMENTS TO STATES**
 7 **FOR ADULT EMPLOYMENT AND TRAIN-**
 8 **ING ACTIVITIES, DISLOCATED WORK-**
 9 **ER EMPLOYMENT AND TRAINING AC-**
 10 **TIVITIES, AND YOUTH ACTIVITIES**

11 **SEC. 301. GENERAL AUTHORIZATION.**

12 The Secretary of Labor shall make an allotment to
 13 each State that has a State plan approved under section
 14 304 and a grant to each outlying area that complies with
 15 the requirements of this title, to enable the State or outly-
 16 ing area to assist local areas in providing, through a state-
 17 wide workforce investment system—

18 (1) adult employment and training activities;

19 (2) dislocated worker employment and training
 20 activities; and

21 (3) youth activities, including summer employ-
 22 ment opportunities, tutoring, activities to promote
 23 study skills, alternative secondary school services,
 24 employment skill training, adult mentoring, and sup-
 25 portive services.

1 **SEC. 302. STATE ALLOTMENTS.**

2 (a) IN GENERAL.—The Secretary shall—

3 (1) make allotments and grants from the total
4 amount appropriated under section 322(a) for a fis-
5 cal year in accordance with subsection (b)(1);

6 (2)(A) reserve 20 percent of the amount appro-
7 priated under section 322(b) for a fiscal year for use
8 under section 366(b)(2), 367(f), and 369; and

9 (B) make allotments and grants from 80 per-
10 cent of the amount appropriated under section
11 322(b) for a fiscal year in accordance with sub-
12 section (b)(2); and

13 (3)(A) for each fiscal year in which the amount
14 appropriated under section 322(e) exceeds
15 \$1,000,000,000, reserve a portion determined under
16 subsection (b)(3)(A) of the amount appropriated
17 under section 322(e) for use under sections 362 and
18 364; and

19 (B) use the remainder of the amount appro-
20 priated under section 322(e) for a fiscal year to
21 make allotments and grants in accordance with sub-
22 paragraphs (B) and (C) of subsection (b)(3) and
23 make funds available for use under section 361.

24 (b) ALLOTMENT AMONG STATES.—

25 (1) ADULT EMPLOYMENT AND TRAINING AC-
26 TIVITIES.—

1 (A) OUTLYING AREAS.—

2 (i) IN GENERAL.—From the amount
3 made available under subsection (a)(1) for
4 a fiscal year, the Secretary shall reserve
5 not more than $\frac{1}{4}$ of 1 percent—

6 (I) to provide assistance to the
7 outlying areas to carry out adult em-
8 ployment and training activities; and

9 (II) for each of the fiscal years
10 1999 through 2003, to carry out the
11 competition described in clause (iii),
12 except that the amount reserved to
13 carry out such clause for any such fis-
14 cal year shall not exceed the amount
15 reserved for the Freely Associated
16 States for fiscal year 1998, from
17 amounts reserved under section
18 202(a)(1) of the Job Training Part-
19 nership Act (29 U.S.C. 1602(a)(1))
20 (as in effect on the day before the
21 date of enactment of this Act).

22 (ii) APPLICATION.—To be eligible to
23 receive a grant under this subparagraph,
24 an outlying area shall submit an applica-
25 tion to the Secretary at such time, in such

1 manner, and containing such information
2 and assurances as the Secretary may re-
3 quire.

4 (iii) COMPETITIVE GRANTS.—The Sec-
5 retary shall use funds described in clause
6 (i)(II) to make grants to outlying areas to
7 carry out adult employment and training
8 activities.

9 (iv) BASIS.—The Secretary shall
10 make grants pursuant to clause (iii) on a
11 competitive basis and pursuant to the rec-
12 ommendations of experts in the field of
13 employment and training, working through
14 the Pacific Region Educational Laboratory
15 in Honolulu, Hawaii.

16 (v) ASSISTANCE REQUIREMENTS.—
17 Any Freely Associated State that desires
18 to receive a grant made under this sub-
19 paragraph shall include in the application
20 of the State for assistance—

21 (I) information demonstrating
22 that the State will meet all conditions
23 of the regulations described in clause
24 (ix); and

1 (II) an assurance that, notwith-
2 standing any other provision of this
3 title, the State will use the amounts
4 made available through such grants
5 only for the direct provision of serv-
6 ices.

7 (vi) TERMINATION OF ELIGIBILITY.—
8 Notwithstanding any other provision of
9 law, the Freely Associated States shall not
10 receive any funds under this subparagraph
11 for any program year that begins after
12 September 30, 2004.

13 (vii) ADMINISTRATIVE COSTS.—The
14 Secretary may provide not more than 5
15 percent of the amount made available for
16 grants under clause (iii) to pay the admin-
17 istrative costs of the Pacific Region Edu-
18 cational Laboratory in Honolulu, Hawaii,
19 regarding activities assisted under this
20 subparagraph.

21 (viii) ADDITIONAL REQUIREMENT.—
22 The provisions of Public Law 95-134, per-
23 mitting the consolidation of grants by the
24 outlying areas shall not apply to funds pro-
25 vided to those areas, including the Freely

1 Associated States, under this subpara-
2 graph.

3 (ix) REGULATIONS.—The Secretary
4 shall issue regulations specifying require-
5 ments of this title that apply to outlying
6 areas receiving funds under this subpara-
7 graph.

8 (x) DEFINITION.—In this subpara-
9 graph, the term “Freely Associated
10 States” means the Republic of the Mar-
11 shall Islands, the Federated States of Mi-
12 rononesia, and the Republic of Palau.

13 (B) STATES.—

14 (i) IN GENERAL.—After determining
15 the amount to be reserved under subpara-
16 graph (A), the Secretary shall allot the re-
17 mainder of the amount referred to in sub-
18 section (a)(1) relating to a fiscal year to
19 the States pursuant to clause (ii) for adult
20 employment and training activities.

21 (ii) FORMULA.—Subject to clauses
22 (iii) and (iv), of the remainder—

23 (I) $33\frac{1}{3}$ percent shall be allotted
24 on the basis of the relative number of
25 unemployed individuals in areas of

1 substantial unemployment in each
 2 State as compared to the total num-
 3 ber of unemployed individuals in areas
 4 of substantial unemployment in all
 5 States;

6 (II) $33\frac{1}{3}$ percent shall be allot-
 7 ted on the basis of the relative excess
 8 number of unemployed individuals in
 9 each State as compared to the total
 10 excess number of unemployed individ-
 11 uals in all States; and

12 (III) $33\frac{1}{3}$ percent shall be allot-
 13 ted on the basis of the relative num-
 14 ber of disadvantaged adults in each
 15 State as compared to the total num-
 16 ber of disadvantaged adults in all
 17 States.

18 (iii) MINIMUM AND MAXIMUM PER-
 19 CENTAGES.—

20 (I) MINIMUM PERCENTAGE.—No
 21 State shall receive an allotment per-
 22 centage for a fiscal year that is less
 23 than 90 percent of the allotment per-
 24 centage of the State for the preceding
 25 fiscal year.

1 (II) MAXIMUM PERCENTAGE.—

2 No State shall receive an allotment
3 percentage for a fiscal year that is
4 more than 130 percent of the allot-
5 ment percentage of the State for the
6 preceding fiscal year.

7 (iv) SMALL STATE MINIMUM ALLOT-
8 MENT.—No State shall receive an allot-
9 ment under this subparagraph that is less
10 than $\frac{1}{2}$ of 1 percent of the remainder de-
11 scribed in clause (i) for a fiscal year.
12 Amounts necessary for increasing such al-
13 lotments to States to comply with the pre-
14 ceeding sentence shall be obtained by rat-
15 ably reducing the allotments to be made to
16 other States under this subparagraph.

17 (v) DEFINITIONS.—In this subpara-
18 graph:

19 (I) ALLOTMENT PERCENTAGE.—

20 The term “allotment percentage”,
21 used with respect to fiscal year 1999
22 or a subsequent fiscal year, means a
23 percentage of the remainder described
24 in clause (i), received through an al-
25 lotment made under this subpara-

1 graph; for the fiscal year. The term,
2 used with respect to fiscal year 1998,
3 means the percentage of the amounts
4 allocated under section 202(b) of the
5 Job Training Partnership Act (29
6 U.S.C. 1602(b)) (as in effect on the
7 day before the date of enactment of
8 this Act) received under such section
9 by service delivery areas in the State
10 involved for fiscal year 1998.

11 (II) AREA OF SUBSTANTIAL UN-
12 EMPLOYMENT.—The term “area of
13 substantial unemployment” means
14 any area that is of sufficient size and
15 scope to sustain a program of
16 workforce investment activities carried
17 out under this subtitle and that has
18 an average rate of unemployment of
19 at least 6.5 percent for the most re-
20 cent 12 months, as determined by the
21 Secretary. For purposes of this sub-
22 clause, determinations of areas of sub-
23 stantial unemployment shall be made
24 once each fiscal year.

1 (III) ~~DISADVANTAGED ADULT.~~—

2 The term “disadvantaged adult”
3 means an individual who is not less
4 than age 22 and not more than age
5 72 and is a low-income individual.

6 (IV) ~~EXCESS NUMBER.~~—The

7 term “excess number” means the
8 number of unemployed individuals in
9 excess of 4.5 percent of the civilian
10 labor force in a State.

11 (2) ~~DISLOCATED WORKER EMPLOYMENT AND~~

12 ~~TRAINING.~~—

13 (A) ~~OUTLYING AREAS.~~—

14 (i) ~~IN GENERAL.~~—From the amount
15 made available under subsection (a)(2)(B)
16 for a fiscal year, the Secretary shall re-
17 serve not more than $\frac{1}{4}$ of 1 percent—

18 (I) to provide assistance to the
19 outlying areas to carry out dislocated
20 worker employment and training ac-
21 tivities; and

22 (II) for each of the fiscal years
23 1999 through 2003, to carry out the
24 competition described in clause (iii);
25 except that the amount reserved to

1 carry out such clause for any such fis-
2 cal year shall not exceed the amount
3 reserved for the Freely Associated
4 States for fiscal year 1998, from
5 amounts reserved under section
6 302(b) of the Job Training Partner-
7 ship Act (29 U.S.C. 1652(b)) (as in
8 effect on the day before the date of
9 enactment of this Act).

10 (ii) APPLICATION.—To be eligible to
11 receive a grant under this subparagraph,
12 an outlying area shall submit an applica-
13 tion to the Secretary at such time, in such
14 manner, and containing such information
15 and assurances as the Secretary may re-
16 quire.

17 (iii) COMPETITIVE GRANTS.—The Sec-
18 retary shall use funds described in clause
19 (i)(II) to make grants to outlying areas to
20 carry out dislocated worker employment
21 and training activities.

22 (iv) BASIS.—The Secretary shall
23 make grants pursuant to clause (iii) on a
24 competitive basis and pursuant to the rec-
25 ommendations of experts in the field of

1 employment and training, working through
2 the Pacific Region Educational Laboratory
3 in Honolulu, Hawaii.

4 (v) ASSISTANCE REQUIREMENTS.—

5 Any Freely Associated State that desires
6 to receive a grant made under this sub-
7 paragraph shall include in the application
8 of the State for assistance—

9 (I) information demonstrating

10 that the State will meet all conditions
11 of the regulations described in clause
12 (ix); and

13 (II) an assurance that, notwith-

14 standing any other provision of this
15 title, the State will use the amounts
16 made available through such grants
17 only for the direct provision of serv-
18 ices.

19 (vi) TERMINATION OF ELIGIBILITY.—

20 Notwithstanding any other provision of
21 law, the Freely Associated States shall not
22 receive any funds under this subparagraph
23 for any program year that begins after
24 September 30, 2004.

1 (vii) ADMINISTRATIVE COSTS.—The
2 Secretary may provide not more than 5
3 percent of the amount made available for
4 grants under clause (iii) to pay the admin-
5 istrative costs of the Pacific Region Edu-
6 cational Laboratory in Honolulu, Hawaii,
7 regarding activities assisted under this
8 subparagraph.

9 (viii) ADDITIONAL REQUIREMENT.—
10 The provisions of Public Law 95-134, per-
11 mitting the consolidation of grants by the
12 outlying areas, shall not apply to funds
13 provided to those areas, including the
14 Freely Associated States, under this sub-
15 paragraph.

16 (ix) REGULATIONS.—The Secretary
17 shall issue regulations specifying require-
18 ments of this title that apply to outlying
19 areas receiving funds under this subpara-
20 graph.

21 (x) DEFINITION.—In this subpara-
22 graph, the term “Freely Associated
23 States” means the Republic of the Mar-
24 shall Islands, the Federated States of Mi-
25 cronnesia, and the Republic of Palau.

1 ~~(B)~~ STATES.—

2 (i) IN GENERAL.—After determining
3 the amount to be reserved under subpara-
4 graph (A), the Secretary shall allot the re-
5 mainder of the amount referred to in sub-
6 section (a)(2)(B) relating to a fiscal year
7 to the States pursuant to clause (ii) for
8 dislocated worker employment and training
9 activities.

10 (ii) FORMULA.—Subject to clause
11 (iii), of the remainder—

12 (I) $33\frac{1}{3}$ percent shall be allotted
13 on the basis of the relative number of
14 unemployed individuals in each State
15 as compared to the total number of
16 unemployed individuals in all States;

17 (II) $33\frac{1}{3}$ percent shall be allot-
18 ted on the basis described in para-
19 graph (1)(B)(ii)(II); and

20 (III) $33\frac{1}{3}$ percent shall be allot-
21 ted on the basis of the relative num-
22 ber of individuals in each State who
23 have been unemployed for 15 weeks or
24 more as compared to the total number
25 of individuals in all States who have

1 been unemployed for 15 weeks or
2 more.

3 (iii) SMALL STATE MINIMUM ALLOT-
4 MENT.—

5 (I) IN GENERAL.—Except as pro-
6 vided in subclause (II), the require-
7 ments of clauses (iv) and (v) of para-
8 graph (1)(B) shall apply to allotments
9 made under this subparagraph in the
10 same manner and to the same extent
11 as the requirements apply to allot-
12 ments made under paragraph (1)(B).

13 (II) EXCEPTION.—For purposes
14 of applying the requirements of those
15 clauses under this subparagraph ref-
16 erences in those clauses to the re-
17 mainder described in clause (i) of
18 paragraph (1)(B) shall be considered
19 to be references to the remainder de-
20 scribed in clause (i) of this subpara-
21 graph.

22 (3) YOUTH ACTIVITIES.—

23 (A) YOUTH OPPORTUNITY GRANTS.—

24 (i) IN GENERAL.—For each fiscal year
25 in which the amount appropriated under

1 section 322(c) exceeds \$1,000,000,000, the
2 Secretary shall reserve a portion of the
3 amount to provide youth opportunity
4 grants under section 364 and provide
5 youth activities under section 362.

6 (ii) PORTION.—The portion referred
7 to in clause (i) shall equal, for a fiscal
8 year—

9 (I) except as provided in sub-
10 clause (II), the difference obtained by
11 subtracting \$1,000,000,000 from the
12 amount described in clause (i); and

13 (II) for any fiscal year in which
14 the amount is \$1,250,000,000 or
15 greater, \$250,000,000.

16 (iii) YOUTH ACTIVITIES FOR FARM-
17 WORKERS.—From the portion described in
18 clause (i) for a fiscal year, the Secretary
19 shall make available \$10,000,000 to pro-
20 vide youth activities under section 362.

21 (B) OUTLYING AREAS.—

22 (i) IN GENERAL.—From the amount
23 made available under subsection (a)(3)(B)
24 for a fiscal year, the Secretary shall re-
25 serve not more than $\frac{1}{4}$ of 1 percent—

1 (I) to provide assistance to the
2 outlying areas to carry out youth ac-
3 tivities; and

4 (II) for each of the fiscal years
5 1999 through 2003, to carry out the
6 competition described in clause (iii),
7 except that the amount reserved to
8 carry out such clause for any such fis-
9 cal year shall not exceed the amount
10 reserved for the Freely Associated
11 States for fiscal year 1998, from
12 amounts reserved under sections
13 252(a) and 262(a)(1) of the Job
14 Training Partnership Act (29 U.S.C.
15 and 1631(a) and 1642(a)(1)) (as in
16 effect on the day before the date of
17 enactment of this Act).

18 (ii) APPLICATION.—To be eligible to
19 receive a grant under this subparagraph,
20 an outlying area shall submit an applica-
21 tion to the Secretary at such time, in such
22 manner, and containing such information
23 and assurances as the Secretary may re-
24 quire.

1 (iii) ~~COMPETITIVE GRANTS.~~—The Sec-
2 retary shall use funds described in clause
3 (i)(II) to make grants to outlying areas to
4 carry out youth activities.

5 (iv) ~~BASIS.~~—The Secretary shall
6 make grants pursuant to clause (iii) on a
7 competitive basis and pursuant to the rec-
8 ommendations of experts in the field of
9 employment and training, working through
10 the Pacific Region Educational Laboratory
11 in Honolulu, Hawaii.

12 (v) ~~ASSISTANCE REQUIREMENTS.~~—
13 Any Freely Associated State that desires
14 to receive a grant made under this sub-
15 paragraph shall include in the application
16 of the State for assistance—

17 (I) information demonstrating
18 that the State will meet all conditions
19 of the regulations described in clause
20 (ix); and

21 (II) an assurance that, notwith-
22 standing any other provision of this
23 title, the State will use the amounts
24 made available through such grants

1 only for the direct provision of serv-
2 ices.

3 (vi) ~~TERMINATION OF ELIGIBILITY.~~—

4 Notwithstanding any other provision of
5 law, the Freely Associated States shall not
6 receive any funds under this subparagraph
7 for any program year that begins after
8 September 30, 2004.

9 (vii) ~~ADMINISTRATIVE COSTS.~~—The

10 Secretary may provide not more than 5
11 percent of the amount made available for
12 grants under clause (iii) to pay the admin-
13 istrative costs of the Pacific Region Edu-
14 cational Laboratory in Honolulu, Hawaii,
15 regarding activities assisted under this
16 subparagraph.

17 (viii) ~~ADDITIONAL REQUIREMENT.~~—

18 The provisions of Public Law 95-134, per-
19 mitting the consolidation of grants by the
20 outlying areas, shall not apply to funds
21 provided to those areas, including the
22 Freely Associated States, under this sub-
23 paragraph.

24 (ix) ~~REGULATIONS.~~—The Secretary

25 shall issue regulations specifying require-

1 ments of this title that apply to outlying
2 areas receiving funds under this subpara-
3 graph.

4 (x) DEFINITION.—In this subpara-
5 graph, the term “Freely Associated
6 States” means the Republic of the Mar-
7 shall Islands, the Federated States of Mi-
8 ronesia, and the Republic of Palau.

9 (C) STATES.—

10 (i) IN GENERAL.—After determining
11 the amounts to be reserved under subpara-
12 graph (A) (if any) and subparagraph (B),
13 the Secretary shall—

14 (I) from the amount referred to
15 in subsection (a)(3)(B) relating to a
16 fiscal year, make available
17 \$15,000,000 to provide youth activi-
18 ties under section 361; and

19 (II) allot the remainder of the
20 amount referred to in subsection
21 (a)(3)(B) relating to a fiscal year to
22 the States pursuant to clause (ii) for
23 youth activities.

24 (ii) FORMULA.—Subject to clause
25 (iii), of the remainder—

1 (I) $33\frac{1}{3}$ percent shall be allotted
2 on the basis described in paragraph
3 (1)(B)(ii)(I);

4 (II) $33\frac{1}{3}$ percent shall be allot-
5 ted on the basis described in para-
6 graph (1)(B)(ii)(II); and

7 (III) $33\frac{1}{3}$ percent shall be allot-
8 ted on the basis of the relative num-
9 ber of disadvantaged youth in each
10 State as compared to the total num-
11 ber of disadvantaged youth in all
12 States.

13 (iii) MINIMUM PERCENTAGE; MAXI-
14 MUM PERCENTAGE; SMALL STATE MINI-
15 MUM ALLOTMENT.—

16 (I) IN GENERAL.—Except as pro-
17 vided in subclause (II), the require-
18 ments of clauses (iii), (iv), and (v) of
19 paragraph (1)(B) shall apply to allot-
20 ments made under this subparagraph
21 in the same manner and to the same
22 extent as the requirements apply to
23 allotments made under paragraph
24 (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 de-
6 scribed in clause (i) of paragraph
7 (1)(B) shall be considered to be
8 references to the remainder de-
9 scribed in clause (i)(II) of this
10 subparagraph; and

11 (bb) the term “allotment
12 percentage”, used with respect to
13 fiscal year 1998, means the per-
14 centage of the amounts allocated
15 under sections 252(b) and 262(b)
16 of the Job Training Partnership
17 Act (29 U.S.C. 1631(b) and
18 1642(b)) (as in effect on the day
19 before the date of enactment of
20 this Act) received under such sec-
21 tions by service delivery areas in
22 the State involved for fiscal year
23 1998.

24 (iv) DEFINITION.—In this subpara-
25 graph, the term “disadvantaged youth”

1 means an individual who is not less than
 2 age 14 and is not more than age 21 and
 3 is a low-income individual.

4 **SEC. 303. STATEWIDE PARTNERSHIP.**

5 (a) IN GENERAL.—The Governor of a State shall es-
 6 tablish and appoint the members of a statewide partner-
 7 ship to assist in the development of the State plan de-
 8 scribed in section 304 and carry out the functions de-
 9 scribed in subsection (d).

10 (b) MEMBERSHIP.—The statewide partnership shall
 11 include—

12 (1) the Governor;

13 (2) representatives, appointed by the Gov-
 14 ernor—

15 (A) a majority of whom—

16 (i) are representatives of business in
 17 the State;

18 (ii) are owners of businesses, chief ex-
 19 ecutives or operating officers of private
 20 businesses, and other business executives
 21 or employers with optimum policymaking
 22 or hiring authority, including members of
 23 local partnerships described in section
 24 308(c)(2)(A)(i);

1 (iii) represent businesses with employ-
2 ment opportunities that reflect the employ-
3 ment opportunities of the State; and

4 (iv) are appointed from among indi-
5 viduals nominated by State business orga-
6 nizations and business trade associations;

7 (B) the remainder of whom are individuals
8 who have optimum policymaking authority, in-
9 cluding—

10 (i) representatives of—

11 (I) chief elected officials (rep-
12 resenting both cities and counties,
13 where appropriate);

14 (II) labor organizations, who
15 have been nominated by State labor
16 federations;

17 (III) individuals, and organiza-
18 tions, that have experience relating to
19 youth activities;

20 (ii) the eligible agency officials respon-
21 sible for vocational education, including
22 postsecondary vocational education, and
23 for adult education and literacy, and the
24 State officials responsible for postsecond-

1 ary education (including education in com-
2 munity colleges); and

3 (iii) the State agency official respon-
4 sible for vocational rehabilitation, and
5 where applicable, the State agency official
6 responsible for providing vocational reha-
7 bilitation program activities for the blind;

8 (3) such other State agency officials as the
9 Governor may designate, such as State agency offi-
10 cials carrying out activities relating to employment
11 and training, economic development, public assist-
12 ance, veterans, youth, juvenile justice and the em-
13 ployment service established under the Wagner-
14 Peyser Act (29 U.S.C. 49 et seq.); and

15 (4) two members of each chamber of the State
16 legislature, appointed by the appropriate presiding
17 officer of the chamber.

18 (c) CHAIRMAN.—The Governor shall select a chair-
19 person for the statewide partnership from among the rep-
20 resentatives described in subsection (b)(2)(A).

21 (d) FUNCTIONS.—In addition to developing the State
22 plan, the statewide partnership shall—

23 (1) advise the Governor on the development of
24 a comprehensive statewide workforce investment sys-
25 tem;

1 (2) assist the Governor in preparing the annual
2 report to the Secretaries described in section 321(e);

3 (3) assist the Governor in developing the state-
4 wide labor market information system described in
5 section 15(d) of the Wagner-Peyser Act; and

6 (4) assist in the monitoring and continuous im-
7 provement of the performance of the statewide
8 workforce investment system, including the evalua-
9 tion of the effectiveness of workforce investment ac-
10 tivities carried out under this subtitle in serving the
11 needs of employers seeking skilled employees and in-
12 dividuals seeking services.

13 (e) AUTHORITY OF GOVERNOR.—

14 (1) AUTHORITY.—The Governor shall have the
15 final authority to determine the contents of and sub-
16 mit the State plan described in section 304.

17 (2) PROCESS.—Prior to the date on which the
18 Governor submits a State plan under section 304,
19 the Governor shall—

20 (A) make available copies of a proposed
21 State plan to the public;

22 (B) allow members of the statewide part-
23 nership and members of the public to submit
24 comments on the proposed State plan to the
25 Governor, not later than the end of the 30-day

1 period beginning on the date on which the pro-
 2 posed State plan is made available; and

3 ~~(C)~~ include with the State plan submitted
 4 to the Secretary under section 304 any such
 5 comments that represent disagreement with the
 6 plan.

7 **SEC. 304. STATE PLAN.**

8 ~~(a)~~ IN GENERAL.—For a State to be eligible to re-
 9 ceive an allotment under section 302, the Governor of the
 10 State shall submit to the Secretary for approval a single
 11 comprehensive State plan (referred to in this title as the
 12 “State plan”) that outlines a 3-year strategy for the state-
 13 wide workforce investment system of the State and that
 14 meets the requirements of section 303 and this section.

15 ~~(b)~~ CONTENTS.—The State plan shall include—

16 ~~(1)~~ a description of the statewide partnership
 17 described in section 303 used in developing the plan;

18 ~~(2)~~ a description of State-imposed requirements
 19 for the statewide workforce investment system;

20 ~~(3)~~ a description of the State performance
 21 measures developed for the workforce investment ac-
 22 tivities to be carried out through the system; that in-
 23 cludes information identifying the State performance
 24 measures, established in accordance with section
 25 321(a);

1 (4) information describing—

2 (A) the needs of the State with regard to
3 current and projected employment opportuni-
4 ties;

5 (B) the job skills necessary to obtain the
6 needed employment opportunities;

7 (C) the economic development needs of the
8 State; and

9 (D) the type and availability of workforce
10 investment activities in the State;

11 (5) an identification of local areas designated in
12 the State, including a description of the process used
13 for the designation of such areas, which shall—

14 (A) ensure a linkage between participants
15 in workforce investment activities funded under
16 this subtitle, and local employment opportuni-
17 ties;

18 (B) ensure that a significant portion of the
19 population that lives in the local area also
20 works in the same local area;

21 (C) ensure cooperation and coordination of
22 activities between neighboring local areas; and

23 (D) take into consideration State economic
24 development areas;

1 (6) an identification of criteria for the appoint-
2 ment of members of local partnerships based on the
3 requirements of section 308;

4 (7) the detailed plans required under section 8
5 of the Wagner-Peyser Act;

6 (8) a description of the measures that will be
7 taken by the State to assure coordination of and
8 avoid duplication among—

9 (A) workforce investment activities author-
10 ized under this subtitle;

11 (B) other activities authorized under this
12 title;

13 (C) activities authorized under title I or H;

14 (D) programs authorized under the Wag-
15 ner-Peyser Act (29 U.S.C. 49 et seq.); title I of
16 the Rehabilitation Act of 1973 (29 U.S.C. 720
17 et seq.); part A of title IV of the Social Security
18 Act (42 U.S.C. 601 et seq.); and section 6(d)
19 of the Food Stamp Act of 1977 (7 U.S.C.
20 2015(d)); and activities authorized under title V
21 of the Older Americans Act of 1965 (42 U.S.C.
22 3056 et seq.);

23 (E) work programs authorized under sec-
24 tion 6(o) of the Food Stamp Act of 1977 (7
25 U.S.C. 2015(o));

1 (F) activities authorized under chapter 2
2 of title II of the Trade Act of 1974 (19 U.S.C.
3 2271 et seq.);

4 (G) activities authorized under chapter 41
5 of title 38, United States Code;

6 (H) activities carried out by the Bureau of
7 Apprenticeship and Training;

8 (I) training activities carried out by the
9 Department of Housing and Urban Develop-
10 ment; and

11 (J) programs authorized under State un-
12 employment compensation laws and the Federal
13 unemployment insurance program under titles
14 III, IX, and XII of the Social Security Act (42
15 U.S.C. 501 et seq., 1101 et seq., and 1321 et
16 seq.);

17 (9) a description of the process used by the
18 State to provide an opportunity for public comment,
19 and input into the development of the State plan,
20 prior to submission of the plan;

21 (10) a description of the process for the public
22 to comment on members of the local partnerships;

23 (11) a description of the length of terms and
24 appointment processes for members of the statewide
25 partnership and local partnerships in the State;

1 (12) information identifying how the State will
2 leverage any funds the State receives under this sub-
3 title with other private and Federal resources;

4 (13) assurances that the State will provide, in
5 accordance with section 374, for fiscal control and
6 fund accounting procedures that may be necessary
7 to ensure the proper disbursement of, and account-
8 ing for, funds paid to the State through the allot-
9 ment made under section 302;

10 (14) if appropriate, a description of a within-
11 State allocation formula—

12 (A) that is based on factors relating to ex-
13 cess poverty in local areas or excess unemploy-
14 ment above the State average in local areas;
15 and

16 (B) through which the State may distrib-
17 ute the funds the State receives under this sub-
18 title for adult employment and training activi-
19 ties or youth activities to local areas;

20 (15) an assurance that the funds made avail-
21 able to the State through the allotment made under
22 section 302 will supplement and not supplant other
23 public funds expended to provide activities described
24 in this subtitle;

25 (16) information indicating—

1 (A) how the services of one-stop partners
2 in the State will be provided through the one-
3 stop customer service system;

4 (B) how the costs of such services and the
5 operating costs of the system will be funded;
6 and

7 (C) how the State will assist in the devel-
8 opment and implementation of the operating
9 agreement described in section 311(e);

10 (17) information specifying the actions that
11 constitute a conflict of interest prohibited in the
12 State for purposes of section 308(g)(2)(B);

13 (18) a description of a core set of consistently
14 defined data elements for reporting on the activities
15 carried out through the one-stop customer service
16 system in the State;

17 (19) with respect to employment and training
18 activities funded under this subtitle, information—

19 (A) describing the employment and train-
20 ing activities that will be carried out with the
21 funds the State receives under this subtitle, and
22 a description of how the State will provide rapid
23 response activities to dislocated workers;

24 (B) describing the State strategy for devel-
25 opment of a fully operational statewide one-stop

1 customer service system as described in section
2 315(b), including—

3 (i) criteria for use by chief elected of-
4 ficials and local partnerships, for designat-
5 ing or certifying one-stop customer service
6 center operators, appointing one-stop part-
7 ners, and conducting oversight with respect
8 to the one-stop customer service system,
9 for each local area; and

10 (ii) the steps that the State will take
11 over the 3 years covered by the plan to en-
12 sure that all publicly funded labor ex-
13 change services described in section
14 315(e)(2) or the Wagner-Peyser Act (29
15 U.S.C. 49 et seq.), will be available
16 through the one-stop customer service sys-
17 tem of the State;

18 (C) describing the criteria used by the local
19 partnership in the development of the local plan
20 described in section 309; and

21 (D) describing the procedures the State
22 will use to identify eligible providers of training
23 services, as required under this subtitle; and

24 (20) with respect to youth activities funded
25 under this subtitle; information—

1 (A) describing the youth activities that will
2 be carried out with the funds the State receives
3 under this subtitle;

4 (B) identifying the criteria to be used by
5 the local partnership in awarding grants under
6 section 313 for youth activities;

7 (C) identifying the types of criteria the
8 Governor and local partnerships will use to
9 identify effective and ineffective youth activities
10 and eligible providers of such activities; and

11 (D) describing how the State will coordi-
12 nate the youth activities carried out in the
13 State under this subtitle with the services pro-
14 vided by Job Corps centers in the State.

15 (c) **PLAN SUBMISSION AND APPROVAL.**—A State
16 plan submitted to the Secretary under this section by a
17 Governor shall be considered to be approved by the Sec-
18 retary at the end of the 60-day period beginning on the
19 day the Secretary receives the plan, unless the Secretary
20 makes a written determination, during the 60-day period,
21 that—

22 (1) the plan is inconsistent with a specific pro-
23 vision of this title; or

24 (2) the levels of performance have not been
25 agreed to pursuant to section 321(a)(4).

1 (d) MODIFICATIONS TO INITIAL PLAN.—A State may
 2 submit, for approval by the Secretary, substantial modi-
 3 fications to the State plan in accordance with the require-
 4 ments of this section and section 303, as necessary, during
 5 the 3-year period of the plan.

6 **CHAPTER 2—ALLOCATIONS TO LOCAL**
 7 **WORKFORCE INVESTMENT AREAS**

8 **SEC. 306. WITHIN STATE ALLOCATIONS.**

9 (a) RESERVATIONS FOR STATE ACTIVITIES.—

10 (1) ADULT EMPLOYMENT AND TRAINING AC-
 11 TIVITIES; DISLOCATED WORKER EMPLOYMENT AND
 12 TRAINING ACTIVITIES; AND YOUTH ACTIVITIES.—

13 The Governor of a State shall reserve not more than
 14 15 percent of each of the amounts allotted to the
 15 State under paragraphs (1)(B), (2)(B), and
 16 (3)(C)(ii) of section 302(b) for a fiscal year for
 17 statewide workforce investment activities described
 18 in subsections (b)(2) and (c) of section 314.

19 (2) STATEWIDE RAPID RESPONSE ACTIVI-
 20 TIES.—The Governor of the State shall reserve not
 21 more than 25 percent of the total amount allotted
 22 to the State under section 302(b)(2)(B) for a fiscal
 23 year for statewide rapid response activities described
 24 in section 314(b)(1).

25 (b) WITHIN STATE ALLOCATION.—

1 (1) ALLOCATION.—The Governor of the State
2 shall allocate to the local areas the funds that are
3 allotted to the State under section 302(b) and are
4 not reserved under subsection (a) for the purpose of
5 providing employment and training activities to eligi-
6 ble participants pursuant to section 315 and youth
7 activities to eligible participants pursuant to section
8 316.

9 (2) METHODS.—The State, acting in accord-
10 ance with the State plan, and after consulting with
11 chief elected officials in the local areas, shall allo-
12 cate—

13 (A) the funds that are allotted to the State
14 for adult employment and training activities
15 under section 302(b)(1)(B) and are not re-
16 served under subsection (a)(1), in accordance
17 with paragraph (3) or (4);

18 (B) the funds that are allotted to the State
19 for dislocated worker employment and training
20 activities under section 302(b)(2)(B) and are
21 not reserved under paragraph (1) or (2) of sub-
22 section (a), in accordance with paragraph (3);
23 and

24 (C) the funds that are allotted to the State
25 for youth activities under section

1 ~~302(b)(3)(C)(ii)~~ and are not reserved under
 2 subsection (a)(1), in accordance with paragraph
 3 ~~(3) or (4).~~

4 ~~(3) ADULT EMPLOYMENT AND TRAINING AC-~~
 5 ~~TIVITIES, DISLOCATED WORKER EMPLOYMENT AND~~
 6 ~~TRAINING ACTIVITIES, AND YOUTH ACTIVITIES FOR-~~
 7 ~~MULA ALLOCATIONS.—~~

8 ~~(A) ADULT EMPLOYMENT AND TRAINING~~
 9 ~~ACTIVITIES.—~~In allocating the funds described
 10 in paragraph ~~(2)(A)~~ to local areas, a State may
 11 allocate—

12 ~~(i) 33⅓ percent of the funds on the~~
 13 basis described in section
 14 ~~302(b)(1)(B)(ii)(I);~~

15 ~~(ii) 33⅓ percent of the funds on the~~
 16 basis described in section
 17 ~~302(b)(1)(B)(ii)(II); and~~

18 ~~(iii) 33⅓ percent of the funds on the~~
 19 basis described in section
 20 ~~302(b)(1)(B)(ii)(III).~~

21 ~~(B) DISLOCATED WORKER EMPLOYMENT~~
 22 ~~AND TRAINING ACTIVITIES.—~~In allocating the
 23 funds described in paragraph ~~(2)(B)~~ to local
 24 areas, a State shall allocate—

1 (i) $\frac{33\frac{1}{3}}$ percent of the funds on the
 2 basis described in section
 3 302(b)(2)(B)(ii)(I);

4 (ii) $\frac{33\frac{1}{3}}$ percent of the funds on the
 5 basis described in section
 6 302(b)(2)(B)(ii)(II); and

7 (iii) $\frac{33\frac{1}{3}}$ percent of the funds on the
 8 basis described in section
 9 302(b)(2)(B)(ii)(III).

10 (C) YOUTH ACTIVITIES.—In allocating the
 11 funds described in paragraph (2)(C) to local
 12 areas, a State may allocate—

13 (i) $\frac{33\frac{1}{3}}$ percent of the funds on the
 14 basis described in section
 15 302(b)(3)(C)(ii)(I);

16 (ii) $\frac{33\frac{1}{3}}$ percent of the funds on the
 17 basis described in section
 18 302(b)(3)(C)(ii)(II); and

19 (iii) $\frac{33\frac{1}{3}}$ percent of the funds on the
 20 basis described in section
 21 302(b)(3)(C)(ii)(III).

22 (D) APPLICATION.—For purposes of carry-
 23 ing out subparagraphs (A), (B), and (C), and
 24 subparagraphs (A) and (B) of paragraph (4)—

1 (i) references in section 302(b) to a
 2 State shall be deemed to be references to
 3 a local area; and

4 (ii) references in section 302(b) to all
 5 States shall be deemed to be references to
 6 all local areas in the State involved.

7 (4) ADULT EMPLOYMENT AND TRAINING AND
 8 YOUTH DISCRETIONARY ALLOCATIONS.—

9 (A) ADULT EMPLOYMENT AND TRAINING
 10 ACTIVITIES.—In lieu of making the allocation
 11 described in paragraph (3)(A), in allocating the
 12 funds described in paragraph (2)(A) to local
 13 areas, a State may distribute—

14 (i) a portion equal to not less than 70
 15 percent of the funds in accordance with
 16 paragraph (3)(A); and

17 (ii) the remaining portion of the funds
 18 on the basis of a formula that—

19 (I) takes into consideration fac-
 20 tors relating to excess poverty in local
 21 areas or excess unemployment above
 22 the State average in local areas; and

23 (II) was developed by the state-
 24 wide partnership and approved by the
 25 Secretary as part of the State plan.

1 (B) YOUTH ACTIVITIES.—In lieu of mak-
2 ing the allocation described in paragraph
3 (3)(C), in allocating the funds described in
4 paragraph (2)(C) to local areas, a State may
5 distribute—

6 (i) a portion equal to not less than 70
7 percent of the funds in accordance with
8 paragraph (3)(C); and

9 (ii) the remaining portion of the funds
10 on the basis of a formula that—

11 (I) takes into consideration fac-
12 tors relating to excess youth poverty
13 in local areas or excess unemployment
14 above the State average in local areas;
15 and

16 (II) was developed by the state-
17 wide partnership and approved by the
18 Secretary as part of the State plan.

19 (5) LIMITATION.—

20 (A) IN GENERAL.—Not more than 15 per-
21 cent of the amount allocated to a local area for
22 a fiscal year—

23 (i) under paragraph (3)(A) or (4)(A)
24 may be used by the local partnership for
25 the area for the administrative cost of ear-

1 rying out local adult employment and
2 training activities;

3 (ii) under paragraph ~~(3)~~(B) may be
4 used by the local partnership for the ad-
5 ministrative cost of carrying out local dis-
6 located worker employment and training
7 activities; and

8 (iii) under paragraph ~~(3)~~(C) or ~~(4)~~(B)
9 may be used by the local partnership for
10 the administrative cost of carrying out
11 local youth activities.

12 ~~(B) REGULATIONS.~~—The Secretary, after
13 consulting with the Governors, shall develop
14 and issue regulations that define the term “ad-
15 ministrative cost” for purposes of this title.

16 ~~(6) TRANSFER AUTHORITY.~~—A local partner-
17 ship may transfer, if such a transfer is approved by
18 the Governor, not more than 20 percent of the funds
19 allocated to the local area under paragraph ~~(3)~~(A) or
20 ~~(4)~~(A), and 20 percent of the funds allocated to the
21 local area under paragraph ~~(3)~~(B), for a fiscal year
22 between—

23 (A) adult employment and training activi-
24 ties; and

1 ~~(B)~~ dislocated worker employment and
2 training activities.

3 ~~(7) FISCAL AUTHORITY.—~~

4 ~~(A) FISCAL AGENT.—~~The chief elected of-
5 ficial in a local area shall serve as the fiscal
6 agent for, and shall be liable for any misuse of,
7 the funds allocated to the local area under this
8 section, unless the chief elected official reaches
9 an agreement with the Governor for the Gov-
10 ernor to act as the fiscal agent and bear such
11 liability.

12 ~~(B) DISBURSAL.—~~The fiscal agent shall
13 disburse such funds for workforce investment
14 activities at the direction of the local partner-
15 ship, pursuant to the requirements of this title,
16 if the direction does not violate a provision of
17 this Act. The fiscal agent shall disburse funds
18 immediately on receiving such direction from
19 the local partnership.

20 **SEC. 307. LOCAL WORKFORCE INVESTMENT AREAS.**

21 ~~(a) DESIGNATION OF AREAS.—~~

22 ~~(1) IN GENERAL.—~~Except as provided in sub-
23 section (b) and paragraph (2), the Governor shall
24 designate local workforce investment areas in the

1 State, in accordance with the State plan require-
2 ments described in section 304(b)(5).

3 ~~(2)~~ AUTOMATIC DESIGNATION.—

4 (A) IN GENERAL.—The Governor of the
5 State shall approve a request for designation as
6 a local area from any unit of general local gov-
7 ernment with a population of 500,000 or more,
8 if the designation meets the State plan require-
9 ments described in section 304(b)(5).

10 (B) LARGE COUNTIES.—A county with a
11 population of 500,000 or more may request
12 such designation only with the agreement of the
13 political subdivisions within the county with
14 populations of 200,000 or more.

15 (C) LARGE POLITICAL SUBDIVISIONS.—
16 Single units of general local government with
17 populations of 200,000 or more that are service
18 delivery areas on the date of enactment of this
19 Act shall have an automatic right to request
20 designation as local areas under this section.

21 ~~(3)~~ PERMANENT DESIGNATION.—Once the
22 boundaries for a local area are determined under
23 this section in accordance with the State plan, the
24 boundaries shall not change except with the approval
25 of the Governor.

1 (b) ~~SMALL STATES.~~—The Governor of any State de-
2 terminated to be eligible to receive a minimum allotment
3 under paragraph (1), (2), or (3) of section 302(b) for the
4 first year covered by the State plan may designate the
5 State as a single State local area for the purposes of this
6 title. The Governor shall identify the State as a local area
7 under section 304(b)(5), in lieu of designating local areas
8 as described in subparagraphs (A), (B), and (C) of section
9 304(b)(5).

10 **SEC. 308. LOCAL WORKFORCE INVESTMENT PARTNER-**
11 **SHIPS AND YOUTH PARTNERSHIPS.**

12 (a) ~~ESTABLISHMENT OF LOCAL PARTNERSHIP.~~—
13 There shall be established in each local area of a State,
14 and certified by the Governor of the State, a local
15 workforce investment partnership.

16 (b) ~~ROLE OF LOCAL PARTNERSHIP.~~—The primary
17 role of the local partnership shall be to set policy for the
18 portion of the statewide workforce investment system
19 within the local area, including—

20 (1) ensuring that the activities authorized
21 under this subtitle and carried out in the local area
22 meet local performance measures that include high
23 academic and skill measures;

24 (2) ensuring that the activities meet the needs
25 of employers and jobseekers; and

1 ~~(2)~~ ensuring the continuous improvement of the
2 system.

3 ~~(c) MEMBERSHIP OF LOCAL PARTNERSHIP.—~~

4 ~~(1) STATE CRITERIA.—~~The Governor of the
5 State shall establish criteria for the appointment of
6 members of the local partnerships for local areas in
7 the State in accordance with the requirements of
8 paragraph ~~(2)~~. Information identifying such criteria
9 shall be included in the State plan, as described in
10 section ~~304(b)(6)~~.

11 ~~(2) COMPOSITION.—~~Such criteria shall require,
12 at a minimum, that the membership of each local
13 partnership—

14 ~~(A)~~ shall include—

15 ~~(i)~~ a majority of members who—

16 ~~(I)~~ are representatives of busi-
17 ness in the local area;

18 ~~(II)~~ are owners of businesses,
19 chief executives or operating officers
20 of private businesses, and other busi-
21 ness executives or employers with op-
22 timum policymaking or hiring author-
23 ity;

24 ~~(III)~~ represent businesses with
25 employment opportunities that reflect

1 the employment opportunities of the
2 local area; and

3 ~~(IV)~~ are appointed from among
4 individuals nominated by local busi-
5 ness organizations and business trade
6 associations;

7 (ii) chief officers representing local
8 postsecondary educational institutions; rep-
9 resentatives of vocational education provid-
10 ers; and representatives of adult education
11 providers;

12 (iii) chief officers representing labor
13 organizations (for a local area in which
14 such representatives reside); nominated by
15 local labor federations; or (for a local area
16 in which such representatives do not re-
17 side) other representatives of employees;
18 and

19 (iv) chief officers representing eco-
20 nomic development agencies; including pri-
21 vate sector economic development entities;
22 and

23 ~~(B)~~ may include chief officers who have
24 policymaking authority; from one-stop partners
25 who have entered into an operating agreement

1 described in section 311(c) to participate in the
 2 one-stop customer service system in the local
 3 area; and

4 (C) may include such other individuals or
 5 representatives of entities as the chief elected
 6 official in the local area may determine to be
 7 appropriate.

8 ~~(3) CHAIRPERSON.—~~The local partnership shall
 9 elect a chairperson from among the members of the
 10 partnership described in paragraph ~~(2)~~(A)(i).

11 ~~(d) APPOINTMENT AND CERTIFICATION OF LOCAL~~
 12 ~~PARTNERSHIP.—~~

13 ~~(1) APPOINTMENT OF LOCAL PARTNERSHIP~~
 14 ~~MEMBERS AND ASSIGNMENT OF RESPONSIBIL-~~
 15 ~~ITIES.—~~

16 ~~(A) IN GENERAL.—~~The chief elected offi-
 17 cial in a local area is authorized to appoint the
 18 members of the local partnership for such area,
 19 in accordance with the State criteria established
 20 under subsection (c).

21 ~~(B) MULTIPLE UNITS OF LOCAL GOVERN-~~
 22 ~~MENT IN AREA.—~~

23 ~~(i) IN GENERAL.—~~In a case in which
 24 a local area includes more than 1 unit of
 25 general local government, the chief elected

1 officials of such units may execute an
 2 agreement that specifies the respective
 3 roles of the individual chief elected offi-
 4 cials—

5 (I) in the appointment of the
 6 members of the local partnership from
 7 the individuals nominated or rec-
 8 ommended to be such members in ac-
 9 cordance with the criteria established
 10 under subsection (c); and

11 (II) in carrying out any other re-
 12 sponsibilities assigned to such officials
 13 under this subtitle.

14 (ii) LACK OF AGREEMENT.—If, after
 15 a reasonable effort, the chief elected offi-
 16 cials are unable to reach agreement as pro-
 17 vided under clause (i), the Governor may
 18 appoint the members of the local partner-
 19 ship from individuals so nominated or rec-
 20 ommended.

21 (2) CERTIFICATION.—

22 (A) IN GENERAL.—The Governor shall an-
 23 nually certify 1 local partnership for each local
 24 area in the State.

1 (B) CRITERIA.—Such certification shall be
2 based on criteria established under subsection
3 (c) and, for a second or subsequent certifi-
4 cation, the extent to which the local partnership
5 has ensured that workforce investment activities
6 carried out in the local area have enabled the
7 local area to meet the local performance meas-
8 ures required under section 321(b).

9 (C) FAILURE TO ACHIEVE CERTIFI-
10 CATION.—Failure of a local partnership to
11 achieve certification shall result in reappoint-
12 ment and certification of another local partner-
13 ship for the local area pursuant to the process
14 described in paragraph (1) and this paragraph.

15 (3) DECERTIFICATION.—

16 (A) IN GENERAL.—Notwithstanding para-
17 graph (2), the Governor may decertify a local
18 partnership at any time for—

19 (i) fraud or abuse; or

20 (ii) failure to carry out the functions
21 specified for the local partnership in para-
22 graphs (1) through (5) of subsection (c);
23 after providing notice and an opportunity for
24 comment.

1 (B) PLAN.—If the Governor decertifies a
2 local partnership for a local area, the Governor
3 may require that a local partnership be ap-
4 pointed and certified for the local area pursuant
5 to a plan developed by the Governor in con-
6 sultation with the chief elected official in the
7 local area and in accordance with the criteria
8 established under subsection (e).

9 (4) EXCEPTION.—Notwithstanding subsection
10 (e) and paragraphs (1) and (2), if a State described
11 in section 307(b) designates the State as a local
12 area in the State plan, the Governor may designate
13 the statewide partnership described in section 303 to
14 carry out any of the functions described in sub-
15 section (e).

16 (e) FUNCTIONS OF LOCAL PARTNERSHIP.—The
17 functions of the local partnership shall include—

18 (1) developing and submitting a local plan as
19 described in section 309 in partnership with the ap-
20 propriate chief elected official;

21 (2) appointing, certifying, or designating one-
22 stop partners and one-stop customer service center
23 operators, pursuant to the criteria specified in the
24 local plan;

- 1 ~~(3)~~ conducting oversight with respect to the
2 ~~one-stop~~ customer service system;
- 3 ~~(4)~~ modifying the list of eligible providers of
4 ~~training~~ services pursuant to subsections ~~(b)(3)(B)~~
5 ~~and (e)(2)(B)~~ of section 312;
- 6 ~~(5)~~ setting local performance measures pursu-
7 ~~ant to~~ section 312(b)(2)(D)(ii);
- 8 ~~(6)~~ analyzing and identifying—
- 9 ~~(A)~~ current and projected local employ-
10 ~~ment~~ opportunities; and
- 11 ~~(B)~~ the skills necessary to obtain such
12 ~~local~~ employment opportunities;
- 13 ~~(7)~~ coordinating the workforce investment ac-
14 ~~tivities~~ carried out in the local area with economic
15 ~~development~~ strategies and developing other em-
16 ~~ployer~~ linkages with such activities; and
- 17 ~~(8)~~ assisting the Governor in developing the
18 ~~statewide~~ labor market information system described
19 ~~in~~ section 15(d) of the Wagner-Peyser Act.
- 20 ~~(f)~~ SUNSHINE PROVISION.—The local partnership
21 ~~shall~~ make available to the public, on a regular basis,
22 ~~through~~ open meetings, information regarding the activi-
23 ~~ties~~ of the local partnership, including information regard-
24 ~~ing~~ membership, the appointment of one-stop partners,
25 ~~the~~ designation and certification of one-stop customer

1 service center operators, and the award of grants to eligi-
 2 ble providers of youth activities.

3 ~~(g) OTHER ACTIVITIES OF LOCAL PARTNERSHIP.—~~

4 ~~(1) LIMITATION.—~~

5 ~~(A) IN GENERAL.—~~Except as provided in
 6 subparagraph ~~(B)~~, no local partnership may di-
 7 rectly carry out or enter into a contract for a
 8 training service described in section 315(e)(3).

9 ~~(B) WAIVERS.—~~The Governor of the State
 10 in which the local partnership is located may
 11 grant to the local partnership a written waiver
 12 of the prohibition set forth in subparagraph
 13 ~~(A)~~, if the local partnership provides substantial
 14 evidence that a private or public entity is not
 15 available to provide the training service and
 16 that the activity is necessary to provide an em-
 17 ployment opportunity described in the local plan
 18 described in section 309.

19 ~~(2) CONFLICT OF INTEREST.—~~No member of a
 20 local partnership may—

21 ~~(A) vote on a matter under consideration~~
 22 ~~by the local partnership—~~

23 ~~(i) regarding the provision of services~~
 24 ~~by such member (or by an organization~~
 25 ~~that such member represents); or~~

1 (ii) that would provide direct financial
2 benefit to such member or the immediate
3 family of such member; or

4 (B) engage in any other activity deter-
5 mined by the Governor to constitute a conflict
6 of interest as specified in the State plan.

7 (h) TECHNICAL ASSISTANCE.—If a local area fails to
8 meet established State or local performance measures, the
9 Governor shall provide technical assistance to the local
10 partnership involved to improve the performance of the
11 local area.

12 (i) YOUTH PARTNERSHIP.—

13 (1) ESTABLISHMENT.—There shall be estab-
14 lished in each local area of a State, a youth partner-
15 ship appointed by the local partnership, in coopera-
16 tion with the chief elected official, in the local area.

17 (2) MEMBERSHIP.—The membership of each
18 youth partnership—

19 (A) shall include—

20 (i) 1 or more members of the local
21 partnership;

22 (ii) representatives of youth service
23 agencies, including juvenile justice agen-
24 cies;

1 (iii) representatives of local public
2 housing authorities;

3 (iv) parents of youth seeking assist-
4 ance under this subtitle;

5 (v) individuals, including former par-
6 ticipants, and representatives of organiza-
7 tions, that have experience relating to
8 youth activities; and

9 (vi) representatives of the Job Corps,
10 as appropriate; and

11 (B) may include such other individuals as
12 the chairperson of the local partnership, in co-
13 operation with the chief elected official, deter-
14 mines to be appropriate.

15 ~~(3) DUTIES.~~—The duties of the youth partner-
16 ship include—

17 (A) the development of the portions of the
18 local plan relating to youth, as determined by
19 the chairperson of the local partnership;

20 (B) awarding grants to, and conducting
21 oversight with respect to, eligible providers of
22 youth activities, as described in section 313, in
23 the local area;

24 (C) coordinating youth activities in the
25 local area; and

1 ~~(D)~~ other duties determined to be appro-
2 priate by the chairperson of the local partner-
3 ship.

4 **SEC. 309. LOCAL PLAN.**

5 ~~(a) IN GENERAL.~~—Each local partnership shall de-
6 velop and submit to the Governor a comprehensive ~~3~~-year
7 local plan (referred to in this title as the “local plan”);
8 in partnership with the appropriate chief elected official.
9 The local plan shall be consistent with the State plan.

10 ~~(b) CONTENTS.~~—The local plan shall include—

11 ~~(1)~~ an identification of the needs of the local
12 area with regard to current and projected employ-
13 ment opportunities;

14 ~~(2)~~ an identification of the job skills necessary
15 to obtain such employment opportunities;

16 ~~(3)~~ a description of the activities to be used
17 under this subtitle to link local employers and local
18 job seekers;

19 ~~(4)~~ an identification and assessment of the type
20 and availability of adult and dislocated worker em-
21 ployment and training activities in the local area;

22 ~~(5)~~ an identification of successful eligible pro-
23 viders of youth activities in the local area;

24 ~~(6)~~ a description of the measures that will be
25 taken by the local area to assure coordination of and

1 avoid duplication among the programs and activities
2 described in section 304(b)(8);

3 ~~(7) a description of the manner in which the~~
4 ~~local partnership will coordinate activities carried~~
5 ~~out under this subtitle in the local area with such~~
6 ~~activities carried out in neighboring local areas;~~

7 ~~(8) a description of the competitive process to~~
8 ~~be used to award grants in the local area for activi-~~
9 ~~ties carried out under this subtitle;~~

10 ~~(9) information describing local performance~~
11 ~~measures for the local area that are based on the~~
12 ~~performance measures in the State plan;~~

13 ~~(10) in accordance with the State plan, a de-~~
14 ~~scription of the criteria that the chief elected official~~
15 ~~in the local area and the local partnership will use~~
16 ~~to appoint, designate, or certify, and to conduct~~
17 ~~oversight with respect to, one-stop customer service~~
18 ~~center systems in the local area; and~~

19 ~~(11) such other information as the Governor~~
20 ~~may require.~~

21 ~~(c) PLAN SUBMISSION AND APPROVAL.—A local plan~~
22 ~~submitted to the Governor under this section shall be con-~~
23 ~~sidered to be approved by the Governor at the end of the~~
24 ~~60-day period beginning on the day the Governor receives~~

1 the plan, unless the Governor makes a written determina-
 2 tion during the 60-day period that—

3 (1) entities conducting evaluations conducted
 4 under section 321(d) in the local area have found
 5 deficiencies in activities carried out under this sub-
 6 title and the local area has not made acceptable
 7 progress in implementing corrective measures to ad-
 8 dress the deficiencies; or

9 (2) the plan does not comply with this title.

10 (d) LACK OF AGREEMENT.—If the local partnership
 11 and the appropriate chief elected official in the local area
 12 cannot agree on the local plan after making a reasonable
 13 effort, the Governor may develop the local plan.

14 **CHAPTER 3—WORKFORCE INVESTMENT**
 15 **ACTIVITIES AND PROVIDERS**

16 **SEC. 311. IDENTIFICATION AND OVERSIGHT OF ONE-STOP**
 17 **PARTNERS AND ONE-STOP CUSTOMER SERV-**
 18 **ICE CENTER OPERATORS.**

19 (a) IN GENERAL.—Consistent with the State plan,
 20 the chief elected official and the local partnership may de-
 21 velop and implement operating agreements described in
 22 subsection (c) to appoint one-stop partners, may designate
 23 or certify one-stop customer service center operators, and
 24 may conduct oversight with respect to the one-stop cus-
 25 tomer service system, in the local area.

1 (b) ONE-STOP PARTNERS.—

2 (1) DESIGNATED PARTNERS.—

3 (A) IN GENERAL.—Each entity that ear-
 4 ries out a program, services, or activities de-
 5 scribed in subparagraph (B) shall make avail-
 6 able to participants, through a one-stop cus-
 7 tomer service center, the services described in
 8 section 315(e)(2) that are applicable to such
 9 program, and shall participate in the operation
 10 of such center as a party to the agreement de-
 11 scribed in subsection (e).

12 (B) PROGRAMS; SERVICES; ACTIVITIES.—

13 The programs, services, and activities referred
 14 to in subparagraph (A) consist of—

15 (i) core services authorized under this
 16 subtitle;

17 (ii) other activities authorized under
 18 this title;

19 (iii) activities authorized under title I
 20 and title II;

21 (iv) programs authorized under the
 22 Wagner-Peyser Act (29 U.S.C. 49 et seq.);

23 (v) programs authorized under title I
 24 of the Rehabilitation Act of 1973 (29
 25 U.S.C. 729 et seq.);

1 (vi) programs authorized under sec-
2 tion 403(a)(5) of the Social Security Act
3 (42 U.S.C. 603(a)(5)) (as added by section
4 5001 of the Balanced Budget Act of
5 1997);

6 (vii) programs authorized under title
7 V of the Older Americans Act of 1965 (42
8 U.S.C. 3056 et seq.);

9 (viii) activities authorized under chap-
10 ter 2 of title II of the Trade Act of 1974
11 (19 U.S.C. 2271 et seq.);

12 (ix) activities authorized under chap-
13 ter 41 of title 38, United States Code;

14 (x) activities carried out by the Bu-
15 reau of Apprenticeship and Training;

16 (xi) training activities carried out by
17 the Department of Housing and Urban
18 Development; and

19 (xii) programs authorized under State
20 unemployment compensation laws and the
21 Federal unemployment insurance program
22 under titles III, IX, and XII of the Social
23 Security Act (42 U.S.C. 501 et seq., 1101
24 et seq., and 1321 et seq.).

25 (2) ADDITIONAL PARTNERS.—

1 (A) IN GENERAL.—In addition to the enti-
 2 ties described in paragraph (1), other entities
 3 that carry out human resource programs may
 4 make available to participants through a one-
 5 step customer service center the services de-
 6 scribed in section 315(c)(2) that are applicable
 7 to such program, and participate in the oper-
 8 ation of such centers as a party to the agree-
 9 ment described in subsection (c), if the local
 10 partnership and chief elected official involved
 11 approve such participation.

12 (B) PROGRAMS.—The programs referred
 13 to in subparagraph (A) include—

14 (i) programs authorized under part A
 15 of title IV of the Social Security Act;

16 (ii) programs authorized under section
 17 6(d)(4) of the Food Stamp Act of 1977 (7
 18 U.S.C. 2015(d)(4));

19 (iii) work programs authorized under
 20 section 6(e) of the Food Stamp Act of
 21 1997 (7 U.S.C. 2015 (e)); and

22 (iv) other appropriate Federal, State,
 23 or local programs, including programs in
 24 the private sector.

25 (c) OPERATING AGREEMENTS.—

1 (1) IN GENERAL.—The one-stop customer serv-
2 ice center operator selected pursuant to subsection
3 (d) for a one-stop customer service center shall enter
4 into a written agreement with the local partnership
5 and one-stop partners described in subsection (b)
6 concerning the operation of the center. Such agree-
7 ment shall be subject to the approval of the chief
8 elected official and the local partnership.

9 (2) CONTENTS.—The written agreement re-
10 quired under paragraph (1) shall contain—

11 (A) provisions describing—

12 (i) the services to be provided through
13 the center;

14 (ii) how the costs of such services and
15 the operating costs of the system will be
16 funded;

17 (iii) methods for referral of individuals
18 between the one-stop customer service cen-
19 ter operators and the one-stop partners;
20 for the appropriate services and activities;

21 (iv) the monitoring and oversight of
22 activities carried out under the agreement;
23 and

24 (v) the duration of the agreement and
25 the procedures for amending the agree-

1 ment during the term of the agreement;
2 and

3 ~~(B) such other provisions, consistent with~~
4 the requirements of this title, as the parties to
5 the agreement determine to be appropriate.

6 ~~(d) ONE-STOP CUSTOMER SERVICE CENTER OPERA-~~
7 ~~TORS.—~~

8 ~~(1) IN GENERAL.—To be eligible to receive~~
9 funds made available under this subtitle to operate
10 a one-stop customer service center, an entity shall—

11 ~~(A) be designated or certified as a one-stop~~
12 customer service center operator, as described
13 in subsection (a); and

14 ~~(B) be a public or private entity, or consor-~~
15 tium of entities, located in the local area, which
16 entity or consortium may include an institution
17 of higher education (as defined in section 481
18 of the Higher Education Act of 1965 (20
19 U.S.C. 1088); a local employment service office
20 established under the Wagner-Peyser Act (29
21 U.S.C. 49 et seq.); a local government agency;
22 a private for-profit entity, a private nonprofit
23 entity, or other interested entity, of dem-
24 onstrated effectiveness.

1 (2) ~~EXCEPTION.—Elementary schools and sec-~~
 2 ~~ondary schools shall not be eligible for designation~~
 3 ~~or certification as one-stop customer service center~~
 4 ~~operators, except that nontraditional secondary~~
 5 ~~schools and area vocational education schools shall~~
 6 ~~be eligible for such designation or certification.~~

7 (e) ~~ESTABLISHED ONE-STOP CUSTOMER SERVICE~~
 8 ~~SYSTEM.—For a local area in which a one-stop customer~~
 9 ~~service system has been established prior to the date of~~
 10 ~~enactment of this Act, the local partnership, the chief~~
 11 ~~elected official, and the Governor may agree to appoint,~~
 12 ~~designate, or certify the one-stop partners and one-stop~~
 13 ~~customer service center operators of such system, for pur-~~
 14 ~~poses of this section.~~

15 (f) ~~OVERSIGHT.—The local partnership shall conduct~~
 16 ~~oversight with respect to the one-stop customer service~~
 17 ~~center system and may terminate for cause the eligibility~~
 18 ~~of such a partner or operator to provide activities through~~
 19 ~~or operate a one-stop customer service center.~~

20 **SEC. 312. DETERMINATION AND IDENTIFICATION OF ELIGI-**
 21 **BLE PROVIDERS OF TRAINING SERVICES BY**
 22 **PROGRAM.**

23 (a) ~~GENERAL ELIGIBILITY REQUIREMENTS.—~~

24 (1) ~~IN GENERAL.—Except as provided in sub-~~
 25 ~~section (c), to be eligible to receive funds made avail-~~

1 able under section 306 to provide training services
 2 described in section 315(e)(3) (referred to in this
 3 title as “training services”) and be identified as an
 4 eligible provider of such services; a provider of such
 5 services shall meet the requirements of this section.

6 (2) PROVIDERS.—To be eligible to receive the
 7 funds, the provider shall be—

8 (A) a postsecondary educational institution
 9 that—

10 (i) is eligible to receive Federal funds
 11 under title IV of the Higher Education Act
 12 of 1965 (20 U.S.C. 1070 et seq.); and

13 (ii) provides a program that leads to
 14 an associate degree, baccalaureate degree,
 15 or certificate; or

16 (B) another public or private provider of a
 17 program.

18 (b) INITIAL DETERMINATION AND IDENTIFICA-
 19 TION.—

20 (1) POSTSECONDARY EDUCATIONAL INSTITU-
 21 TIONS.—To be eligible to receive funds as described
 22 in subsection (a), an institution described in sub-
 23 section (a)(2)(A) shall submit an application at such
 24 time, in such manner, and containing such informa-
 25 tion as the designated State agency described in sub-

1 section (f) may require, after consultation with the
2 local partnerships in the State. On submission of the
3 application, the institution shall automatically be ini-
4 tially eligible to receive such funds for the program
5 described in subsection (a)(2)(A).

6 ~~(2) OTHER PROVIDERS.—~~

7 ~~(A) PROCEDURE.—The Governor, in con-~~
8 ~~sultation with the local partnerships in the~~
9 ~~State, shall establish a procedure for determin-~~
10 ~~ing the initial eligibility of providers described~~
11 ~~in subsection (a)(2)(B) to receive such funds~~
12 ~~for specified programs. The procedure shall re-~~
13 ~~quire a provider of a program to meet minimum~~
14 ~~acceptable levels of performance based on—~~

15 ~~(i) performance criteria relating to the~~
16 ~~rates, percentages, increases, and costs de-~~
17 ~~scribed in subparagraph (C) for the pro-~~
18 ~~gram, as demonstrated using verifiable~~
19 ~~program-specific performance information~~
20 ~~described in subparagraph (C) and submit-~~
21 ~~ted to the designated State agency, as re-~~
22 ~~quired under subparagraph (C); and~~

23 ~~(ii) performance criteria relating to~~
24 ~~any characteristics for which local partner-~~
25 ~~ships request the submission of informa-~~

1 tion under subparagraph (D) for the pro-
2 gram, as demonstrated using the informa-
3 tion submitted.

4 (B) MINIMUM LEVELS.—The Governor
5 shall—

6 (i) consider, in determining such mini-
7 mum levels—

8 (I) criteria relating to the eco-
9 nomic, geographic, and demographic
10 factors in the local areas in which the
11 provider provides the program; and

12 (II) the characteristics of the
13 population served by such provider
14 through the program; and

15 (ii) verify the minimum levels of per-
16 formance by using quarterly records de-
17 scribed in section 321.

18 (C) APPLICATION.—To be initially eligible
19 to receive funds as described in subsection (a),
20 a provider described in subsection (a)(2)(B)
21 shall submit an application at such time, in
22 such manner, and containing such information
23 as the designated State agency may require, in-
24 cluding performance information on—

1 (i) program completion rates for par-
2 ticipants in the applicable program con-
3 ducted by the provider;

4 (ii) the percentage of the graduates of
5 the program placed in unsubsidized em-
6 ployment in an occupation related to the
7 program conducted;

8 (iii) retention rates of the graduates
9 in unsubsidized employment—

10 (I) 6 months after completion of
11 the program; and

12 (II) 12 months after completion
13 of the program;

14 (iv) the wages received by the grad-
15 uates placed in unsubsidized employment
16 after the completion of participation in the
17 program—

18 (I) on the first day of the em-
19 ployment;

20 (II) 6 months after the first day
21 of the employment; and

22 (III) 12 months after the first
23 day of the employment;

24 (v) where appropriate, the rates of li-
25 censure or certification of the graduates;

1 attainment of academic degrees or equiva-
2 lents, or attainment of other measures of
3 skill; and

4 (vi) program cost per participant in
5 the program.

6 (D) ADDITIONAL INFORMATION.—

7 (i) IN GENERAL.—In addition to the
8 performance information described in sub-
9 paragraph (C), the local partnerships in
10 the State involved may require that a pro-
11 vider submit, to the local partnerships and
12 to the designated State agency, other per-
13 formance information relating to the pro-
14 gram to be initially identified as an eligible
15 provider of training services, including in-
16 formation regarding the ability of the pro-
17 vider to provide continued counseling and
18 support regarding the workplace to the
19 graduates, for not less than 12 months
20 after the graduation involved.

21 (ii) HIGHER LEVELS OF PERFORM-
22 ANCE ELIGIBILITY.—The local partnership
23 may require higher levels of performance
24 than the minimum levels established under
25 subparagraph (A)(i) for initial eligibility to

1 receive funds as described in subsection
 2 (a).

3 ~~(3) LIST OF ELIGIBLE PROVIDERS BY PRO-~~
 4 ~~GRAM.—~~

5 (A) IN GENERAL.—The designated State
 6 agency, after reviewing the performance infor-
 7 mation described in paragraph (2)(C) and any
 8 information required to be submitted under
 9 paragraph (2)(D) and using the procedure de-
 10 scribed in paragraph (2)(B), shall—

11 (i) identify eligible providers of train-
 12 ing services described in subparagraphs
 13 (A) and (B) of subsection (a)(2), including
 14 identifying the programs of the providers
 15 through which the providers may offer the
 16 training services; and

17 (ii) compile a list of the eligible pro-
 18 viders, and the programs, accompanied by
 19 the performance information described in
 20 paragraph (2)(C) and any information re-
 21 quired to be submitted under paragraph
 22 (2)(D) for each such provider described in
 23 subsection (a)(2)(B).

24 (B) LOCAL MODIFICATION.—The local
 25 partnership may modify such list by reducing

1 the number of eligible providers listed, to en-
 2 sure that the eligible providers carry out pro-
 3 grams that provide skills that enable partici-
 4 pants to obtain local employment opportunities.

5 ~~(e) SUBSEQUENT ELIGIBILITY.—~~

6 ~~(1) INFORMATION AND CRITERIA.—~~To be eligi-
 7 ble to continue to receive funds as described in sub-
 8 section (a) for a program, a provider shall—

9 ~~(A)~~ submit the performance information
 10 described in subsection (b)(2)(C) and any infor-
 11 mation required to be submitted under sub-
 12 section (b)(2)(D) annually to the designated
 13 State agency at such time and in such manner
 14 as the designated State agency may require for
 15 the program;

16 ~~(B)~~ annually meet the performance criteria
 17 described in subclause (I) and (if applicable)
 18 subclause (II) of subsection (b)(2)(B)(i) for the
 19 program; and

20 ~~(C)~~ annually meet local performance meas-
 21 ures, as demonstrated utilizing quarterly
 22 records described in section 321, for the pro-
 23 gram.

24 ~~(2) LIST OF ELIGIBLE PROVIDERS BY PRO-~~
 25 ~~GRAM.—~~

1 (A) IN GENERAL.—The designated State
2 agency, after reviewing the performance infor-
3 mation and any other information submitted
4 under paragraph (1) and using the procedure
5 described in subsection (b)(2)(A), shall identify
6 eligible providers and programs, and compile a
7 list of the providers and programs, as described
8 in subsection (b)(3), accompanied by the per-
9 formance information and other information for
10 each such provider.

11 (B) LOCAL MODIFICATION.—The local
12 partnership may modify such list by reducing
13 the number of eligible providers listed, to en-
14 sure that the eligible providers carry out pro-
15 grams that provide skills that enable partici-
16 pants to obtain local employment opportunities.

17 (3) AVAILABILITY.—Such list and information
18 shall be made widely available to participants in em-
19 ployment and training activities funded under this
20 subtitle, and to others, through the one-stop cus-
21 tomer service system described in section 315(b).

22 (d) ENFORCEMENT.—

23 (1) ACCURACY OF INFORMATION.—If the des-
24 ignated State agency, after consultation with the
25 local partnership involved, determines that a pro-

1 vider or individual supplying information on behalf
2 of a provider intentionally supplies inaccurate infor-
3 mation under this section, the agency shall termi-
4 nate the eligibility of the eligible provider to receive
5 funds described in subsection (a) for a period of
6 time, but not less than 2 years.

7 (2) COMPLIANCE WITH CRITERIA OR REQUIRE-
8 MENTS.—If the designated State agency, after con-
9 sultation with the local partnership, determines that
10 an eligible provider or a program of training services
11 carried out by an eligible provider fails to meet the
12 required performance criteria and performance
13 measures described in subparagraphs (B) and (C) of
14 subsection (e)(1) or materially violates any provision
15 of this title, including the regulations promulgated
16 to implement this title, the agency may terminate
17 the eligibility of the eligible provider to receive funds
18 described in subsection (a) for such program or take
19 such other action as the agency determines to be ap-
20 propriate.

21 (3) REPAYMENT.—Any provider whose eligi-
22 bility is terminated under paragraph (1) or (2) for
23 a program shall be liable for repayment of funds de-
24 scribed in subsection (a) received for the program

1 during any period of noncompliance described in
2 such paragraph.

3 (4) APPEAL.—The Governor shall establish a
4 procedure for an eligible provider to appeal a deter-
5 mination by the designated State agency that results
6 in termination of eligibility under this subsection.
7 Such procedure shall provide an opportunity for a
8 hearing and prescribe appropriate time limits to en-
9 sure prompt resolution of the appeal.

10 (e) ON-THE-JOB TRAINING EXCEPTION.—

11 (1) IN GENERAL.—Providers of on-the-job
12 training shall not be subject to the requirements of
13 subsections (a) through (d).

14 (2) COLLECTION AND DISSEMINATION OF IN-
15 FORMATION.—A one-stop customer service center
16 operator in a local area shall collect such perform-
17 ance information from on-the-job training providers
18 as the Governor may require, and disseminate such
19 information through the one-stop customer service
20 system.

21 (f) ADMINISTRATION.—The Governor shall designate
22 a State agency to collect and disseminate the performance
23 information described in subsection (b)(2)(C) and any in-
24 formation required to be submitted under subsection

1 ~~(b)(2)(D)~~ and carry out other duties described in this sec-
 2 tion.

3 **SEC. 313. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
 4 **YOUTH ACTIVITIES.**

5 The youth partnership is authorized to award grants
 6 on a competitive basis, based on the criteria contained in
 7 the State plan and local plan, to providers of youth activi-
 8 ties, and conduct oversight with respect to such providers,
 9 in the local area.

10 **SEC. 314. STATEWIDE WORKFORCE INVESTMENT ACTIVI-**
 11 **TIES.**

12 ~~(a) IN GENERAL.—~~Funds reserved by a Governor for
 13 a State—

14 ~~(1)~~ under section 306(a)(2) shall be used to
 15 carry out the statewide rapid response activities de-
 16 scribed in subsection (b)(1); and

17 ~~(2)~~ under section 306(a)(1)—

18 ~~(A)~~ shall be used to carry out the state-
 19 wide workforce investment activities described
 20 in subsection (b)(2); and

21 ~~(B)~~ may be used to carry out any of the
 22 statewide workforce investment activities de-
 23 scribed in subsection (c);

1 regardless of whether the funds were allotted to the
 2 State under paragraph (1), (2), or (3) of section
 3 302(b).

4 (b) REQUIRED STATEWIDE WORKFORCE INVEST-
 5 MENT ACTIVITIES.—

6 (1) STATEWIDE RAPID RESPONSE ACTIVI-
 7 TIES.—A State shall use funds reserved under sec-
 8 tion 306(a)(2) to carry out statewide rapid response
 9 activities, which shall include—

10 (A) provision of rapid response activities,
 11 carried out in local areas by the State, working
 12 in conjunction with the local partnership and
 13 the chief elected official in the local area; and

14 (B) provision of additional assistance to
 15 local areas that experience disasters, mass lay-
 16 offs or plant closings, or other events that pre-
 17 cipitate substantial increases in the number of
 18 unemployed individuals, carried out in the local
 19 areas by the State, working in conjunction with
 20 the local partnership and the chief elected offi-
 21 cial in the local areas.

22 (2) OTHER REQUIRED STATEWIDE WORKFORCE
 23 INVESTMENT ACTIVITIES.—A State shall use funds
 24 reserved under section 306(a)(1) to carry out other

1 statewide workforce investment activities, which
2 shall include—

3 (A) disseminating the list of eligible pro-
4 viders of training services, including eligible
5 providers of nontraditional training services,
6 and the performance information as described
7 in subsections (b) and (c) of section 312 and a
8 list of eligible providers of youth activities de-
9 scribed in section 313;

10 (B) conducting evaluations, under section
11 321(d), of activities authorized in this section,
12 section 315, and section 316, in coordination
13 with the activities carried out under section
14 368;

15 (C) provision of incentive grants to local
16 areas for regional cooperation among local part-
17 nerships, for local coordination and nonduplica-
18 tion of activities carried out under this Act, and
19 for comparative performance by local areas on
20 the local performance measures described in
21 section 321(b);

22 (D) providing technical assistance to local
23 areas that fail to meet local performance meas-
24 ures;

1 ~~(E)~~ assisting in the establishment and op-
 2 eration of a one-stop customer service system;
 3 and

4 ~~(F)~~ operation of a fiscal and management
 5 accountability information system under section
 6 ~~321(e)~~.

7 ~~(e)~~ ALLOWABLE STATEWIDE WORKFORCE INVEST-
 8 MENT ACTIVITIES.—

9 ~~(1)~~ IN GENERAL.—A State may use funds re-
 10 served under section ~~306(a)(1)~~ to carry out addi-
 11 tional statewide workforce investment activities;
 12 which may include—

13 ~~(A)~~ subject to paragraph ~~(2)~~, administra-
 14 tion by the State of the workforce investment
 15 activities carried out under this subtitle;

16 ~~(B)~~ identification and implementation of
 17 incumbent worker training programs, which
 18 may include the establishment and implementa-
 19 tion of an employer loan program;

20 ~~(C)~~ carrying out other activities authorized
 21 in section ~~315~~ that the State determines to be
 22 necessary to assist local areas in carrying out
 23 activities described in subsection ~~(e)~~ or ~~(d)~~ of
 24 section ~~315~~ through the statewide workforce in-
 25 vestment system; and

1 (D) carrying out, on a statewide basis, ac-
2 tivities described in section 316.

3 (2) LIMITATION.—Of the reserved funds de-
4 scribed in paragraph (1)(A), a portion, equal to not
5 more than 5 percent of the total amount allotted to
6 the State under paragraphs (1), (2), and (3) of sec-
7 tion 302(b) for the fiscal year involved, may be used
8 for the administration of the workforce investment
9 activities carried out under this subtitle. Funds
10 made available from the portion may be used for the
11 administration of any of the workforce investment
12 activities, regardless of whether the funds were allot-
13 ted to the State under paragraph (1), (2), or (3) of
14 section 302(b).

15 **SEC. 315. LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.**

16 (a) IN GENERAL.—Funds received by a local area
17 under paragraph (3)(A) or (4)(A), as appropriate, of sec-
18 tion 306(b), and funds received by the local area under
19 section 306(b)(3)(B)—

20 (1) shall be used to carry out employment and
21 training activities described in subsection (c) for
22 adults or dislocated workers, as appropriate; and

23 (2) may be used to carry out employment and
24 training activities described in subsection (d) for
25 adults or dislocated workers, as appropriate.

1 (b) ESTABLISHMENT OF ONE-STOP CUSTOMER
2 SERVICE SYSTEM.—

3 (1) IN GENERAL.—There shall be established in
4 a State that receives an allotment under section 302
5 a one-stop customer service system, which—

6 (A) shall provide the core services de-
7 scribed in subsection (c)(2);

8 (B) shall provide access to training services
9 as described in subsection (c)(3);

10 (C) shall provide access to the activities (if
11 any) carried out under subsection (d); and

12 (D) shall provide access to the information
13 described in section 15 of the Wagner-Peyser
14 Act and all job search, placement, recruitment,
15 and other labor exchange services authorized
16 under the Wagner-Peyser Act (29 U.S.C. 49 et
17 seq.);

18 (2) ONE-STOP DELIVERY.—At a minimum, the
19 one-stop customer service system—

20 (A) shall make each of the services de-
21 scribed in paragraph (1) accessible at not less
22 than 1 physical customer service center in each
23 local area of the State; and

24 (B) may also make services described in
25 paragraph (1) available—

1 (i) through a network of customer
 2 service centers that can provide 1 or more
 3 of the services described in paragraph (1)
 4 to such individuals; and

5 (ii) through a network of eligible one-
 6 stop partners—

7 (I) in which each partner pro-
 8 vides 1 or more of the services to such
 9 individuals and is accessible at a cus-
 10 tomer service center that consists of a
 11 physical location or an electronically
 12 or technologically linked access point;
 13 and

14 (II) that assures individuals that
 15 information on the availability of core
 16 services will be available regardless of
 17 where the individuals initially enter
 18 the statewide workforce investment
 19 system, including information made
 20 available through an access point de-
 21 scribed in subclause (I).

22 (c) REQUIRED LOCAL ACTIVITIES.—

23 (1) IN GENERAL.—Funds received by a local
 24 area under paragraph (3)(A) or (4)(A), as appro-
 25 priate, of section 306(b), and funds received by the

1 local area under section 306(b)(3)(B) shall be
2 used—

3 (A) to establish a one-stop customer serv-
4 ice center described in subsection (b);

5 (B) to provide the core services described
6 in paragraph (2) to participants described in
7 such paragraph through the one-stop customer
8 service system; and

9 (C) to provide training services described
10 in paragraph (3) to participants described in
11 such paragraph.

12 (2) CORE SERVICES.—Funds received by a local
13 area as described in paragraph (1) shall be used to
14 provide core services, which shall be available to all
15 individuals seeking assistance through a one-stop
16 customer service system and shall, at a minimum,
17 include—

18 (A) determinations of whether the individ-
19 uals are eligible to receive activities under this
20 subtitle;

21 (B) outreach, intake (which may include
22 worker profiling); and orientation to the infor-
23 mation and other services available through the
24 one-stop customer service system;

- 1 ~~(C)~~ initial assessment of skill levels, apti-
2 tudes, abilities, and supportive service needs;
- 3 ~~(D)~~ case management assistance, as appro-
4 priate;
- 5 ~~(E)~~ job search and placement assistance;
- 6 ~~(F)~~ provision of information regarding—
- 7 (i) local, State, and, if appropriate, re-
8 gional or national, employment opportuni-
9 ties; and
- 10 (ii) job skills necessary to obtain the
11 employment opportunities;
- 12 ~~(G)~~ provision of performance information
13 on eligible providers of training services as de-
14 scribed in section 312, provided by program,
15 and eligible providers of youth activities as de-
16 scribed in section 313, eligible providers of
17 adult education as described in title II, eligible
18 providers of postsecondary vocational education
19 activities and vocational education activities
20 available to school dropouts as described in title
21 I, and eligible providers of vocational rehabilita-
22 tion program activities as described in title I of
23 the Rehabilitation Act of 1973;

1 (H) provision of performance information
2 on the activities carried out by one-stop part-
3 ners, as appropriate;

4 (I) provision of information regarding how
5 the local area is performing on the local per-
6 formance measures described in section 321(b),
7 and any additional performance information
8 provided to the one-stop customer service center
9 by the local partnership;

10 (J) provision of accurate information relat-
11 ing to the availability of supportive services, in-
12 cluding child care and transportation, available
13 in the local area, and referral to such services,
14 as appropriate;

15 (K) provision of information regarding fil-
16 ing claims for unemployment compensation;

17 (L) assistance in establishing eligibility
18 for—

19 (i) welfare-to-work activities author-
20 ized under section 403(a)(5) of the Social
21 Security Act (as added by section 5001 of
22 the Balanced Budget Act of 1997) avail-
23 able in the local area; and

24 (ii) programs of financial aid assist-
25 ance for training and education programs

1 that are not funded under this Act and are
2 available in the local area; and

3 ~~(M) followup services, including counseling~~
4 ~~regarding the workplace, for participants in~~
5 ~~workforce investment activities who are placed~~
6 ~~in unsubsidized employment, for not less than~~
7 ~~12 months after the completion of such partici-~~
8 ~~pation, as appropriate.~~

9 ~~(3) REQUIRED TRAINING SERVICES.—~~

10 ~~(A) ELIGIBLE PARTICIPANTS.—Funds re-~~
11 ~~ceived by a local area as described in paragraph~~
12 ~~(1) shall be used to provide training services to~~
13 ~~individuals—~~

14 ~~(i) who are adults (including dis-~~
15 ~~located workers);~~

16 ~~(ii) who seek the services;~~

17 ~~(iii)(I) who are unable to obtain em-~~
18 ~~ployment through the core services; or~~

19 ~~(II) who are employed and who are~~
20 ~~determined by a one-stop customer service~~
21 ~~center operator to be in need of such train-~~
22 ~~ing services in order to gain or retain em-~~
23 ~~ployment that allows for self-sufficiency;~~

24 ~~(iv) who after an interview, evalua-~~
25 ~~tion, or assessment, and case management;~~

1 have been determined by a one-stop cus-
 2 tomer service center operator or one-stop
 3 partner, as appropriate, to be in need of
 4 training services and to have the skills and
 5 qualifications, to successfully participate in
 6 the selected program of training services;

7 (v) who select programs of training
 8 services that are directly linked to the em-
 9 ployment opportunities in the local area in-
 10 volved or in another area in which the
 11 adults receiving such services are willing to
 12 relocate;

13 (vi) who meet the requirements of
 14 subparagraph (B); and

15 (vii) who are determined to be eligible
 16 in accordance with the priority system, if
 17 any, in effect under subparagraph (D).

18 (B) QUALIFICATION.—

19 (i) REQUIREMENT.—Except as pro-
 20 vided in clause (ii), provision of such train-
 21 ing services shall be limited to individuals
 22 who—

23 (I) are unable to obtain other
 24 grant assistance for such services, in-
 25 cluding Federal Pell Grants estab-

1 lished under title IV of the Higher
2 Education Act of 1965 (20 U.S.C.
3 1070 et seq.); or

4 (H) who require assistance be-
5 yond the assistance made available
6 under other grant assistance pro-
7 grams, including Federal Pell Grants.

8 (ii) REIMBURSEMENTS.—Training
9 services may be provided under this para-
10 graph to an individual who otherwise meets
11 the requirements of this paragraph while
12 an application for a Federal Pell Grant is
13 pending, except that if such individual is
14 subsequently awarded a Federal Pell
15 Grant, appropriate reimbursement shall be
16 made to the local area from such Federal
17 Pell Grant.

18 (C) TRAINING SERVICES.—Training serv-
19 ices may include—

20 (i) employment skill training;

21 (ii) on-the-job training;

22 (iii) job readiness training; and

23 (iv) adult education services when pro-
24 vided in combination with services de-
25 scribed in clause (i), (ii), or (iii).

1 (D) PRIORITY.—In the event that funds
 2 are limited within a local area for adult employ-
 3 ment and training activities, priority shall be
 4 given to disadvantaged adults for receipt of
 5 training services provided under this paragraph.
 6 The appropriate local partnership and the Gov-
 7 ernor shall direct the one-stop customer service
 8 center operator in the local area with regard to
 9 making determinations related to such priority.

10 (E) DELIVERY OF SERVICES.—Training
 11 services provided under this paragraph shall be
 12 provided—

13 (i) except as provided in section
 14 312(e), through eligible providers of such
 15 services identified in accordance with sec-
 16 tion 312; and

17 (ii) in accordance with subparagraph
 18 (F).

19 (F) CONSUMER CHOICE REQUIREMENTS.—

20 (i) IN GENERAL.—Training services
 21 provided under this paragraph shall be
 22 provided in a manner that maximizes
 23 consumer choice in the selection of an eli-
 24 gible provider of such services.

1 (ii) ~~ELIGIBLE PROVIDERS.—~~Each
 2 local partnership, through one-stop cus-
 3 tomer service centers, shall make avail-
 4 able—

5 (I) the list of eligible providers
 6 required under subsection ~~(b)(3)~~ or
 7 ~~(c)(2)~~ of section 312, with a descrip-
 8 tion of the programs through which
 9 the providers may offer the training
 10 services, and a list of the names of
 11 on-the-job training providers; and

12 (II) the performance information
 13 on eligible providers of training serv-
 14 ices as described in section 312.

15 (iii) ~~EMPLOYMENT INFORMATION.—~~
 16 Each local partnership, through one-stop
 17 customer service centers, shall make avail-
 18 able—

19 (I) information regarding local,
 20 State, and, if appropriate, regional or
 21 national, employment opportunities;
 22 and

23 (II) information regarding the
 24 job skills necessary to obtain the em-
 25 ployment opportunities.

1 (iv) INDIVIDUAL TRAINING AC-
 2 COUNTS.—An individual who is eligible
 3 pursuant to subparagraph (A) and seeks
 4 training services may select, in consulta-
 5 tion with a case manager, an eligible pro-
 6 vider of training services from the lists of
 7 providers described in clause (ii)(I). Upon
 8 such selection, the operator of the one-stop
 9 customer service center shall, to the extent
 10 practicable, refer such individual to the eli-
 11 gible provider of training services, and ar-
 12 range for payment for such services
 13 through an individual training account.

14 (d) PERMISSIBLE LOCAL ACTIVITIES.—

15 (1) DISCRETIONARY ONE-STOP DELIVERY AC-
 16 TIVITIES.—Funds received by a local area under
 17 paragraph (3)(A) or (4)(A), as appropriate, of sec-
 18 tion 306(b), and funds received by the local area
 19 under section 306(b)(3)(B) may be used to provide,
 20 through one-stop delivery described in subsection
 21 (b)(2)—

22 (A) intensive employment-related services
 23 for participants in training services;

1 ~~(B)~~ customized screening and referral of
 2 qualified participants in training services to em-
 3 ployment; and

4 ~~(C)~~ customized employment-related serv-
 5 ices to employers.

6 ~~(2) SUPPORTIVE SERVICES.~~—Funds received by
 7 the local area as described in paragraph ~~(1)~~ may be
 8 used to provide supportive services to participants—

9 ~~(A)~~ who are participating in activities de-
 10 scribed in this section or youth activities under
 11 this subtitle; and

12 ~~(B)~~ who are unable to obtain such support-
 13 ive services through other programs providing
 14 such services.

15 ~~(3) NEEDS-RELATED PAYMENTS.~~—

16 ~~(A) IN GENERAL.~~—Funds received by the
 17 local area under section 306(b)~~(3)~~~~(B)~~ may be
 18 used to provide needs-related payments to dis-
 19 located workers who do not qualify for, or have
 20 exhausted, unemployment compensation, for the
 21 purpose of enabling such individuals to partici-
 22 pate in training services.

23 ~~(B) ADDITIONAL ELIGIBILITY REQUIRE-~~
 24 ~~MENTS.~~—In addition to the requirements con-
 25 tained in subparagraph ~~(A)~~, a dislocated worker

1 who has ceased to qualify for unemployment
 2 compensation may be eligible to receive needs-
 3 related payments under this paragraph only if
 4 such worker was enrolled in the training serv-
 5 ices—

6 (i) by the end of the 13th week of the
 7 worker's unemployment compensation ben-
 8 efits period for the most recent layoff that
 9 resulted in a determination of the worker's
 10 eligibility for employment and training ac-
 11 tivities for dislocated workers under this
 12 subtitle; or

13 (ii) if later, by the end of the 13th
 14 week after the worker is informed that a
 15 short-term layoff will exceed 6 months.

16 (C) LEVEL OF PAYMENTS.—The level of a
 17 needs-related payment made to a dislocated
 18 worker under this paragraph shall not exceed
 19 the greater of—

20 (i) the applicable level of unemploy-
 21 ment compensation; or

22 (ii) if such worker did not qualify for
 23 unemployment compensation, an amount
 24 equal to the poverty line, for an equivalent

1 period, which amount shall be adjusted to
2 reflect changes in total family income.

3 **SEC. 316. LOCAL YOUTH ACTIVITIES.**

4 (a) PURPOSES.—The purposes of this section are—

5 (1) to provide effective and comprehensive ac-
6 tivities to youth seeking assistance in achieving aca-
7 demic and employment success;

8 (2) to ensure continuous contact for youth with
9 committed adults;

10 (3) to provide opportunities for training to
11 youth;

12 (4) to provide continued support services for
13 youth;

14 (5) to provide incentives for recognition and
15 achievement to youth; and

16 (6) to provide opportunities for youth in activi-
17 ties related to leadership, development, decisionmak-
18 ing, citizenship, and community service.

19 (b) REQUIRED ELEMENTS.—Funds received by a
20 local area under paragraph (3)(C) or (4)(B) of section
21 306(b) shall be used to carry out, for youth who seek the
22 activities, activities that—

23 (1) consist of the provision of—

- 1 (A) tutoring, study skills training, and in-
2 struction, leading to completion of secondary
3 school, including dropout prevention strategies;
- 4 (B) alternative secondary school services;
- 5 (C) summer employment opportunities and
6 other paid and unpaid work experiences, includ-
7 ing internships;
- 8 (D) employment skill training, as appro-
9 priate;
- 10 (E) community service and leadership de-
11 velopment opportunities;
- 12 (F) services described in section 315(e)(2);
- 13 (G) supportive services;
- 14 (H) adult mentoring for the period of par-
15 ticipation and a subsequent period, for a total
16 of not less than 12 months; and
- 17 (I) followup services for not less than 12
18 months after the completion of participation, as
19 appropriate;
- 20 (2) provide—
- 21 (A) preparation for postsecondary edu-
22 cational opportunities, in appropriate cases;
- 23 (B) strong linkages between academic and
24 occupational learning; and

1 (C) preparation for unsubsidized employ-
2 ment opportunities, in appropriate cases; and
3 ~~(3) involve parents, participants, and other~~
4 members of the community with experience relating
5 to youth in the design and implementation of the ac-
6 tivities.

7 ~~(e) PRIORITY.—~~At a minimum, 50 percent of the
8 funds described in subsection (b) shall be used to provide
9 youth activities to out-of-school youth.

10 ~~(d) PROHIBITIONS.—~~

11 ~~(1) NO LOCAL EDUCATION CURRICULUM.—~~No
12 funds described in subsection (b) shall be used to de-
13 velop or implement local school system education
14 curricula.

15 ~~(2) NONDUPLICATION.—~~No funds described in
16 subsection (b) shall be used to carry out activities
17 that duplicate federally funded activities available to
18 youth in the local area.

19 ~~(3) NONINTERFERENCE AND NONREPLACE-~~
20 ~~MENT OF REGULAR ACADEMIC REQUIREMENTS.—~~No
21 funds described in subsection (b) shall be used to
22 provide an activity for youth who are not school
23 dropouts if participation in the activity would inter-
24 fere with or replace the regular academic require-
25 ments of the youth.

1 **CHAPTER 4—GENERAL PROVISIONS**

2 **SEC. 321. ACCOUNTABILITY.**

3 (a) **PURPOSE.**—The purpose of this section is to pro-
4 vide comprehensive performance measures to assess the
5 progress of States and local areas (including eligible pro-
6 viders and programs of activities authorized under this
7 subtitle that are made available in the States and local
8 areas); in assisting both employers and jobseekers in meet-
9 ing their employment needs; in order to ensure an ade-
10 quate return on the investment of Federal funds for the
11 activities.

12 (b) **STATE PERFORMANCE MEASURES.**—

13 (1) **IN GENERAL.**—To be eligible to receive an
14 allotment under section 302, a State shall establish,
15 and identify in the State plan, State performance
16 measures. Each State performance measure shall
17 consist of an indicator of performance, referred to in
18 paragraph (2) or (3), and a performance level, re-
19 ferred to in paragraph (4).

20 (2) **CORE INDICATORS OF PERFORMANCE.**—The
21 State performance measures shall contain indicators
22 of performance, including, at a minimum—

23 (A) core indicators of performance for
24 adults, including dislocated workers, participat-

1 ing in activities that are training services, which
2 indicators consist of—

3 (i) placement in unsubsidized employ-
4 ment related to the training received
5 through the activities;

6 (ii) retention in unsubsidized employ-
7 ment related to the training received
8 through the activities—

9 (I) 6 months after completion of
10 participation in the activities; and

11 (II) 12 months after completion
12 of participation;

13 (iii) wages received by such partici-
14 pants who are placed in unsubsidized em-
15 ployment related to the training received
16 through the activities after completion of
17 participation—

18 (I) on the first day of the em-
19 ployment;

20 (II) 6 months after the first day
21 of the employment; and

22 (III) 12 months after the first
23 day of the employment; and

24 (iv) percentage of wage replacement
25 for dislocated workers placed in

1 unsubsidized employment related to the
2 training received through the activities;

3 ~~(B)~~ core indicators of performance for
4 adults, including dislocated workers, participat-
5 ing in activities that are core services, which in-
6 dicators consist of the indicators described in
7 clauses (i) through (iv) of subparagraph (A);
8 and

9 ~~(C)~~ core indicators of performance for
10 youth participating in youth activities under
11 section 316, that consist of—

12 (i) attainment of secondary school di-
13 plomas or their recognized equivalents;

14 (ii) attainment of job readiness and
15 employment skills;

16 (iii) placement in, retention in, and
17 completion of postsecondary education, ad-
18 vanced training, or an apprenticeship;

19 (iv) placement in unsubsidized em-
20 ployment related to the training received
21 through the activities;

22 (v) retention in unsubsidized employ-
23 ment related to the training received
24 through the activities—

1 (I) 6 months after completion of
2 participation in the activities; and

3 (II) 12 months after completion
4 of participation; and

5 (vi) wages received by such partici-
6 pants who are placed in unsubsidized em-
7 ployment related to the training received
8 through the activities, after completion of
9 participation—

10 (I) on the first day of the em-
11 ployment;

12 (II) 6 months after the first day
13 of the employment; and

14 (III) 12 months after the first
15 day of the employment.

16 (3) CUSTOMER SATISFACTION INDICATOR.—The
17 State performance measures shall contain an indica-
18 tor of performance with respect to customer satisfac-
19 tion of employers and participants, which may be
20 measured through surveys conducted after the con-
21 clusion of participation in workforce investment ac-
22 tivities.

23 (4) STATE LEVELS OF PERFORMANCE.—In
24 order to ensure an adequate return on the invest-
25 ment of Federal funds in workforce investment ac-

1 activities, the Secretary and each Governor shall reach
 2 agreement on the levels of performance expected to
 3 be achieved by the State, on the State performance
 4 measures established pursuant to this subsection. In
 5 reaching the agreement, the Secretary and Governor
 6 shall establish a level of performance for each indica-
 7 tor of performance described in paragraph (2) or
 8 (3). Such agreement shall take into account—

9 (A) how the levels compare with the levels
 10 established by other States, taking into consid-
 11 eration the specific circumstances, including
 12 economic circumstances, of each State; and

13 (B) the extent to which such levels pro-
 14 mote continuous improvement in performance
 15 by such State and ensure an adequate return
 16 on the investment of Federal funds.

17 (5) POPULATIONS.—In developing the State
 18 performance measures, a State shall develop and
 19 identify in the State plan State performance meas-
 20 ures for populations that include, at a minimum—

21 (A) disadvantaged adults;

22 (B) dislocated workers;

23 (C) out-of-school youth; and

24 (D) individuals with disabilities.

25 (b) LOCAL PERFORMANCE MEASURES.—

1 (1) ~~IN GENERAL.~~—Each Governor shall nego-
2 tiate and reach agreement with the local partnership
3 and the chief elected official in each local area on
4 local performance measures. Each local performance
5 measure shall consist of an indicator of performance
6 referred to in paragraph (2) or (3) of subsection (a),
7 and a performance level referred to in paragraph
8 (2).

9 (2) ~~PERFORMANCE LEVELS.~~—Based on the ex-
10 pected levels of performance established pursuant to
11 subsection (a)(4), the Governor shall negotiate and
12 reach agreement with the local partnership and the
13 chief elected official in each local area regarding the
14 levels of performance expected to be achieved for the
15 local area on the indicators of performance.

16 (3) ~~POPULATIONS.~~—In negotiating and reach-
17 ing agreement on the local performance measures,
18 the Governor, local partnership, and chief elected of-
19 ficial, shall negotiate and reach agreement on local
20 performance measures for populations that include,
21 at a minimum, the populations described in sub-
22 section (a)(5). The local partnership shall identify
23 these local performance measures in the local plan.

24 (c) ~~REPORT.~~—

1 (1) IN GENERAL.—Each State that receives an
2 allotment under section 302 shall annually prepare
3 and submit to the Secretary a report on the progress
4 of the State in achieving State performance meas-
5 ures. The annual report shall also include informa-
6 tion regarding the progress of local areas in achiev-
7 ing local performance measures. The report shall
8 also include information on the status of State eval-
9 uations of workforce investment activities described
10 in subsection (d).

11 (2) ADDITIONAL INFORMATION.—In preparing
12 such report, the State shall include, at a minimum,
13 information relating to—

14 (A) the performance of graduates of pro-
15 grams of training services as compared to
16 former enrollees in the programs, with the re-
17 spect to the core indicators described in sub-
18 section (a)(2)(A);

19 (B) the educational attainment of such
20 graduates and former enrollees;

21 (C) the cost of the workforce investment
22 activities relative to the impact of the activities
23 on the performance of graduates on the core in-
24 dicators; and

1 (D) the performance of welfare recipients,
 2 veterans, individuals with disabilities, and dis-
 3 placed homemakers with respect to the core in-
 4 dicators described in subparagraphs (A) and
 5 (B) of subsection (a)(2).

6 (3) INFORMATION DISSEMINATION.—The Sec-
 7 retary shall make the information contained in such
 8 reports available to Congress, the Library of Con-
 9 gress, and the public through publication and other
 10 appropriate methods, and shall disseminate State-by-
 11 State comparisons of the information that take into
 12 consideration the specific circumstances, including
 13 economic circumstances, of the States.

14 (4) DEFINITION.—In this subsection, the term
 15 “welfare recipient” means a person receiving pay-
 16 ments described in section 2(24)(A).

17 (d) EVALUATION OF STATE PROGRAMS.—

18 (1) WORKFORCE INVESTMENT ACTIVITIES.—
 19 Using funds reserved under section 306(a)(1), a
 20 State shall conduct ongoing evaluations of workforce
 21 investment activities carried out in the State under
 22 this subtitle.

23 (2) CRITERIA FOR LONGITUDINAL STUDIES.—
 24 The evaluations shall include longitudinal studies of
 25 the workforce investment activities. Evaluation cri-

1 teria for purposes of the longitudinal studies shall be
2 developed in conjunction with statewide partnerships
3 and local partnerships. The criteria shall measure
4 the relationship between the level of public funding
5 for the activities and the degree to which the activi-
6 ties promote employment and wage gains. Such lon-
7 gitudinal studies shall be conducted by an evaluator
8 who is unaffiliated with the statewide partnership or
9 the local partnership and shall include measures that
10 reflect the State performance measures.

11 (3) ~~ADDITIONAL STUDIES.~~—The State shall
12 also fund evaluation studies of the workforce invest-
13 ment activities. The evaluation studies shall provide
14 ongoing analysis to statewide partnerships and local
15 partnerships to promote efficiency and effectiveness
16 in improving employability outcomes for jobseekers
17 and competitiveness for employers. Such evaluation
18 studies shall be designed in conjunction with state-
19 wide partnerships and local partnerships, and shall
20 include analysis of customer feedback, and outcome
21 and process measures.

22 (c) ~~FISCAL AND MANAGEMENT ACCOUNTABILITY IN-~~
23 ~~FORMATION SYSTEMS.~~—

24 (1) ~~IN GENERAL.~~—Using funds reserved under
25 section 306(a)(1), the Governor shall operate a fiscal

1 and management accountability information system;
2 based on guidelines established by the Secretary in
3 consultation with the Governors and other appro-
4 priate parties. Such guidelines shall promote the ef-
5 ficient collection and use of fiscal and management
6 information for reporting and monitoring the use of
7 funds made available to the State under this subtitle
8 for workforce investment activities and for use by
9 the State in preparing the annual report described
10 in subsection (c). In measuring the progress of the
11 State on State and local performance measures, a
12 State shall utilize quarterly wage records available
13 through the unemployment insurance system.

14 (2) CONFIDENTIALITY.—In carrying out the re-
15 quirements of this Act, the State shall comply with
16 section 444 of the General Education Provisions Act
17 (20 U.S.C. 1232g) (as added by the Family Edu-
18 cational Rights and Privacy Act of 1974).

19 (f) SANCTIONS.—

20 (1) DETERMINATION.—If a State fails to meet
21 2 or more State performance measures described in
22 this section for each of the 3 years covered by a
23 State plan, the Secretary shall determine whether
24 the failure is attributable to—

1 (A) adult employment and training activi-
2 ties;

3 (B) dislocated worker employment and
4 training activities; or

5 (C) youth activities.

6 ~~(2) TECHNICAL ASSISTANCE OR REDUCTION OF~~
7 ~~ALLOTMENTS.—The Secretary—~~

8 (A) may provide technical assistance to the
9 State to improve the level of performance of the
10 State, in accordance with section 366(b); and

11 (B) shall, on finding that a State fails to
12 meet 2 or more State performance measures for
13 2 consecutive years, reduce, by not more than
14 5 percent, the allotment made under section
15 302 for the category of activities to which the
16 failure is attributable.

17 ~~(3) FUNDS RESULTING FROM REDUCED ALLOT-~~
18 ~~MENTS.—The Secretary may use an amount re-~~
19 ~~tained as a result of a reduction in an allotment~~
20 ~~made under paragraph (2)(B) to award an incentive~~
21 ~~grant under section 365 or to provide technical as-~~
22 ~~sistance in accordance with section 366.~~

23 ~~(g) INCENTIVE GRANTS.—The Secretary may make~~
24 ~~incentive grants under section 365 to States that exceed~~
25 ~~the State performance measures.~~

1 (h) DEFINITIONS.—In this section:

2 (1) FORMER ENROLLEE.—The term “former
3 enrollee” means an individual who has been selected
4 for and has enrolled in a program of workforce in-
5 vestment activities, but left the program before com-
6 pleting the requirements of the program.

7 (2) GRADUATE.—The term “graduate” means
8 an individual who has been selected for and has en-
9 rolled in a program of workforce investment activi-
10 ties and has completed the requirements of such pro-
11 gram.

12 (i) OTHER TERMS.—The Secretary, in consultation
13 with the Governors, local partnerships, and other appro-
14 priate entities, shall issue regulations that identify and de-
15 fine other terms used in this title, in order to promote
16 uniformity in the implementation of this Act.

17 **SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

18 (a) ADULT EMPLOYMENT AND TRAINING ACTIVI-
19 TIES.—There are authorized to be appropriated to carry
20 out the activities described in section 302(a)(1) under this
21 subtitle, such sums as may be necessary for each of fiscal
22 years 1999 through 2003.

23 (b) DISLOCATED WORKER EMPLOYMENT AND
24 TRAINING ACTIVITIES.—There are authorized to be ap-
25 propriated to carry out the activities described in section

1 ~~302(a)(2)~~ under this subtitle, such sums as may be nec-
 2 essary for each of fiscal years 1999 through 2003.

3 ~~(c) YOUTH ACTIVITIES.~~—There are authorized to be
 4 appropriated to carry out the activities described in section
 5 ~~302(a)(3)~~ under this subtitle, such sums as may be nec-
 6 essary for each of fiscal years 1999 through 2003.

7 **Subtitle B—Job Corps**

8 **SEC. 331. PURPOSES.**

9 The purposes of this subtitle are—

10 (1) to maintain a national Job Corps program,
 11 carried out in partnership with States and commu-
 12 nities, to assist eligible youth who need and can ben-
 13 efit from an intensive program, operated in a group
 14 setting in residential and nonresidential centers, to
 15 become more responsible, employable, and productive
 16 citizens;

17 (2) to set forth standards and procedures for
 18 selecting individuals as enrollees in the Job Corps;

19 (3) to authorize the establishment of Job Corps
 20 centers in which enrollees will participate in inten-
 21 sive programs of activities described in this subtitle;
 22 and

23 (4) to prescribe various other powers, duties,
 24 and responsibilities incident to the operation and
 25 continuing development of the Job Corps.

1 **SEC. 332. DEFINITIONS.**

2 In this subtitle:

3 (1) **APPLICABLE LOCAL PARTNERSHIP.**—The
4 term “applicable local partnership” means a local
5 partnership—

6 (A) that provides information for a Job
7 Corps center on local employment opportunities
8 and the job skills needed to obtain the opportu-
9 nities; and

10 (B) that serves communities in which the
11 graduates of the Job Corps center seek employ-
12 ment.

13 (2) **APPLICABLE ONE-STOP CUSTOMER SERVICE**
14 **CENTER.**—The term “applicable one-stop customer
15 service center” means a one-stop customer service
16 center that provides services, such as referral, in-
17 take, recruitment, and placement, to a Job Corps
18 center.

19 (3) **ENROLLEE.**—The term “enrollee” means
20 an individual who has voluntarily applied for, been
21 selected for, and enrolled in the Job Corps program,
22 and remains with the program, but has not yet be-
23 come a graduate.

24 (4) **FORMER ENROLLEE.**—The term “former
25 enrollee” means an individual who has voluntarily
26 applied for, been selected for, and enrolled in the

1 Job Corps program, but left the program before
2 completing the requirements of a vocational training
3 program, or receiving a secondary school diploma or
4 recognized equivalent, as a result of participation in
5 the Job Corps program.

6 (5) GRADUATE.—The term “graduate” means
7 an individual who has voluntarily applied for, been
8 selected for, and enrolled in the Job Corps program
9 and has completed the requirements of a vocational
10 training program, or received a secondary school di-
11 ploma or recognized equivalent, as a result of par-
12 ticipation in the Job Corps program.

13 (6) JOB CORPS.—The term “Job Corps” means
14 the Job Corps described in section 333.

15 (7) JOB CORPS CENTER.—The term “Job Corps
16 center” means a center described in section 333.

17 (8) OPERATOR.—The term “operator” means
18 an entity selected under this subtitle to operate a
19 Job Corps center.

20 (9) REGION.—The term “region” means an
21 area served by a regional office of the Employment
22 and Training Administration.

23 (10) SERVICE PROVIDER.—The term “service
24 provider” means an entity selected under this sub-

1 title to provide services described in this subtitle to
 2 a Job Corps center.

3 **SEC. 333. ESTABLISHMENT.**

4 There shall be established in the Department of
 5 Labor a Job Corps program, to carry out activities de-
 6 scribed in this subtitle for individuals enrolled in a Job
 7 Corps and assigned to a center.

8 **SEC. 334. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.**

9 To be eligible to become an enrollee, an individual
 10 shall be—

11 (1) not less than age 16 and not more than age
 12 21 on the date of enrollment, except that—

13 (A) not more than 20 percent of the indi-
 14 viduals enrolled in the Job Corps may be not
 15 less than age 22 and not more than age 24 on
 16 the date of enrollment; and

17 (B) either such maximum age limitation
 18 may be waived by the Secretary, in accordance
 19 with regulations of the Secretary, in the case of
 20 an individual with a disability; and

21 (2) a low-income individual; and

22 (3) an individual who is 1 or more of the follow-
 23 ing:

24 (A) Basic skills deficient.

25 (B) A school dropout.

1 (C) Homeless, a runaway, or a foster child.

2 (D) A parent.

3 (E) An individual who requires additional
4 education, vocational training, or intensive
5 counseling and related assistance, in order to
6 participate successfully in regular schoolwork or
7 to secure and hold employment.

8 **SEC. 335. RECRUITMENT, SCREENING, SELECTION, AND AS-**
9 **SIGNMENT OF ENROLLEES.**

10 (a) STANDARDS AND PROCEDURES.—

11 (1) IN GENERAL.—The Secretary shall pre-
12 scribe specific standards and procedures for the re-
13 cruitment, screening, and selection of eligible appli-
14 cants for the Job Corps, after considering rec-
15 ommendations from the Governors, local partner-
16 ships, and other interested parties.

17 (2) METHODS.—In prescribing standards and
18 procedures under paragraph (1), the Secretary, at a
19 minimum, shall—

20 (A) prescribe procedures for informing en-
21 rollees that drug tests will be administered to
22 the enrollees and the results received within 45
23 days after the enrollees enroll in the Job Corps;

24 (B) establish standards for recruitment of
25 Job Corps applicants;

1 (C) establish standards and procedures
2 for—

3 (i) determining, for each applicant,
4 whether the educational and vocational
5 needs of the applicant can best be met
6 through the Job Corps program or an al-
7 ternative program in the community in
8 which the applicant resides; and

9 (ii) obtaining from each applicant per-
10 tinent data relating to background, needs,
11 and interests for determining eligibility
12 and potential assignment;

13 (D) where appropriate, take measures to
14 improve the professional capability of the indi-
15 viduals conducting screening of the applicants;
16 and

17 (E) assure that an appropriate number of
18 enrollees are from rural areas.

19 (3) IMPLEMENTATION.—To the extent prac-
20 ticable, the standards and procedures shall be imple-
21 mented through arrangements with—

22 (A) applicable one-stop customer service
23 centers;

24 (B) community action agencies, business
25 organizations, and labor organizations; and

1 (C) agencies and individuals that have con-
2 tact with youth over substantial periods of time
3 and are able to offer reliable information about
4 the needs and problems of the youth.

5 (4) CONSULTATION.—The standards and proce-
6 dures shall provide for necessary consultation with
7 individuals and organizations, including court, pro-
8 bation, parole, law enforcement, education, welfare,
9 and medical authorities and advisers.

10 (5) REIMBURSEMENT.—The Secretary is au-
11 thorized to enter into contracts with and make pay-
12 ments to individuals and organizations for the cost
13 of conducting recruitment, screening, and selection
14 of eligible applicants for the Job Corps, as provided
15 for in this section. The Secretary shall make no pay-
16 ment to any individual or organization solely as com-
17 pensation for referring the names of applicants for
18 the Job Corps.

19 (b) SPECIAL LIMITATIONS ON SELECTION.—

20 (1) IN GENERAL.—No individual shall be se-
21 lected as an enrollee unless the individual or organi-
22 zation implementing the standards and procedures
23 determines that—

24 (A) there is a reasonable expectation that
25 the individual considered for selection can par-

1 participate successfully in group situations and ac-
2 tivities, and is not likely to engage in behavior
3 that would prevent other enrollees from receiv-
4 ing the benefit of the Job Corps program or be
5 incompatible with the maintenance of sound
6 discipline and satisfactory relationships between
7 the Job Corps center to which the individual
8 might be assigned and communities surround-
9 ing the Job Corps center;

10 (B) the individual manifests a basic under-
11 standing of both the rules to which the individ-
12 ual will be subject and of the consequences of
13 failure to observe the rules; and

14 (C) the individual has passed a background
15 check conducted in accordance with procedures
16 established by the Secretary.

17 (2) INDIVIDUALS ON PROBATION, PAROLE, OR
18 SUPERVISED RELEASE.—An individual on probation,
19 parole, or supervised release may be selected as an
20 enrollee only if release from the supervision of the
21 probation or parole official involved is satisfactory to
22 the official and the Secretary and does not violate
23 applicable laws (including regulations). No individual
24 shall be denied a position in the Job Corps solely on

1 the basis of individual contact with the criminal jus-
2 tice system.

3 (c) ASSIGNMENT PLAN.—

4 (1) IN GENERAL.—Every 2 years, the Secretary
5 shall develop and implement an assignment plan for
6 assigning enrollees to Job Corps centers. In develop-
7 ing the plan, the Secretary shall, based on the analy-
8 sis described in paragraph (2), establish targets, ap-
9 plicable to each Job Corps center, for—

10 (A) the maximum attainable percentage of
11 enrollees at the Job Corps center that reside in
12 the State in which the center is located; and

13 (B) the maximum attainable percentage of
14 enrollees at the Job Corps center that reside in
15 the region in which the center is located, and in
16 surrounding regions.

17 (2) ANALYSIS.—In order to develop the plan
18 described in paragraph (1), the Secretary shall,
19 every 2 years, analyze, for the Job Corps center—

20 (A) the size of the population of individ-
21 uals eligible to participate in Job Corps in the
22 State and region in which the Job Corps center
23 is located; and in surrounding regions;

1 (B) the relative demand for participation
2 in the Job Corps in the State and region, and
3 in surrounding regions; and

4 (C) the capacity and utilization of the Job
5 Corps center, including services provided
6 through the center.

7 (d) ASSIGNMENT OF INDIVIDUAL ENROLLEES.—

8 (1) IN GENERAL.—After an individual has been
9 selected for the Job Corps in accordance with the
10 standards and procedures of the Secretary under
11 subsection (a), the enrollee shall be assigned to the
12 Job Corps center that is closest to the home of the
13 enrollee, except that the Secretary may waive this
14 requirement if—

15 (A) the enrollee chooses a vocational train-
16 ing program, or requires English as a second
17 language program, that is not available at such
18 center;

19 (B) the enrollee is an individual with a dis-
20 ability and may be better served at another cen-
21 ter;

22 (C) the enrollee would be unduly delayed in
23 participating in the Job Corps program because
24 the closest center is operating at full capacity;
25 or

1 (D) the parent or guardian of the enrollee
 2 requests assignment of the enrollee to another
 3 Job Corps center due to circumstances in the
 4 community of the enrollee that would impair
 5 prospects for successful participation in the Job
 6 Corps program.

7 (2) ENROLLEES WHO ARE YOUNGER THAN
 8 18.—An enrollee who is younger than 18 shall not
 9 be assigned to a Job Corps center other than the
 10 center closest to the home of the enrollee pursuant
 11 to paragraph (1) if the parent or guardian of the en-
 12 rollee objects to the assignment.

13 **SEC. 336. ENROLLMENT.**

14 (a) RELATIONSHIP BETWEEN ENROLLMENT AND
 15 MILITARY OBLIGATIONS.—Enrollment in the Job Corps
 16 shall not relieve any individual of obligations under the
 17 Military Selective Service Act (50 U.S.C. App. 451 et
 18 seq.).

19 (b) PERIOD OF ENROLLMENT.—No individual may
 20 be enrolled in the Job Corps for more than 2 years, ex-
 21 cept—

22 (1) in a case in which completion of an ad-
 23 vanced career training program under section 338(b)
 24 would require an individual to participate in the Job
 25 Corps for not more than 1 additional year; or

1 (2) as the Secretary may authorize in a special
2 ease.

3 **SEC. 337. JOB CORPS CENTERS.**

4 (a) OPERATORS AND SERVICE PROVIDERS.—

5 (1) ELIGIBLE ENTITIES.—

6 (A) OPERATORS.—The Secretary shall
7 enter into an agreement with a Federal, State,
8 or local agency, such as individuals participat-
9 ing in a statewide partnership or in a local
10 partnership or an agency that operates or wish-
11 es to develop an area vocational education
12 school facility or residential vocational school,
13 or with a private organization, for the operation
14 of each Job Corps center.

15 (B) PROVIDERS.—The Secretary may
16 enter into an agreement with a local entity to
17 provide activities described in this subtitle to
18 the Job Corps center.

19 (2) SELECTION PROCESS.—

20 (A) COMPETITIVE BASIS.—Except as pro-
21 vided in subsections (c) and (d) of section 303
22 of the Federal Property and Administrative
23 Services Act of 1949 (41 U.S.C. 253), the Sec-
24 retary shall select on a competitive basis an en-
25 tity to operate a Job Corps center and entities

1 to provide activities described in this subtitle to
2 the Job Corps center. In developing a solici-
3 tation for an operator or service provider, the
4 Secretary shall consult with the Governor for
5 the State in which the center is located, the in-
6 dustry council for the Job Corps center (if es-
7 tablished), and the applicable local partnership
8 regarding the contents of such solicitation, in-
9 cluding elements that will promote the consist-
10 ency of the activities carried out through the
11 center with the objectives set forth in the State
12 plan or in a local plan.

13 (B) RECOMMENDATIONS AND CONSIDER-
14 ATIONS.—

15 (i) OPERATORS.—In selecting an en-
16 tity to operate a Job Corps center, the
17 Secretary shall consider—

18 (I) the ability of the entity to co-
19 ordinate the activities carried out
20 through the Job Corps center with ac-
21 tivities carried out under the appro-
22 priate State plan and local plans;

23 (II) the degree to which the voca-
24 tional training that the entity pro-
25 poses for the center reflects local em-

1 employment opportunities in the local
 2 areas in which enrollees at the center
 3 intend to seek employment;

4 (III) the degree to which the en-
 5 tity is familiar with the surrounding
 6 communities, applicable one-stop cen-
 7 ters, and the State and region in
 8 which the center is located; and

9 (IV) the past performance of the
 10 entity, if any, relating to operating or
 11 providing activities described in this
 12 subtitle to a Job Corps center.

13 (ii) PROVIDERS.—In selecting a serv-
 14 ice provider for a Job Corps center, the
 15 Secretary shall consider the factors de-
 16 scribed in subclauses (I) through (IV) of
 17 clause (i), as appropriate.

18 (b) CHARACTER AND ACTIVITIES.—Job Corps cen-
 19 ters may be residential or nonresidential in character, and
 20 shall be designed and operated so as to provide enrollees,
 21 in a well-supervised setting, with access to activities de-
 22 scribed in this subtitle. In any year, no more than 20 per-
 23 cent of the individuals enrolled in the Job Corps may be
 24 nonresidential participants in the Job Corps.

25 (c) CIVILIAN CONSERVATION CENTERS.—

1 (1) IN GENERAL.—The Job Corps centers may
2 include Civilian Conservation Centers operated
3 under agreements with the Secretary of Agriculture
4 or the Secretary of the Interior, located primarily in
5 rural areas, which shall provide, in addition to other
6 vocational training and assistance, programs of work
7 experience to conserve, develop, or manage public
8 natural resources or public recreational areas or to
9 develop community projects in the public interest.

10 (2) SELECTION PROCESS.—The Secretary may
11 select an entity to operate a Civilian Conservation
12 Center on a competitive basis, as provided in sub-
13 section (a), if the center fails to meet such national
14 performance standards as the Secretary shall estab-
15 lish.

16 (d) INDIAN TRIBES.—

17 (1) GENERAL AUTHORITY.—The Secretary may
18 enter into agreements with Indian tribes to operate
19 Job Corps centers for Indians.

20 (2) DEFINITIONS.—In this subsection, the
21 terms “Indian” and “Indian tribe”, have the mean-
22 ings given such terms in subsections (d) and (e), re-
23 spectively, of section 4 of the Indian Self-Determina-
24 tion and Education Assistance Act (25 U.S.C.
25 450b).

1 **SEC. 338. PROGRAM ACTIVITIES.**

2 (a) **ACTIVITIES PROVIDED BY JOB CORPS CEN-**
3 **TERS.—**

4 (1) **IN GENERAL.—**Each Job Corps center shall
5 provide enrollees with an intensive, well organized,
6 and fully supervised program of education, voca-
7 tional training, work experience, recreational activi-
8 ties, and counseling. Each Job Corps center shall
9 provide enrollees assigned to the center with access
10 to core services described in subtitle A.

11 (2) **RELATIONSHIP TO OPPORTUNITIES.—**

12 (A) **IN GENERAL.—**The activities provided
13 under this subsection shall provide work-based
14 learning throughout the enrollment of the en-
15 rollees and assist the enrollees in obtaining
16 meaningful unsubsidized employment, partici-
17 pating in secondary education or postsecondary
18 education programs, enrolling in other suitable
19 vocational training programs, or satisfying
20 Armed Forces requirements, on completion of
21 their enrollment.

22 (B) **LINK TO EMPLOYMENT OPPORTUNI-**
23 **TIES.—**The vocational training provided shall
24 be linked to the employment opportunities in
25 the local area in which the enrollee intends to
26 seek employment after graduation.

1 (b) ~~ADVANCED CAREER TRAINING PROGRAMS.—~~

2 (1) ~~IN GENERAL.—~~The Secretary may arrange
3 for programs of advanced career training for se-
4 lected enrollees in which the enrollees may continue
5 to participate for a period of not to exceed 1 year
6 in addition to the period of participation to which
7 the enrollees would otherwise be limited. The ad-
8 vanced career training may be provided through the
9 eligible providers of training services identified by
10 the State involved under section 312.

11 (2) ~~BENEFITS.—~~

12 (A) ~~IN GENERAL.—~~During the period of
13 participation in an advanced career training
14 program, an enrollee shall be eligible for full
15 Job Corps benefits, or a monthly stipend equal
16 to the average value of the residential support,
17 food, allowances, and other benefits provided to
18 enrollees assigned to residential Job Corps cen-
19 ters.

20 (B) ~~CALCULATION.—~~The total amount for
21 which an enrollee shall be eligible under sub-
22 paragraph (A) shall be reduced by the amount
23 of any scholarship or other educational grant
24 assistance received by such enrollee for ad-
25 vanced career training.

1 (3) DEMONSTRATION.—Each year, any opera-
2 tor seeking to enroll additional enrollees in an ad-
3 vanced career training program shall demonstrate
4 that participants in such program have achieved a
5 reasonable rate of completion and placement in
6 training-related jobs before the operator may carry
7 out such additional enrollment.

8 (e) CONTINUED SERVICES.—The Secretary shall also
9 provide continued services to graduates, including provid-
10 ing counseling regarding the workplace for 12 months
11 after the date of graduation of the graduates. In selecting
12 a provider for such services, the Secretary shall give prior-
13 ity to one-stop partners.

14 **SEC. 339. COUNSELING AND JOB PLACEMENT.**

15 (a) COUNSELING AND TESTING.—The Secretary
16 shall arrange for counseling and testing for each enrollee
17 at regular intervals to measure progress in the education
18 and vocational training programs carried out through the
19 Job Corps.

20 (b) PLACEMENT.—The Secretary shall arrange for
21 counseling and testing for enrollees prior to their sched-
22 uled graduations to determine their capabilities and, based
23 on their capabilities, shall make every effort to arrange
24 to place the enrollees in jobs in the vocations for which
25 the enrollees are trained or to assist the enrollees in ob-

1 taining further activities described in this subtitle. In ar-
2 ranging for the placement of graduates in jobs, the Sec-
3 retary shall utilize the one-stop customer service system
4 to the fullest extent possible.

5 (c) STATUS AND PROGRESS.—The Secretary shall de-
6 termine the status and progress of enrollees scheduled for
7 graduation and make every effort to assure that their
8 needs for further activities described in this subtitle are
9 met.

10 **SEC. 340. SUPPORT.**

11 (a) PERSONAL ALLOWANCES.—The Secretary shall
12 provide enrollees assigned to Job Corps centers with such
13 personal allowances as the Secretary may determine to be
14 necessary or appropriate to meet the needs of the enroll-
15 ees.

16 (b) READJUSTMENT ALLOWANCES.—The Secretary
17 shall arrange for a readjustment allowance to be paid to
18 eligible former enrollees and graduates. The Secretary
19 shall arrange for the allowance to be paid at the one-stop
20 customer service center nearest to the home of such a
21 former enrollee or graduate who is returning home, or at
22 the one-stop customer service center nearest to the loca-
23 tion where the former enrollee or graduate has indicated
24 an intent to seek employment. If the Secretary uses any
25 organization, in lieu of a one-stop customer service center,

1 to provide placement services under this Act, the Secretary
 2 shall arrange for that organization to pay the readjust-
 3 ment allowance.

4 **SEC. 341. OPERATING PLAN.**

5 (a) IN GENERAL.—The provisions of the contract be-
 6 tween the Secretary and an entity selected to operate a
 7 Job Corps center shall, at a minimum, serve as an operat-
 8 ing plan for the Job Corps center.

9 (b) ADDITIONAL INFORMATION.—The Secretary may
 10 require the operator, in order to remain eligible to operate
 11 the Job Corps center, to submit such additional informa-
 12 tion as the Secretary may require, which shall be consid-
 13 ered part of the operating plan.

14 (c) AVAILABILITY.—The Secretary shall make the op-
 15 erating plan described in subsections (a) and (b), exclud-
 16 ing any proprietary information, available to the public.

17 **SEC. 342. STANDARDS OF CONDUCT.**

18 (a) PROVISION AND ENFORCEMENT.—The Secretary
 19 shall provide, and directors of Job Corps centers shall
 20 stringently enforce, standards of conduct within the cen-
 21 ters. Such standards of conduct shall include provisions
 22 forbidding the actions described in subsection (b)(2)(A).

23 (b) DISCIPLINARY MEASURES.—

24 (1) IN GENERAL.—To promote the proper
 25 moral and disciplinary conditions in the Job Corps,

1 the directors of Job Corps centers shall take appro-
2 priate disciplinary measures against enrollees. If
3 such a director determines that an enrollee has com-
4 mitted a violation of the standards of conduct, the
5 director shall dismiss the enrollee from the Job
6 Corps if the director determines that the retention
7 of the enrollee in the Job Corps will jeopardize the
8 enforcement of such standards or diminish the op-
9 portunities of other enrollees.

10 (2) ZERO TOLERANCE POLICY AND DRUG TEST-
11 ING.—

12 (A) GUIDELINES.—The Secretary shall
13 adopt guidelines establishing a zero tolerance
14 policy for an act of violence, for use, sale, or
15 possession of a controlled substance, for abuse
16 of alcohol, or for other illegal or disruptive ac-
17 tivity.

18 (B) DRUG TESTING.—The Secretary shall
19 require drug testing of all enrollees for con-
20 trolled substances in accordance with proce-
21 dures prescribed by the Secretary under section
22 335(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.
3 802).

4 (ii) ZERO TOLERANCE POLICY.—The
5 term “zero tolerance policy” means a pol-
6 icy under which an enrollee shall be auto-
7 matically dismissed from the Job Corps
8 after a determination by the director that
9 the enrollee has carried out an action de-
10 scribed in subparagraph (A).

11 (e) APPEAL.—A disciplinary measure taken by a di-
12 rector under this section shall be subject to expeditious
13 appeal in accordance with procedures established by the
14 Secretary.

15 **SEC. 343. COMMUNITY PARTICIPATION.**

16 (a) BUSINESS AND COMMUNITY LIAISON.—Each Job
17 Corps center shall have a Business and Community Liai-
18 son (referred to in this Act as a “Liaison”); designated
19 by the director of the center.

20 (b) RESPONSIBILITIES.—The responsibilities of the
21 Liaison shall include—

22 (1) establishing and developing relationships
23 and networks with—

24 (A) local and (in the case of rural or re-
25 mote sites) distant employers; and

1 ~~(B)~~ applicable one-stop customer service
 2 centers and applicable local partnerships,
 3 for the purpose of providing job opportunities for
 4 Job Corps graduates; and

5 ~~(2)~~ establishing and developing relationships
 6 with members of the community in which the Job
 7 Corps center is located, informing members of the
 8 community about the projects of the Job Corps cen-
 9 ter and changes in the rules, procedures, or activities
 10 of the center that may affect the community, and
 11 planning events of mutual interest to the community
 12 and the Job Corps center.

13 ~~(c) NEW CENTERS.~~—The Liaison for a Job Corps
 14 center that is not yet operating shall establish and develop
 15 the relationships and networks described in subsection ~~(b)~~
 16 at least ~~3~~ months prior to the date on which the center
 17 accepts the first enrollee at the center.

18 **SEC. 344. INDUSTRY COUNCILS.**

19 ~~(a) IN GENERAL.~~—Each Job Corps center shall have
 20 an industry council, appointed by the director of the center
 21 after consultation with the Liaison, in accordance with
 22 procedures established by the Secretary.

23 ~~(b) INDUSTRY COUNCIL COMPOSITION.~~—

24 ~~(1) IN GENERAL.~~—An industry council shall be
 25 comprised of—

1 (A) a majority of members who shall be
2 local and (in the case of rural or remote sites)
3 distant owners of business concerns, chief ex-
4 ecutives or chief operating officers of non-
5 governmental employers, or other private sector
6 employers, who—

7 (i) have substantial management, hir-
8 ing, or policy responsibility; and

9 (ii) who represent businesses with em-
10 ployment opportunities that reflect the em-
11 ployment opportunities of the applicable
12 local area; and

13 (B) representatives of labor organizations
14 (where present) and representatives of employ-
15 ees.

16 (2) LOCAL PARTNERSHIP.—The industry coun-
17 cil may include members of the applicable local part-
18 nerships who meet the requirements described in
19 paragraph (1).

20 (c) RESPONSIBILITIES.—The responsibilities of the
21 industry council shall be—

22 (1) to work closely with all applicable local part-
23 nerships in order to determine, and recommend to
24 the Secretary, appropriate vocational training for the
25 center;

1 (2) to review all the relevant labor market in-
2 formation to—

3 (A) determine the employment opportuni-
4 ties in the local areas in which the enrollees in-
5 tend to seek employment after graduation;

6 (B) determine the skills and education that
7 are necessary to obtain the employment oppor-
8 tunities; and

9 (C) recommend to the Secretary the type
10 of vocational training that should be imple-
11 mented at the center to enable the enrollees to
12 obtain the employment opportunities; and

13 (3) to meet at least once every 6 months to re-
14 evaluate the labor market information, and other rel-
15 evant information, to determine, and recommend to
16 the Secretary, any necessary changes in the voca-
17 tional training provided at the center.

18 (d) **NEW CENTERS.**—The industry council for a Job
19 Corps center that is not yet operating shall carry out the
20 responsibilities described in subsection (c) at least 3
21 months prior to the date on which the center accepts the
22 first enrollee at the center.

23 **SEC. 345. ADVISORY COMMITTEES.**

24 The Secretary may establish and use advisory com-
25 mittees in connection with the operation of the Job Corps

1 program, and the operation of Job Corps centers, when-
2 ever the Secretary determines that the availability of out-
3 side advice and counsel on a regular basis would be of
4 substantial benefit in identifying and overcoming prob-
5 lems, in planning program or center development, or in
6 strengthening relationships between the Job Corps and
7 agencies, institutions, or groups engaged in related activi-
8 ties.

9 **SEC. 346. EXPERIMENTAL, RESEARCH, AND DEMONSTRA-**
10 **TION PROJECTS.**

11 The Secretary may carry out experimental, research,
12 or demonstration projects relating to carrying out the Job
13 Corps program and may waive any provision of this sub-
14 title that the Secretary finds would prevent the Secretary
15 from carrying out the projects.

16 **SEC. 347. APPLICATION OF PROVISIONS OF FEDERAL LAW.**

17 (a) **ENROLLEES NOT CONSIDERED TO BE FEDERAL**
18 **EMPLOYEES.—**

19 (1) **IN GENERAL.—**Except as otherwise pro-
20 vided in this subsection and in section 8143(a) of
21 title 5, United States Code, enrollees shall not be
22 considered to be Federal employees and shall not be
23 subject to the provisions of law relating to Federal
24 employment, including such provisions regarding
25 hours of work, rates of compensation, leave, unem-

1 employment compensation, and Federal employee bene-
2 fits.

3 ~~(2) PROVISIONS RELATING TO TAXES AND SO-~~
4 ~~CIAL SECURITY BENEFITS.—~~For purposes of the In-
5 ternal Revenue Code of 1986 and title II of the So-
6 cial Security Act (42 U.S.C. 401 et seq.), enrollees
7 shall be deemed to be employees of the United
8 States and any service performed by an individual as
9 an enrollee shall be deemed to be performed in the
10 employ of the United States.

11 ~~(3) PROVISIONS RELATING TO COMPENSATION~~
12 ~~TO FEDERAL EMPLOYEES FOR WORK INJURIES.—~~
13 For purposes of subchapter I of chapter 81 of title
14 5, United States Code (relating to compensation to
15 Federal employees for work injuries), enrollees shall
16 be deemed to be civil employees of the Government
17 of the United States within the meaning of the term
18 “employee” as defined in section 8101 of title 5,
19 United States Code, and the provisions of such sub-
20 chapter shall apply as specified in section 8143(a) of
21 title 5, United States Code.

22 ~~(4) FEDERAL TORT CLAIMS PROVISIONS.—~~For
23 purposes of the Federal tort claims provisions in
24 title 28, United States Code, enrollees shall be con-
25 sidered to be employees of the Government.

1 (b) **ADJUSTMENTS AND SETTLEMENTS.**—Whenever
2 the Secretary finds a claim for damages to a person or
3 property resulting from the operation of the Job Corps
4 to be a proper charge against the United States, and the
5 claim is not cognizable under section 2672 of title 28,
6 United States Code, the Secretary may adjust and settle
7 the claim in an amount not exceeding \$1,500.

8 (c) **PERSONNEL OF THE UNIFORMED SERVICES.**—
9 Personnel of the uniformed services who are detailed or
10 assigned to duty in the performance of agreements made
11 by the Secretary for the support of the Job Corps shall
12 not be counted in computing strength under any law limit-
13 ing the strength of such services or in computing the per-
14 centage authorized by law for any grade in such services.

15 **SEC. 348. SPECIAL PROVISIONS.**

16 (a) **ENROLLMENT.**—The Secretary shall ensure that
17 women and men have an equal opportunity to participate
18 in the Job Corps program, consistent with section 335.

19 (b) **STUDIES, EVALUATIONS, PROPOSALS, AND**
20 **DATA.**—The Secretary shall assure that all studies, eval-
21 uations, proposals, and data produced or developed with
22 Federal funds in the course of carrying out the Job Corps
23 program shall become the property of the United States.

24 (c) **TRANSFER OF PROPERTY.**—

1 (1) ~~IN GENERAL.~~—Notwithstanding title II of
2 the Federal Property and Administrative Services
3 Act of 1949 (40 U.S.C. 481 et seq.) and any other
4 provision of law, the Secretary and the Secretary of
5 Education shall receive priority by the Secretary of
6 Defense for the direct transfer, on a nonreimburs-
7 able basis, of the property described in paragraph
8 (2) for use in carrying out programs under this Act
9 or under any other Act.

10 (2) ~~PROPERTY.~~—The property described in this
11 paragraph is real and personal property under the
12 control of the Department of Defense that is not
13 used by such Department, including property that
14 the Secretary of Defense determines is in excess of
15 current and projected requirements of such Depart-
16 ment.

17 (d) ~~GROSS RECEIPTS.~~—Transactions conducted by a
18 private for-profit or nonprofit entity that is an operator
19 or service provider for a Job Corps center shall not be
20 considered to be generating gross receipts. Such an opera-
21 tor or service provider shall not be liable, directly or indi-
22 rectly, to any State or subdivision of a State (nor to any
23 person acting on behalf of such a State or subdivision)
24 for any gross receipts taxes, business privilege taxes meas-
25 ured by gross receipts, or any similar taxes imposed on,

1 or measured by, gross receipts in connection with any pay-
2 ments made to or by such entity for operating or providing
3 services to a Job Corps center. Such an operator or service
4 provider shall not be liable to any State or subdivision of
5 a State to collect or pay any sales, excise, use, or similar
6 tax imposed on the sale to or use by such operator or serv-
7 ice provider of any property, service, or other item in con-
8 nection with the operation of or provision of services to
9 a Job Corps center.

10 (e) MANAGEMENT FEE.—The Secretary shall provide
11 each operator and (in an appropriate case, as determined
12 by the Secretary) service provider with an equitable and
13 negotiated management fee of not less than 1 percent of
14 the amount of the funding provided under the appropriate
15 agreement specified in section 337.

16 (f) DONATIONS.—The Secretary may accept on be-
17 half of the Job Corps or individual Job Corps centers
18 charitable donations of cash or other assistance, including
19 equipment and materials, if such donations are available
20 for appropriate use for the purposes set forth in this sub-
21 title.

22 (g) SALE OF PROPERTY.—Notwithstanding any other
23 provision of law, if the Administrator of General Services
24 sells a Job Corps center facility, the Administrator shall

1 transfer the proceeds from the sale to the Secretary, who
2 shall use the proceeds to carry out the Job Corps program.

3 **SEC. 349. MANAGEMENT INFORMATION.**

4 (a) **FINANCIAL MANAGEMENT INFORMATION SYS-**
5 **TEM.—**

6 (1) **IN GENERAL.—**The Secretary shall establish
7 procedures to ensure that each operator, and each
8 service provider, maintains a financial management
9 information system that will provide—

10 (A) accurate, complete, and current disclo-
11 sures of the costs of Job Corps operations; and

12 (B) sufficient data for the effective evalua-
13 tion of activities carried out through the Job
14 Corps program.

15 (2) **ACCOUNTS.—**Each operator and service
16 provider shall maintain funds received under this
17 subtitle in accounts in a manner that ensures timely
18 and accurate reporting as required by the Secretary.

19 (3) **FISCAL RESPONSIBILITY.—**Operators shall
20 remain fiscally responsible and control costs, regard-
21 less of whether the funds made available for Job
22 Corps centers are incrementally increased or de-
23 creased between fiscal years.

24 (b) **AUDIT.—**

1 (1) ACCESS.—The Secretary, the Inspector
2 General of the Department of Labor, the Comptrol-
3 ler General of the United States, and any of their
4 duly authorized representatives, shall have access to
5 any books, documents, papers, and records of the
6 operators and service providers described in sub-
7 section (a) that are pertinent to the Job Corps pro-
8 gram, for purposes of conducting surveys, audits,
9 and evaluations of the operators and service provid-
10 ers.

11 (2) SURVEYS, AUDITS, AND EVALUATIONS.—
12 The Secretary shall survey, audit, or evaluate, or ar-
13 range for the survey, audit, or evaluation of, the op-
14 erators and service providers, using Federal auditors
15 or independent public accountants. The Secretary
16 shall conduct such surveys, audits, or evaluations
17 not less often than once every 3 years.

18 (c) INFORMATION ON CORE PERFORMANCE MEAS-
19 URES.—

20 (1) ESTABLISHMENT.—The Secretary shall,
21 with continuity and consistency from year to year,
22 establish core performance measures, and expected
23 performance levels on the performance measures, for
24 Job Corps centers and the Job Corps program, re-
25 lating to—

1 (A) the number of graduates and the rate
2 of such graduation, analyzed by type of voca-
3 tional training received through the Job Corps
4 program and by whether the vocational training
5 was provided by a local or national service pro-
6 vider;

7 (B) the number of graduates who entered
8 unsubsidized employment related to the voca-
9 tional training received through the Job Corps
10 program and the number who entered
11 unsubsidized employment not related to the vo-
12 cational training received, analyzed by whether
13 the vocational training was provided by a local
14 or national service provider and by whether the
15 placement in the employment was conducted by
16 a local or national service provider;

17 (C) the average wage received by graduates
18 who entered unsubsidized employment related
19 to the vocational training received through the
20 Job Corps program and the average wage re-
21 ceived by graduates who entered unsubsidized
22 employment unrelated to the vocational training
23 received;

1 (D) the average wage received by grad-
 2 uates placed in unsubsidized employment after
 3 completion of the Job Corps program—

4 (i) on the first day of the employment;

5 (ii) 6 months after the first day of the
 6 employment; and

7 (iii) 12 months after the first day of
 8 the employment,

9 analyzed by type of vocational training received
 10 through the Job Corps program;

11 (E) the number of graduates who entered
 12 unsubsidized employment and were retained in
 13 the unsubsidized employment—

14 (i) 6 months after completion of the
 15 Job Corps program; and

16 (ii) 12 months after completion of the
 17 Job Corps program;

18 (F) the number of graduates who entered
 19 unsubsidized employment—

20 (i) for 32 hours per week or more;

21 (ii) for not less than 20 but less than
 22 32 hours per week; and

23 (iii) for less than 20 hours per week;

24 (G) the number of graduates who entered
 25 postsecondary education or advanced training

1 programs, including registered apprenticeship
2 programs, as appropriate; and

3 (H) the number of graduates who attained
4 job readiness and employment skills.

5 (2) PERFORMANCE OF RECRUITERS.—The Sec-
6 retary shall also establish performance measures,
7 and expected performance levels on the performance
8 measures, for local and national recruitment service
9 providers serving the Job Corps program. The per-
10 formance measures shall relate to the number of en-
11 rollees retained in the Job Corps program for 30
12 days and for 60 days after initial placement in the
13 program.

14 (3) REPORT.—The Secretary shall collect, and
15 annually submit a report to the appropriate commit-
16 tees of Congress containing, information on the per-
17 formance of each Job Corps center, and the Job
18 Corps program, on the core performance measures,
19 as compared to the expected performance level for
20 each performance measure. The report shall also
21 contain information on the performance of the serv-
22 ice providers described in paragraph (2) on the per-
23 formance measures established under such para-
24 graph, as compared to the expected performance lev-
25 els for the performance measures.

1 (d) ~~ADDITIONAL INFORMATION.~~—The Secretary shall
2 also collect, and submit in the report described in sub-
3 section (c), information on the performance of each Job
4 Corps center, and the Job Corps program, regarding—

5 (1) the number of enrollees served;

6 (2) the average level of learning gains for grad-
7 uates and former enrollees;

8 (3) the number of former enrollees and grad-
9 uates who entered the Armed Forces;

10 (4) the number of former enrollees who entered
11 postsecondary education;

12 (5) the number of former enrollees who entered
13 unsubsidized employment related to the vocational
14 training received through the Job Corps program
15 and the number who entered unsubsidized employ-
16 ment not related to the vocational training received;

17 (6) the number of former enrollees and grad-
18 uates who obtained a secondary school diploma or its
19 recognized equivalent;

20 (7) the number and percentage of dropouts
21 from the Job Corps program including the number
22 dismissed under the zero tolerance policy described
23 in section 342(b); and

24 (8) any additional information required by Sec-
25 retary.

1 (e) METHODS.—The Secretary may, to collect the in-
2 formation described in subsections (c) and (d), use meth-
3 ods described in subtitle A.

4 (f) PERFORMANCE ASSESSMENTS AND IMPROVE-
5 MENTS.—

6 (1) ASSESSMENTS.—The Secretary shall con-
7 duct an annual assessment of the performance of
8 each Job Corps center. Based on the assessment, the
9 Secretary shall take measures to continuously im-
10 prove the performance of the Job Corps program.

11 (2) PERFORMANCE IMPROVEMENT PLANS.—
12 With respect to a Job Corps center that fails to
13 meet the expected levels of performance relating to
14 the core performance measures specified in sub-
15 section (c), the Secretary shall develop and imple-
16 ment a performance improvement plan. Such a plan
17 shall require action including—

18 (A) providing technical assistance to the
19 center;

20 (B) changing the vocational training of-
21 fered at the center;

22 (C) changing the management staff of the
23 center;

24 (D) replacing the operator of the center;

25 (E) reducing the capacity of the center;

1 (F) relocating the center; or

2 (G) closing the center.

3 (3) ~~ADDITIONAL PERFORMANCE IMPROVEMENT~~

4 PLANS.—In addition to the performance improve-
5 ment plans required under paragraph (2), the Sec-
6 retary may develop and implement additional per-
7 formance improvement plans. Such a plan shall re-
8 quire improvements, including the actions described
9 in paragraph (2), for a Job Corps center that fails
10 to meet criteria established by the Secretary other
11 than the expected levels of performance described in
12 paragraph (2).

13 **SEC. 350. GENERAL PROVISIONS.**

14 The Secretary is authorized to—

15 (1) disseminate, with regard to the provisions of
16 section 3204 of title 39, United States Code, data
17 and information in such forms as the Secretary shall
18 determine to be appropriate, to public agencies, pri-
19 vate organizations, and the general public;

20 (2) subject to section 347(b), collect or com-
21 promise all obligations to or held by the Secretary
22 and exercise all legal or equitable rights accruing to
23 the Secretary in connection with the payment of ob-
24 ligations until such time as such obligations may be

1 referred to the Attorney General for suit or collec-
2 tion; and

3 ~~(3)~~ expend funds made available for purposes of
4 this subtitle—

5 (A) for printing and binding, in accordance
6 with applicable law (including regulation); and

7 (B) without regard to any other law (in-
8 cluding regulation), for rent of buildings and
9 space in buildings and for repair, alteration,
10 and improvement of buildings and space in
11 buildings rented by the Secretary, except that
12 the Secretary shall not expend funds under the
13 authority of this subparagraph—

14 (i) except when necessary to obtain an
15 item, service, or facility, that is required in
16 the proper administration of this subtitle,
17 and that otherwise could not be obtained,
18 or could not be obtained in the quantity or
19 quality needed, or at the time, in the form,
20 or under the conditions in which the item,
21 service, or facility is needed; and

22 (ii) prior to having given written noti-
23 fication to the Administrator of General
24 Services (if the expenditure would affect an
25 activity that otherwise would be under the

1 jurisdiction of the General Services Admin-
2 istration) of the intention of the Secretary
3 to make the expenditure, and the reasons
4 and justifications for the expenditure.

5 **SEC. 351. AUTHORIZATION OF APPROPRIATIONS.**

6 There are authorized to be appropriated to carry out
7 this subtitle such sums as may be necessary for each of
8 the fiscal years 1999 through 2003.

9 **Subtitle C—National Programs**

10 **SEC. 361. NATIVE AMERICAN PROGRAMS.**

11 (a) **PURPOSE AND POLICY.**—

12 (1) **PURPOSE.**—The purpose of this section is
13 to support workforce investment activities and sup-
14 plemental services for Indian and Native Hawaiian
15 individuals in order—

16 (A) to develop more fully the academic, oc-
17 cupational, and literacy skills of such individ-
18 uals;

19 (B) to make such individuals more com-
20 petitive in the workforce; and

21 (C) to promote the economic and social de-
22 velopment of Indian and Native Hawaiian com-
23 munities in accordance with the goals and val-
24 ues of such communities.

1 (2) INDIAN POLICY.—All programs assisted
2 under this section shall be administered in a manner
3 consistent with the principles of the Indian Self-Determination and Education Assistance Act (25
4 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government
5 and Indian tribal governments.
6

7 (b) DEFINITIONS.—In this section:

8 (1) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms “Indian”, “Indian tribe”,
9 and “tribal organization” have the meanings given
10 such terms in subsections (d), (e), and (f), respectively, of section 4 of the Indian Self-Determination
11 and Education Assistance Act (25 U.S.C. 450b).
12

13 (2) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms “Native Hawaiian” and
14 “Native Hawaiian organization” have the meanings
15 given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education
16 Act (20 U.S.C. 7912).
17

18 (c) PROGRAMS AUTHORIZED.—The Secretary shall
19 make grants to, or enter into contracts or cooperative
20 agreements with, Indian tribes, tribal organizations, Indian-controlled organizations serving Indians, or Native
21
22
23
24

1 Hawaiian organizations to carry out the authorized activi-
 2 ties described in subsection (d).

3 ~~(d) AUTHORIZED ACTIVITIES.—~~

4 ~~(1) IN GENERAL.—~~Funds made available under
 5 this section shall be used to carry out the activities
 6 described in paragraph ~~(2)~~ that—

7 ~~(A)~~ are consistent with this section; and

8 ~~(B)~~ are necessary to meet the needs of In-
 9 dians or Native Hawaiians preparing to enter,
 10 reenter, or retain unsubsidized employment.

11 ~~(2) WORKFORCE INVESTMENT ACTIVITIES AND~~
 12 ~~SUPPLEMENTAL SERVICES.—~~

13 ~~(A) IN GENERAL.—~~Funds made available
 14 under this section shall be used for—

15 ~~(i)~~ building a comprehensive facility to
 16 be utilized by American Samoans residing
 17 in Hawaii for the co-location of federally
 18 funded and State funded workforce invest-
 19 ment activities;

20 ~~(ii)~~ comprehensive workforce invest-
 21 ment activities for Indians or Native Ha-
 22 waiians; or

23 ~~(iii)~~ supplemental services for Indian
 24 or Native Hawaiian youth on or near In-

1 dian reservations and in Oklahoma, Alas-
2 ka, or Hawaii.

3 ~~(B) SPECIAL RULE.~~—Notwithstanding any
4 other provision of this section, individuals who
5 were eligible to participate in programs under
6 section 401 of the Job Training Partnership
7 Act (~~29 U.S.C. 1671~~) (as such section was in
8 effect on the day before the date of enactment
9 of this Act) shall be eligible to participate in an
10 activity assisted under subparagraph ~~(A)(i)~~.

11 ~~(e) PROGRAM PLAN.~~—In order to receive a grant or
12 enter into a contract or cooperative agreement under this
13 section an entity described in subsection ~~(e)~~ shall submit
14 to the Secretary a plan that describes a 2-year strategy
15 for meeting the needs of Indian or Native Hawaiian indi-
16 viduals, as appropriate, in the area served by such entity.
17 Such plan shall—

18 ~~(1)~~ be consistent with the purpose of this sec-
19 tion;

20 ~~(2)~~ identify the population to be served;

21 ~~(3)~~ identify the education and employment
22 needs of the population to be served and the manner
23 in which the activities to be provided will strengthen
24 the ability of the individuals served to obtain or re-
25 tain unsubsidized employment;

1 (4) describe the activities to be provided and
2 the manner in which such activities are to be inte-
3 grated with other appropriate activities; and

4 (5) describe, after the entity submitting the
5 plan consults with the Secretary, the performance
6 measures to be used to assess the performance of
7 entities in carrying out the activities assisted under
8 this section.

9 (f) CONSOLIDATION OF FUNDS.—Each entity receiv-
10 ing assistance under this section may consolidate such as-
11 sistance with assistance received from related programs in
12 accordance with the provisions of the Indian Employment,
13 Training and Related Services Demonstration Act of 1992
14 (25 U.S.C. 3401 et seq.).

15 (g) NONDUPLICATIVE AND NONEXCLUSIVE SERV-
16 ICES.—Nothing in this section shall be construed—

17 (1) to limit the eligibility of any entity de-
18 scribed in subsection (e) to participate in any activ-
19 ity offered by a State or local entity under this Act;
20 or

21 (2) to preclude or discourage any agreement,
22 between any entity described in subsection (e) and
23 any State or local entity, to facilitate the provision
24 of services by such entity or to the population served
25 by such entity.

1 (h) ADMINISTRATIVE PROVISIONS.—

2 (1) ORGANIZATIONAL UNIT ESTABLISHED.—

3 The Secretary shall designate a single organizational
4 unit within the Department of Labor that shall have
5 primary responsibility for the administration of the
6 activities authorized under this section.

7 (2) REGULATIONS.—The Secretary shall con-
8 sult with the entities described in subsection (e) in—

9 (A) establishing regulations to carry out
10 this section, including performance measures
11 for entities receiving assistance under such sub-
12 section, taking into account the economic cir-
13 cumstances of such entities; and

14 (B) developing a funding distribution plan
15 that takes into consideration previous levels of
16 funding (prior to the date of enactment of this
17 Act) to such entities.

18 (3) WAIVERS.—

19 (A) IN GENERAL.—With respect to an en-
20 tity described in subsection (e), the Secretary,
21 notwithstanding any other provision of law,
22 may, pursuant to a request submitted by such
23 entity that meets the requirements established
24 under paragraph (2), waive any of the statutory
25 or regulatory requirements of this title that are

1 inconsistent with the specific needs of the enti-
2 ties described in such subsection, except that
3 the Secretary may not waive requirements relat-
4 ing to wage and labor standards, worker rights,
5 participation and protection of participants,
6 grievance procedures, and judicial review.

7 (B) REQUEST AND APPROVAL.—An entity
8 described in subsection (c) that requests a wai-
9 ver under subparagraph (A) shall submit a plan
10 to the Secretary to improve the program of
11 workforce investment activities carried out by
12 the entity, which plan shall meet the require-
13 ments established by the Secretary and shall be
14 generally consistent with the requirements of
15 section 379(i)(3).

16 (4) ADVISORY COUNCIL.—

17 (A) IN GENERAL.—The Secretary shall es-
18 tablish a Native American Employment and
19 Training Council to facilitate the consultation
20 described in paragraph (2).

21 (B) COMPOSITION.—The Council shall be
22 composed of individuals, appointed by the Sec-
23 retary, who are representatives of the entities
24 described in subsection (c).

1 (C) DUTIES.—The Council shall advise the
2 Secretary on all aspects of the operation and
3 administration of the programs assisted under
4 this section, including the selection of the indi-
5 vidual appointed as the head of the unit estab-
6 lished under paragraph (1).

7 (D) PERSONNEL MATTERS.—

8 (i) COMPENSATION OF MEMBERS.—
9 Members of the Council shall serve without
10 compensation.

11 (ii) TRAVEL EXPENSES.—The mem-
12 bers of the Council shall be allowed travel
13 expenses, including per diem in lieu of sub-
14 sistence, at rates authorized for employees
15 of agencies under subchapter I of chapter
16 57 of title 5, United States Code, while
17 away from their homes or regular places of
18 business in the performance of services for
19 the Council.

20 (iii) ADMINISTRATIVE SUPPORT.—The
21 Secretary shall provide the Council with
22 such administrative support as may be nec-
23 essary to perform the functions of the
24 Council.

1 (E) CHAIRPERSON.—The Council shall se-
2 lect a chairperson from among its members.

3 (F) MEETINGS.—The Council shall meet
4 not less than twice each year.

5 (G) APPLICATION.—Section 14 of the Fed-
6 eral Advisory Committee Act (5 U.S.C. App.)
7 shall not apply to the Council.

8 (5) TECHNICAL ASSISTANCE.—The Secretary,
9 acting through the unit established under paragraph
10 (1), is authorized to provide technical assistance to
11 entities described in subsection (c) that receive as-
12 sistance under this section to enable such entities to
13 improve the activities authorized under this section
14 that are provided by such entities.

15 **SEC. 362. MIGRANT AND SEASONAL FARMWORKER PRO-**
16 **GRAMS.**

17 (a) IN GENERAL.—Every 2 years, the Secretary
18 shall, on a competitive basis, make grants to, or enter into
19 contracts with, eligible entities to carry out the activities
20 described in subsection (d).

21 (b) ELIGIBLE ENTITIES.—To be eligible to receive a
22 grant or enter into a contract under this section, an entity
23 shall have an understanding of the problems of eligible mi-
24 grant and seasonal farmworkers (including dependents),
25 a familiarity with the area to be served, and the ability

1 to demonstrate a capacity to administer effectively a diver-
2 sified program of workforce investment activities (includ-
3 ing youth activities) and related assistance for eligible mi-
4 grant and seasonal farmworkers.

5 (c) PROGRAM PLAN.—

6 (1) IN GENERAL.—To be eligible to receive a
7 grant or enter into a contract under this section, an
8 entity described in subsection (b) shall submit to the
9 Secretary a plan that describes a 2-year strategy for
10 meeting the needs of eligible migrant and seasonal
11 farmworkers in the area to be served by such entity.

12 (2) ADMINISTRATION.—Grants and contracts
13 awarded under this section shall be centrally admin-
14 istered by the Department of Labor and competi-
15 tively awarded by the Secretary using procedures
16 consistent with standard Federal Government com-
17 petitive procurement policies.

18 (3) COMPETITION.—

19 (A) IN GENERAL.—The competition for
20 grants made and contracts entered into under
21 this section shall be conducted every 2 years.

22 (B) EXCEPTION.—Notwithstanding sub-
23 paragraph (A), if a recipient of such a grant or
24 contract has performed satisfactorily under the
25 terms of the grant agreement or contract, the

1 Secretary may waive the requirement for such
2 competition for such recipient upon receipt
3 from the recipient of a satisfactory 2-year plan
4 described in paragraph (1) for the succeeding
5 2-year grant or contract period.

6 (4) CONTENTS.—Such plan shall—

7 (A) identify the education and employment
8 needs of the eligible migrant and seasonal farm-
9 workers to be served and the manner in which
10 the workforce investment activities (including
11 youth activities) to be carried out will strength-
12 en the ability of the eligible migrant and sea-
13 sonal farmworkers to obtain or retain
14 unsubsidized employment or stabilize their
15 unsubsidized employment;

16 (B) describe the related assistance, includ-
17 ing supportive services, to be provided and the
18 manner in which such assistance and services
19 are to be integrated and coordinated with other
20 appropriate services; and

21 (C) describe, after consultation with the
22 Secretary, the performance measures to be used
23 to assess the performance of such entity in car-
24 rying out the activities assisted under this sec-
25 tion.

1 (d) AUTHORIZED ACTIVITIES.—Funds made avail-
2 able under this section shall be used to carry out workforce
3 investment activities (including youth activities) and pro-
4 vide related assistance for eligible migrant and seasonal
5 farmworkers, which may include employment, training,
6 educational assistance, literacy assistance, an English lan-
7 guage program, worker safety training, supportive serv-
8 ices, dropout prevention activities, follow-up services for
9 those individuals placed in employment, self-employment
10 and related business enterprise development education as
11 needed by eligible migrant and seasonal farmworkers and
12 identified pursuant to the plan required by subsection (c),
13 and technical assistance relating to capacity enhancement
14 in such areas as management information technology.

15 (e) CONSULTATION WITH GOVERNORS AND LOCAL
16 PARTNERSHIPS.—In making grants and entering into con-
17 tracts under this section, the Secretary shall consult with
18 the Governors and local partnerships of the States in
19 which the eligible entities will carry out the activities de-
20 scribed in subsection (d).

21 (f) REGULATIONS.—The Secretary shall consult with
22 eligible migrant and seasonal farmworkers groups and
23 States in establishing regulations to carry out this section,
24 including performance measures for eligible entities that

1 take into account the economic circumstances and demo-
 2 graphics of eligible migrant and seasonal farmworkers.

3 (g) DEFINITIONS.—In this section:

4 (1) DISADVANTAGED.—The term “disadvan-
 5 taged”, used with respect to a farmworker, means a
 6 farmworker whose income, for 12 consecutive
 7 months out of the 24 months prior to application for
 8 the program involved, does not exceed the higher
 9 of—

10 (A) the poverty line (as defined in section
 11 334(a)(2)(B)) for an equivalent period; or

12 (B) 70 percent of the lower living standard
 13 income level, for an equivalent period.

14 (2) ELIGIBLE MIGRANT AND SEASONAL FARM-
 15 WORKERS.—The term “eligible migrant and seasonal
 16 farmworkers” means individuals who are eligible mi-
 17 grant farmworkers or are eligible seasonal farm-
 18 workers.

19 (3) ELIGIBLE MIGRANT FARMWORKER.—The
 20 term “eligible migrant farmworker” means—

21 (A) an eligible seasonal farmworker de-
 22 scribed in paragraph (4)(A) whose agricultural
 23 labor requires travel to a job site such that the
 24 farmworker is unable to return to a permanent
 25 place of residence within the same day; and

1 ~~(B)~~ a dependent of the farmworker de-
2 scribed in subparagraph ~~(A)~~.

3 ~~(4) ELIGIBLE SEASONAL FARMWORKER.~~—The
4 term “eligible seasonal farmworker” means—

5 ~~(A)~~ a disadvantaged person who, for 12
6 consecutive months out of the 24 months prior
7 to application for the program involved, has
8 been primarily employed in agricultural labor
9 that is characterized by chronic unemployment
10 or underemployment; and

11 ~~(B)~~ a dependent of the person described in
12 subparagraph ~~(A)~~.

13 **SEC. 363. VETERANS’ WORKFORCE INVESTMENT PRO-**
14 **GRAMS.**

15 ~~(a) AUTHORIZATION.~~—

16 ~~(1) IN GENERAL.~~—The Secretary shall conduct,
17 directly or through grants or contracts, programs to
18 meet the needs for workforce investment activities of
19 service-connected disabled veterans, Vietnam era vet-
20 erans, and recently separated veterans.

21 ~~(2) CONDUCT OF PROGRAMS.~~—Programs sup-
22 ported under this section may be conducted through
23 grants and contracts with public agencies and pri-
24 vate nonprofit organizations, including recipients of
25 Federal assistance under other provisions of this

1 title, that the Secretary determines have an under-
2 standing of the unemployment problems of veterans
3 described in paragraph (1), familiarity with the area
4 to be served, and the capability to administer effec-
5 tively a program of workforce investment activities
6 for such veterans.

7 (3) REQUIRED ACTIVITIES.—Programs sup-
8 ported under this section shall include—

9 (A) activities to enhance services provided
10 to veterans by other providers of workforce in-
11 vestment activities funded by Federal, State, or
12 local government;

13 (B) activities to provide workforce invest-
14 ment activities to such veterans that are not
15 adequately provided by other public providers of
16 workforce investment activities; and

17 (C) outreach and public information activi-
18 ties to develop and promote maximum job and
19 job training opportunities for such veterans and
20 to inform such veterans about employment, job
21 training, on-the-job training and educational
22 opportunities under this title, under title 38,
23 United States Code, and under other provisions
24 of law, which activities shall be coordinated with

1 activities provided through the one-stop cus-
2 tomer service centers.

3 ~~(b) ADMINISTRATION OF PROGRAMS.—~~

4 ~~(1) IN GENERAL.—~~The Secretary shall admin-
5 ister programs supported under this section through
6 the Assistant Secretary for Veterans' Employment
7 and Training.

8 ~~(2) ADDITIONAL RESPONSIBILITIES.—~~In carry-
9 ing out responsibilities under this section, the Assist-
10 ant Secretary for Veterans' Employment and Train-
11 ing shall—

12 ~~(A)~~ be responsible for the awarding of
13 grants and contracts and the distribution of
14 funds under this section and for the establish-
15 ment of appropriate fiscal controls, accountabil-
16 ity, and program performance measures for re-
17 cipients of grants and contracts under this sec-
18 tion; and

19 ~~(B)~~ consult with the Secretary of Veterans
20 Affairs and take steps to ensure that programs
21 supported under this section are coordinated, to
22 the maximum extent feasible, with related pro-
23 grams and activities conducted under title 38,
24 United States Code, including programs and ac-
25 tivities conducted under subchapter II of chap-

1 ter 77 of such title, chapters 30, 31, 32, and
2 34 of such title, and sections 1712A, 1720A,
3 3687, and 4103A of such title.

4 **SEC. 364. YOUTH OPPORTUNITY GRANTS.**

5 (a) GRANTS.—

6 (1) IN GENERAL.—Using funds made available
7 under section 302(b)(3)(A), the Secretary shall
8 make grants to eligible local partnerships to provide
9 activities described in subsection (b) for youth to in-
10 crease the long-term employment of eligible youth
11 who live in empowerment zones, enterprise commu-
12 nities, and high poverty areas and who seek assist-
13 ance.

14 (2) GRANT PERIOD.—The Secretary may make
15 a grant under this section for a 1-year period, and
16 may renew the grant for each of the 4 succeeding
17 years.

18 (3) GRANT AWARDS.—The minimum amount
19 that may be made available to a grant recipient for
20 the first year of a grant made under this section
21 shall be \$10,000,000.

22 (b) USE OF FUNDS.—

23 (1) IN GENERAL.—A local partnership that re-
24 ceives a grant under this section shall use the funds
25 made available through the grant to provide activi-

1 ties that meet the requirements of section 316, ex-
 2 cept as provided in paragraph (2), as well as youth
 3 development activities such as activities relating to
 4 leadership development, citizenship, and community
 5 service, and recreation activities.

6 ~~(2) INTENSIVE PLACEMENT AND FOLLOWUP~~
 7 ~~SERVICES.—In providing activities under this sec-~~
 8 ~~tion, a local partnership shall provide—~~

9 ~~(A) intensive placement services; and~~

10 ~~(B) followup services for not less than 24~~
 11 ~~months after the completion of participation in~~
 12 ~~the other activities described in this subsection,~~
 13 ~~as appropriate.~~

14 ~~(c) ELIGIBLE LOCAL PARTNERSHIPS.—To be eligible~~
 15 ~~to receive a grant under this section, a local partnership—~~

16 ~~(1) shall serve a community that—~~

17 ~~(A) has a population of at least 50,000;~~

18 ~~and~~

19 ~~(B) has been designated as an~~
 20 ~~empowerment zone or an enterprise community~~
 21 ~~under section 1391 of the Internal Revenue~~
 22 ~~Code of 1986; or~~

23 ~~(2) in a State without a zone or community de-~~
 24 ~~scribed in paragraph (1)(B), shall serve a commu-~~

1 nity that has been designated as a high poverty area
2 by the Governor of the State.

3 (d) APPLICATION.—To be eligible to receive a grant
4 under this section, a local partnership shall submit an ap-
5 plication to the Secretary at such time, in such manner,
6 and containing such information as the Secretary may re-
7 quire, including—

8 (1) a description of the activities that the local
9 partnership will provide under this section to youth
10 in the community described in subsection (c);

11 (2) a description of the performance measures
12 negotiated under subsection (c), and the manner in
13 which the local partnerships will carry out the activi-
14 ties to meet the performance measures;

15 (3) a description of the manner in which the ac-
16 tivities will be linked to activities described in section
17 316; and

18 (4) a description of the community support, in-
19 cluding financial support through leveraging addi-
20 tional public and private resources, for the activities.

21 (e) PERFORMANCE MEASURES.—

22 (1) IN GENERAL.—The Secretary shall nego-
23 tiate and reach agreement with the local partnership
24 on performance measures that will be used to evalu-
25 ate the performance of the local partnership in ear-

1 rying out the activities described in subsection (b).
 2 Each local performance measure shall consist of an
 3 indicator of performance referred to in paragraph
 4 (2) or (3) of section 321(a), and a performance level
 5 referred to in paragraph (2).

6 (2) PERFORMANCE LEVELS.—The Secretary
 7 shall negotiate and reach agreement with the local
 8 partnership regarding the levels of performance ex-
 9 pected to be achieved for the local partnership on
 10 the indicators of performance.

11 **SEC. 365. INCENTIVE GRANTS.**

12 (a) IN GENERAL.—The Secretary may make grants
 13 to States that exceed—

14 (1) the State performance measures established
 15 by the Secretary of Education under this Act; and

16 (2) the State performance measures established
 17 under this title.

18 (b) PRIORITY.—In awarding incentive grants under
 19 this section, the Secretary shall give priority to those
 20 States submitting a State unified plan as described in sec-
 21 tion 501 that is approved by the appropriate Secretaries
 22 as described in such section.

23 (c) USE OF FUNDS.—A State that receives an incen-
 24 tive grant under this section shall use the funds made

1 available through the grant to carry out innovative pro-
2 grams as determined by the State.

3 **SEC. 366. TECHNICAL ASSISTANCE.**

4 (a) **TRANSITION ASSISTANCE.**—The Secretary shall
5 provide technical assistance to assist States in making
6 transitions from carrying out activities under provisions
7 described in section 391 to carrying out activities under
8 this title.

9 (b) **PERFORMANCE IMPROVEMENT.**—

10 (1) **GENERAL ASSISTANCE.**—

11 (A) **AUTHORITY.**—The Secretary—

12 (i) shall provide technical assistance
13 to States that do not meet a State per-
14 formance measure described in section
15 321(a) for a program year; and

16 (ii) may provide technical assistance
17 to other States, local areas, and grant re-
18 cipients under sections 361 and 362 to
19 promote the continuous improvement of
20 the programs and activities authorized
21 under this title.

22 (B) **FORM OF ASSISTANCE.**—In carrying
23 out this paragraph on behalf of a State, or
24 grant recipient under section 361 or 362, the
25 Secretary, after consultation with the State or

1 grant recipient, may award grants and enter
2 into contracts and cooperative agreements.

3 (C) LIMITATION.—Grants or contracts
4 awarded under this paragraph that are for
5 amounts in excess of \$50,000 shall only be
6 awarded on a competitive basis.

7 (2) DISLOCATED WORKER TECHNICAL ASSIST-
8 ANCE.—

9 (A) AUTHORITY.—Of the amounts avail-
10 able pursuant to section 302(a)(2), the Sec-
11 retary shall reserve not more than 5 percent of
12 such amounts to provide technical assistance to
13 States that do not meet the State performance
14 measures described in section 321(a) with re-
15 spect to employment and training activities for
16 dislocated workers. Using such reserved funds,
17 the Secretary may provide such assistance to
18 other States, local areas, business and labor or-
19 ganizations, and other entities involved in pro-
20 viding assistance to dislocated workers, to pro-
21 mote the continuous improvement of assistance
22 provided to dislocated workers, under this title.

23 (B) TRAINING.—Amounts reserved under
24 this paragraph may be used to provide for the
25 training of staff, including specialists, who pro-

1 vide rapid response services. Such training shall
2 include instruction in proven methods of pro-
3 moting, establishing, and assisting labor-man-
4 agement committees. Such projects shall be ad-
5 ministered through the dislocated worker office
6 described in section 369(b).

7 **SEC. 367. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
8 **SEARCH, AND MULTISTATE PROJECTS.**

9 (a) STRATEGIC PLAN.—

10 (1) IN GENERAL.—After consultation with
11 States, localities, and other interested parties, the
12 Secretary shall, every 2 years, publish in the Federal
13 Register, a plan that describes the demonstration
14 and pilot (including dislocated worker demonstration
15 and pilot), multiservice, research, and multistate
16 project priorities of the Department of Labor con-
17 cerning employment and training for the 5-year pe-
18 riod following the submission of the plan. Copies of
19 the plan shall be transmitted to the appropriate
20 committees of Congress.

21 (2) LIMITATION.—With respect to a plan pub-
22 lished under paragraph (1), the Secretary shall en-
23 sure that research projects (referred to in subsection
24 (d)) are considered for incorporation into the plan
25 only after projects referred to in subsections (b), (c),

1 and (e) have been considered and incorporated into
2 the plan, and are funded only as funds remain to
3 permit the funding of such research projects.

4 (3) FACTORS.—The plan published under para-
5 graph (1) shall contain strategies to address national
6 employment and training problems and take into ac-
7 count factors such as—

8 (A) the availability of existing research (as
9 of the date of the publication);

10 (B) the need to ensure results that have
11 interstate validity;

12 (C) the benefits of economies of scale and
13 the efficiency of proposed projects; and

14 (D) the likelihood that the results of the
15 projects will be useful to policymakers and
16 stakeholders in addressing employment and
17 training problems.

18 (b) DEMONSTRATION AND PILOT PROJECTS.—

19 (1) IN GENERAL.—Under a plan published
20 under subsection (a), the Secretary shall, through
21 grants or contracts, carry out demonstration and
22 pilot projects for the purpose of developing and im-
23 plementing techniques and approaches, and dem-
24 onstrating the effectiveness of specialized methods,
25 in addressing employment and training needs. Such

1 projects shall include the provision of direct services
2 to individuals to enhance employment opportunities
3 and an evaluation component.

4 (2) LIMITATIONS.—

5 (A) COMPETITIVE AWARDS.—Grants or
6 contracts awarded for carrying out demonstra-
7 tion and pilot projects under this subsection
8 shall be awarded only on a competitive basis,
9 except that a noncompetitive award may be
10 made in the case of a project that is funded
11 jointly with other public or private sector enti-
12 ties that provide a substantial portion of the
13 funding for the project.

14 (B) ELIGIBLE ENTITIES.—Grants or con-
15 tracts may be awarded under this subsection
16 only to—

17 (i) entities with recognized expertise

18 in—

19 (I) conducting national dem-
20 onstration projects;

21 (II) utilizing state-of-the-art
22 demonstration methods; and

23 (III) conducting evaluations of
24 employment and training projects; or

1 (ii) State and local entities with exper-
2 tise in operating or overseeing employment
3 and training programs.

4 (C) TIME LIMITS.—The Secretary shall es-
5 tablish appropriate time limits for carrying out
6 demonstration and pilot projects under this
7 subsection.

8 (e) MULTISERVICE PROJECTS.—

9 (1) IN GENERAL.—Under a plan published
10 under subsection (a), the Secretary shall, through
11 grants or contracts, carry out multiservice
12 projects—

13 (A) that will test an array of approaches to
14 the provision of employment and training serv-
15 ices to a variety of targeted populations;

16 (B) in which the entity carrying out the
17 project, in conjunction with employers, orga-
18 nized labor, and other groups such as the dis-
19 ability community, will design, develop, and test
20 various training approaches in order to deter-
21 mine effective practices; and

22 (C) that will assist in the development and
23 replication of effective service delivery strategies
24 for targeted populations for the national em-
25 ployment and training system as a whole.

1 (2) LIMITATIONS.—

2 (A) COMPETITIVE AWARDS.—Grants or
3 contracts awarded for carrying out multiservice
4 projects under this subsection shall be awarded
5 only on a competitive basis.

6 (B) TIME LIMITS.—A grant or contract
7 shall not be awarded under this subsection to
8 the same organization for more than 3 consecu-
9 tive years unless such grant or contract is com-
10 petitively reevaluated within such period.

11 (d) RESEARCH.—

12 (1) IN GENERAL.—Under a plan published
13 under subsection (a), the Secretary shall, through
14 grants or contracts, carry out research projects that
15 will contribute to the solution of employment and
16 training problems in the United States.

17 (2) LIMITATIONS.—

18 (A) COMPETITIVE AWARDS.—Grants or
19 contracts awarded for carrying out research
20 projects under this subsection in amounts that
21 exceed \$50,000 shall be awarded only on a com-
22 petitive basis, except that a noncompetitive
23 award may be made in the case of a project
24 that is funded jointly with other public or pri-

1 vate sector entities that provide a substantial
2 portion of the funding for the project.

3 (B) ELIGIBLE ENTITIES.—Grants or con-
4 tracts shall be awarded under this subsection
5 only to entities with nationally recognized ex-
6 pertise in the methods, techniques, and knowl-
7 edge of the social sciences.

8 (C) TIME LIMITS.—The Secretary shall es-
9 tablish appropriate time limits for the duration
10 of research projects funded under this sub-
11 section.

12 (e) MULTISTATE PROJECTS.—

13 (1) IN GENERAL.—

14 (A) AUTHORITY.—Under a plan published
15 under subsection (a), the Secretary may,
16 through grants or contracts, carry out
17 multistate projects that require demonstrated
18 expertise that is available at the national level
19 to effectively disseminate best practices and
20 models for implementing employment and train-
21 ing services; address the specialized employment
22 and training needs of particular service popu-
23 lations; or address industrywide skill shortages.

24 (B) DESIGN OF GRANTS.—Grants or con-
25 tracts awarded under this subsection shall be

1 designed to obtain information relating to the
2 provision of services under different economic
3 conditions or to various demographic groups in
4 order to provide guidance at the national and
5 State levels about how best to administer spe-
6 cific employment and training services.

7 (2) LIMITATIONS.—

8 (A) COMPETITIVE AWARDS.—Grants or
9 contracts awarded for carrying out multistate
10 projects under this subsection shall be awarded
11 only on a competitive basis.

12 (B) TIME LIMITS.—A grant or contract
13 shall not be awarded under this subsection to
14 the same organization for more than 3 consec-
15 utive years unless such grant or contract is com-
16 petitively reevaluated within such period.

17 (f) DISLOCATED WORKER PROJECTS.—Of the
18 amount made available pursuant to section 302(a)(2)(A)
19 for any program year, the Secretary shall use not more
20 than 5 percent of such amount to carry out demonstration
21 and pilot projects, multiservice projects, and multistate
22 projects, relating to the employment and training needs
23 of dislocated workers. Of the requirements of this section,
24 such projects shall be subject only to the provisions relat-
25 ing to review and evaluation of applications under sub-

1 section (g). Such projects may include demonstration and
2 pilot projects relating to promoting self-employment, pro-
3 moting job creation, averting dislocations, assisting dis-
4 located farmers, assisting dislocated fishermen, and pro-
5 moting public works. Such projects shall be administered
6 through the dislocated worker office described in section
7 369(b).

8 (g) PEER REVIEW.—The Secretary shall utilize a
9 peer review process to—

10 (1) review and evaluate all applications for
11 grants and contracts in amounts that exceed
12 \$100,000 that are submitted under this section; and

13 (2) review and designate exemplary and promis-
14 ing programs under this section.

15 **SEC. 368. EVALUATIONS.**

16 (a) PROGRAMS AND ACTIVITIES CARRIED UNDER
17 THIS TITLE.—For the purpose of improving the manage-
18 ment and effectiveness of programs and activities carried
19 out under this title, the Secretary shall provide for the
20 continuing evaluation of the programs and activities. Such
21 evaluations shall address—

22 (1) the general effectiveness of such programs
23 and activities in relation to their cost;

24 (2) the effectiveness of the performance meas-
25 ures relating to such programs and activities;

1 (3) the effectiveness of the structure and mech-
2 anisms for delivery of services through such pro-
3 grams and activities;

4 (4) the impact of the programs and activities on
5 the community and participants involved;

6 (5) the impact of such programs and activities
7 on related programs and activities;

8 (6) the extent to which such programs and ac-
9 tivities meet the needs of various demographic
10 groups; and

11 (7) such other factors as may be appropriate.

12 (b) OTHER PROGRAMS AND ACTIVITIES.—The Sec-
13 retary may conduct evaluations of other federally funded
14 employment-related programs and activities, including
15 programs and activities administered under—

16 (1) the Wagner-Peyser Act (29 U.S.C. 49 et
17 seq.);

18 (2) the Act of August 16, 1937 (commonly
19 known as the “National Apprenticeship Act”, 50
20 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);

21 (3) the Older Americans Act of 1965 (42
22 U.S.C. 3001 et seq.);

23 (4) chapter 2 of title II of the Trade Act of
24 1974 (19 U.S.C. 2271 et seq.); and

1 (5) the Federal unemployment insurance pro-
2 gram under titles III, IX, and XII of the Social Se-
3 curity Act (42 U.S.C. 501 et seq., 1101 et seq., and
4 1321 et seq.).

5 (c) **TECHNIQUES.**—Evaluations conducted under this
6 section shall utilize appropriate methodology and research
7 designs, which may include the use of control groups cho-
8 sen by scientific random assignment methodologies. Such
9 an evaluation shall be conducted by a person not imme-
10 diately involved in the administration of the program or
11 activity being evaluated.

12 (d) **REPORTS.**—The entity carrying out an evaluation
13 described in subsection (a), (b), or (c) shall prepare and
14 submit to the Secretary a draft report and a final report
15 containing the results of the evaluation.

16 (e) **REPORTS TO CONGRESS.**—Not later than 30 days
17 after the completion of such a draft report, the Secretary
18 shall transmit the draft report to the appropriate commit-
19 tees of Congress. Not later than 60 days after the comple-
20 tion of such a final report, the Secretary shall transmit
21 the final report to the appropriate committees of Con-
22 gress.

23 **SEC. 369. NATIONAL EMERGENCY GRANTS.**

24 (a) **IN GENERAL.**—The Secretary is authorized to
25 award national emergency grants in a timely manner—

1 (1) to an entity described in subsection (c) to
2 provide employment and training assistance to work-
3 ers affected by major economic dislocations, such as
4 plant closures, mass layoffs, or closures and realign-
5 ments of military installations;

6 (2) to provide assistance to the Governor of any
7 State within the boundaries of which is an area that
8 has suffered an emergency or a major disaster as
9 defined in paragraphs (1) and (2), respectively, of
10 section 102 of The Robert T. Stafford Disaster Re-
11 lief and Emergency Assistance Act (42 U.S.C. 5122
12 (1) and (2)) (referred to in this section as the “dis-
13 aster area”) to provide disaster relief employment in
14 the area; and

15 (3) to provide additional assistance to a State
16 or local partnership for eligible dislocated workers in
17 a case in which the State or local partnership has
18 expended the funds provided under this section to
19 carry out activities described in paragraphs (1) and
20 (2) and can demonstrate the need for additional
21 funds to provide appropriate services for such work-
22 ers, in accordance with requirements prescribed by
23 the Secretary.

24 (b) ADMINISTRATION.—The Secretary shall designate
25 a dislocated worker office to coordinate the functions of

1 the Secretary under this title relating to national emer-
2 gency grants.

3 (c) EMPLOYMENT AND TRAINING ASSISTANCE RE-
4 QUIREMENTS.—

5 (1) APPLICATION.—To be eligible to receive a
6 grant under subsection (a)(1), an entity shall submit
7 an application to the Secretary at such time, in such
8 manner, and containing such information as the Sec-
9 retary may require.

10 (2) ELIGIBLE ENTITY.—In this subsection, the
11 term “entity” means a State, a local partnership, an
12 entity described in section 361(c), an employer or
13 employer association, a labor organization, and an
14 entity determined to be eligible by the Governor of
15 the State involved.

16 (d) DISASTER RELIEF EMPLOYMENT ASSISTANCE
17 REQUIREMENTS.—

18 (1) IN GENERAL.—Funds made available under
19 subsection (a)(2)—

20 (A) shall be used to provide disaster relief
21 employment on projects that provide food,
22 clothing, shelter, and other humanitarian assist-
23 ance for disaster victims, and projects regard-
24 ing demolition, cleaning, repair, renovation, and
25 reconstruction of damaged and destroyed struc-

1 tures, facilities, and lands located within the
2 disaster area;

3 (B) may be expended through public and
4 private agencies and organizations engaged in
5 such projects; and

6 (C) may be expended to provide the serv-
7 ices authorized under section 315(c).

8 (2) ELIGIBILITY.—An individual shall be eligi-
9 ble to be offered disaster relief employment under
10 subsection (a)(2) if such individual is a dislocated
11 worker, is a long-term unemployed individual, or is
12 temporarily or permanently laid off as a consequence
13 of the disaster.

14 (3) LIMITATIONS ON DISASTER RELIEF EM-
15 PLOYMENT.—No individual shall be employed under
16 subsection (a)(2) for more than 6 months for work
17 related to recovery from a single natural disaster.

18 **SEC. 370. AUTHORIZATION OF APPROPRIATIONS.**

19 (a) IN GENERAL.—

20 (1) NATIVE AMERICAN PROGRAMS; MIGRANT
21 AND SEASONAL FARMWORKER PROGRAMS; VETER-
22 ANS' EMPLOYMENT PROGRAMS.—Subject to sub-
23 section (b)(1), there are authorized to be appro-
24 priated to carry out sections 361 through 363 such

1 sums as may be necessary for each of the fiscal
2 years 1999 through 2003.

3 ~~(2) INCENTIVE GRANTS; TECHNICAL ASSIST-~~
4 ~~ANCE; DEMONSTRATION AND PILOT PROJECTS;~~
5 ~~EVALUATIONS.—Subject to subsection (b)(2), there~~
6 ~~are authorized to be appropriated to carry out sec-~~
7 ~~tions 365 through 368, such sums as may be nec-~~
8 ~~essary for each of fiscal years 1999 through 2003.~~

9 ~~(b) RESERVATIONS.—~~

10 ~~(1) NATIVE AMERICAN PROGRAMS; MIGRANT~~
11 ~~AND SEASONAL FARMWORKER PROGRAMS; VETER-~~
12 ~~ANS' EMPLOYMENT PROGRAMS.—Of the amount ap-~~
13 ~~propriated under subsection (a)(1) for a fiscal year,~~
14 ~~the Secretary shall—~~

15 ~~(A) reserve not less than \$55,000,000 for~~
16 ~~carrying out section 361;~~

17 ~~(B) reserve not less than \$70,000,000 for~~
18 ~~carrying out section 362; and~~

19 ~~(C) reserve not less than \$7,300,000 for~~
20 ~~carrying out section 363.~~

21 ~~(2) INCENTIVE GRANTS; TECHNICAL ASSIST-~~
22 ~~ANCE; DEMONSTRATION AND PILOT PROJECTS;~~
23 ~~EVALUATIONS.—Of the amount appropriated under~~
24 ~~subsection (a)(2) for a fiscal year, the Secretary~~
25 ~~shall—~~

1 (A) reserve 36.8 percent for carrying out
2 section 365;

3 (B) reserve 25 percent for carrying out
4 section 366 (other than section 366(b)(2));

5 (C) reserve 24.2 percent of a carrying out
6 section 367 (other than 367(f)); and

7 (D) reserve 14 percent for carrying out
8 section 368.

9 **Subtitle D—Administration**

10 **SEC. 371. REQUIREMENTS AND RESTRICTIONS.**

11 (a) BENEFITS.—

12 (1) WAGES.—

13 (A) IN GENERAL.—Individuals in on-the-
14 job training or individuals employed in pro-
15 grams and activities carried out under this title
16 shall be compensated at the same rates, includ-
17 ing periodic increases, as trainees or employees
18 who are similarly situated in similar occupa-
19 tions by the same employer and who have simi-
20 lar skills. Such rates shall be in accordance with
21 applicable law, but in no event less than the
22 higher of the rate specified in section 6(a)(1) of
23 the Fair Labor Standards Act of 1938 (29
24 U.S.C. 206(a)(1)) or the applicable State or
25 local minimum wage law.

1 (B) CONSTRUCTION.—The reference in
2 subparagraph (A) to section 6(a)(1) of the Fair
3 Labor Standards Act of 1938—

4 (i) shall be deemed to be a reference
5 to section 6(e) of that Act (29 U.S.C.
6 206(e)) for individuals in the Common-
7 wealth of Puerto Rico;

8 (ii) shall be deemed to be a reference
9 to section 6(a)(3) (29 U.S.C. 206(a)(3)) of
10 that Act for individuals in American
11 Samoa; and

12 (iii) shall not be applicable for individ-
13 uals in other territorial jurisdictions in
14 which section 6 of the Fair Labor Stand-
15 ards Act of 1938 (29 U.S.C. 206) does not
16 apply.

17 (2) TREATMENT OF ALLOWANCES, EARNINGS,
18 AND PAYMENTS.—Allowances, earnings, and pay-
19 ments to individuals participating in programs and
20 activities carried out under this title shall not be
21 considered to be income for the purposes of deter-
22 mining eligibility for, and the amount of income
23 transfer and in-kind aid furnished under, any Fed-
24 eral or federally assisted program based on need,

1 other than as provided under the Social Security Act
2 (42 U.S.C. 301 et seq.).

3 (b) LABOR STANDARDS.—

4 (1) DISPLACEMENT.—

5 (A) PROHIBITION.—A participant in a pro-
6 gram or activity authorized under this title (re-
7 ferred to in this subsection as a “specified ac-
8 tivity”) shall not displace (including a partial
9 displacement, such as a reduction in the hours
10 of nonovertime work, wages, or employment
11 benefits) any currently employed employee (as
12 of the date of the participation).

13 (B) PROHIBITION ON IMPAIRMENT OF
14 CONTRACTS.—A specified activity shall not im-
15 pair an existing contract for services or collec-
16 tive bargaining agreement, and no such activity
17 that would be inconsistent with the terms of a
18 collective bargaining agreement shall be under-
19 taken without the written concurrence of the
20 labor organization and employer concerned.

21 (2) OTHER PROHIBITIONS.—A participant in a
22 specified activity shall not be employed in a job—

23 (A) when any other individual is on layoff
24 from the same or any substantially equivalent
25 job with the participating employer;

1 (B) when the employer has terminated the
2 employment of any regular employee or other-
3 wise reduced the workforce of the employer with
4 the intention of filling the vacancy so created
5 with the participant; or

6 (C) that is created in a promotional line
7 that will infringe in any way on the promotional
8 opportunities of currently employed individuals
9 (as of the date of the participation).

10 (3) HEALTH AND SAFETY.—Health and safety
11 standards established under Federal and State law
12 otherwise applicable to working conditions of em-
13 ployees shall be equally applicable to working condi-
14 tions of participants engaged in specified activities.
15 To the extent that a State workers' compensation
16 law applies, workers' compensation shall be provided
17 to participants on the same basis as the compensa-
18 tion is provided to other individuals in the State in
19 similar employment.

20 (4) EMPLOYMENT CONDITIONS.—Individuals in
21 on-the-job training or individuals employed in pro-
22 grams and activities carried out under this title,
23 shall be provided benefits and working conditions at
24 the same level and to the same extent as other train-

1 ees or employees working a similar length of time
2 and doing the same type of work.

3 ~~(5) OPPORTUNITY TO SUBMIT COMMENTS.—~~

4 Consistent with sections 303(d)(2) and 309(e), inter-
5 ested members of the public shall be provided an op-
6 portunity to submit comments with respect to pro-
7 grams and activities proposed to be funded under
8 subtitle A.

9 ~~(c) GRIEVANCE PROCEDURE.—~~

10 ~~(1) IN GENERAL.—~~Each State receiving an al-
11 lotment under section 302 and each grant recipient
12 under section 361 or 362 shall establish and main-
13 tain a procedure for grievances or complaints alleg-
14 ing violations of the requirements of this title from
15 participants and other interested or affected parties.
16 Such procedure shall include an opportunity for a
17 hearing and be completed within 60 days after the
18 date of the filing of the grievance or complaint.

19 ~~(2) INVESTIGATION.—~~

20 ~~(A) IN GENERAL.—~~The Secretary shall in-
21 vestigate an allegation of a violation described
22 in paragraph (1) if—

23 ~~(i)~~ a decision relating to such violation
24 has not been reached within 60 days after
25 the date of the filing of the grievance or

1 complaint and either party appeals the de-
2 cision to the Secretary; or

3 (ii) a decision relating to such viola-
4 tion has been reached within 60 days after
5 the date of the filing and the party to
6 which such decision is adverse appeals the
7 decision to the Secretary.

8 (B) ~~ADDITIONAL REQUIREMENT.~~—The
9 Secretary shall make a final determination re-
10 lating to an appeal made under subparagraph
11 (A) no later than 120 days after the date of
12 such appeal.

13 (3) ~~REMEDIES.~~—Remedies that may be im-
14 posed under this subsection for a violation of any re-
15 quirement of this title shall be limited—

16 (A) to suspension or termination of pay-
17 ments under this title to a person that has vio-
18 lated any requirement of this title;

19 (B) to prohibition of placement of a partic-
20 ipant with an employer that has violated any
21 requirement of this title;

22 (C) where applicable, to reinstatement of
23 an employee, payment of lost wages and bene-
24 fits, and reestablishment of other relevant

1 terms, conditions and privileges of employment;
2 and

3 ~~(D)~~ where appropriate, to other equitable
4 relief.

5 (4) CONSTRUCTION.—Nothing in paragraph (3)
6 shall be construed to prohibit a grievant or com-
7 plainant from pursuing a remedy authorized under
8 another Federal, State, or local law for a violation
9 of this title.

10 ~~(d) RELOCATION.—~~

11 ~~(1) PROHIBITION ON USE OF FUNDS TO EN-~~
12 ~~COURAGE OR INDUCE RELOCATION.—No funds pro-~~
13 ~~vided under this title shall be used, or proposed for~~
14 ~~use, to encourage or induce the relocation of a busi-~~
15 ~~ness or part of a business if such relocation would~~
16 ~~result in a loss of employment for any employee of~~
17 ~~such business at the original location and such origi-~~
18 ~~nal location is within the United States.~~

19 ~~(2) PROHIBITION ON USE OF FUNDS FOR CUS-~~
20 ~~TOMIZED OR SKILL TRAINING AND RELATED ACTIVI-~~
21 ~~TIES AFTER RELOCATION.—No funds provided~~
22 ~~under this title for an employment and training ac-~~
23 ~~tivity shall be used for customized or skill training,~~
24 ~~on-the-job training, or company-specific assessments~~
25 ~~of job applicants or employees, for any business or~~

1 part of a business that has relocated, until the date
2 that is 120 days after the date on which such busi-
3 ness commences operations at the new location, if
4 the relocation of such business or part of a business
5 results in a loss of employment for any employee of
6 such business at the original location and such origi-
7 nal location is within the United States.

8 (3) REPAYMENT.—If the Secretary determines
9 that a violation of paragraph (1) or (2) has oc-
10 curred, the Secretary shall require the State that
11 has violated such paragraph to repay to the United
12 States an amount equal to the amount expended in
13 violation of such paragraph.

14 (c) LIMITATION ON USE OF FUNDS.—No funds avail-
15 able under this title shall be used for employment generat-
16 ing activities, economic development activities, activities
17 for the capitalization of businesses, investment in contract
18 bidding resource centers, or similar activities. No funds
19 available under subtitle A shall be used for foreign travel.

20 **SEC. 372. PROMPT ALLOCATION OF FUNDS.**

21 (a) ALLOTMENTS AND ALLOCATIONS BASED ON LAT-
22 EST AVAILABLE DATA.—All allotments and allocations
23 under section 302, 306, or 366 shall be based on the latest
24 available data and estimates satisfactory to the Secretary.
25 All data relating to disadvantaged adults, disadvantaged

1 youth, and low-income individuals shall be based on the
2 most recent satisfactory data from the Bureau of the Cen-
3 sus.

4 (b) PUBLICATION IN FEDERAL REGISTER RELATING
5 TO FORMULA FUNDS.—Whenever the Secretary allots
6 funds required to be allotted under section 302 or 366,
7 the Secretary shall publish in a timely fashion in the Fed-
8 eral Register the proposed amount to be distributed to
9 each recipient of the funds.

10 (c) REQUIREMENT FOR FUNDS DISTRIBUTED BY
11 FORMULA.—All funds required to be allotted or allocated
12 under section 302, 306, or 366 shall be allotted or allo-
13 cated within 45 days after the date of enactment of the
14 Act appropriating the funds, except that, if such funds are
15 appropriated in advance as authorized by section 379(g),
16 such funds shall be allotted or allocated not later than the
17 March 31 preceding the program year for which such
18 funds are to be available for obligation.

19 (d) AVAILABILITY OF FUNDS.—Funds shall be made
20 available under section 306 to the chief elected official for
21 a local area not later than 30 days after the date the funds
22 are made available to the Governor involved, under section
23 302, or 7 days after the date the local plan for the area
24 is approved, whichever is later.

1 **SEC. 373. MONITORING.**

2 (a) **IN GENERAL.**—The Secretary is authorized to
3 monitor all recipients of financial assistance under this
4 title to determine whether the recipients are complying
5 with the provisions of this title, including the regulations
6 issued under this title.

7 (b) **INVESTIGATIONS.**—The Secretary may inves-
8 tigate any matter the Secretary determines to be necessary
9 to determine the compliance of the recipients with this
10 title, including the regulations issued under this title. The
11 investigations authorized by this subsection may include
12 examining records (including making certified copies of
13 the records), questioning employees, and entering any
14 premises or onto any site in which any part of a program
15 or activity of such a recipient is conducted or in which
16 any of the records of the recipient are kept.

17 (c) **ADDITIONAL REQUIREMENT.**—For the purpose of
18 any investigation or hearing conducted under this title by
19 the Secretary, the provisions of section 9 of the Federal
20 Trade Commission Act (15 U.S.C. 49) (relating to the at-
21 tendance of witnesses and the production of documents)
22 apply to the Secretary, in the same manner and to the
23 same extent as the provisions apply to the Federal Trade
24 Commission.

1 **SEC. 374. FISCAL CONTROLS; SANCTIONS.**

2 (a) ESTABLISHMENT OF FISCAL CONTROLS BY
3 STATES.—

4 (1) IN GENERAL.—Each State shall establish
5 such fiscal control and fund accounting procedures
6 as may be necessary to assure the proper disbursement
7 of, and accounting for, Federal funds allocated to
8 local areas under subtitle A. Such procedures shall
9 ensure that all financial transactions carried out
10 under subtitle A are conducted and records main-
11 tained in accordance with generally accepted ac-
12 counting principles applicable in each State.

13 (2) REGULATIONS.—The Secretary shall pre-
14 scribe regulations establishing uniform cost prin-
15 ciples that are substantially equivalent to such prin-
16 ciples generally applicable to recipients of Federal
17 grant funds, and are consistent with appropriate cir-
18 culars of the Office of Management and Budget. At
19 a minimum, such regulations shall provide that—

20 (A) to be allowable, costs incurred under
21 this title shall—

22 (i) be necessary and reasonable for
23 proper and efficient administration of the
24 programs and activities carried out under
25 this title;

1 (ii) except for the administrative
2 funds described in section 314(e)(2), be al-
3 locable to the programs and activities ear-
4 ried out under this title; and

5 (iii) not be a general expense required
6 to carry out the overall responsibilities of
7 State or local governments; and

8 (B) procurement transactions between
9 local partnerships and such governments shall
10 be conducted only on a cost-reimbursable basis.

11 (3) **PROCUREMENT STANDARDS.**—Each Gov-
12 ernor, in accordance with minimum requirements es-
13 tablished by the Secretary (after consultation with
14 the Governors) in regulations, shall prescribe and
15 implement procurement standards to ensure fiscal
16 accountability and prevent fraud and abuse in pro-
17 grams and activities carried out under this title.

18 (4) **MONITORING.**—The Governor shall conduct
19 onsite monitoring of each local area within the State
20 to ensure compliance with the procurement stand-
21 ards prescribed pursuant to paragraph (3).

22 (5) **ACTION BY GOVERNOR.**—If the Governor
23 determines that a local area is not in compliance
24 with the procurement standards prescribed pursuant
25 to paragraph (3), the Governor shall—

1 (A) require corrective action to secure
2 prompt compliance; and

3 (B) impose the sanctions provided under
4 subsection (b) in the event of failure to take the
5 required corrective action.

6 (6) CERTIFICATION.—The Governor shall, every
7 3 years, certify to the Secretary that—

8 (A) the State has implemented the pro-
9 curement standards prescribed under paragraph
10 (3);

11 (B) the State has monitored local areas to
12 ensure compliance with the procurement stand-
13 ards as required under paragraph (4); and

14 (C) the State has taken appropriate action
15 to secure compliance pursuant to paragraph
16 (5).

17 (7) ACTION BY THE SECRETARY.—If the Sec-
18 retary determines that the Governor has not fulfilled
19 the requirements of this subsection, the Secretary
20 shall—

21 (A) require corrective action to secure
22 prompt compliance; and

23 (B) impose the sanctions provided under
24 subsection (f) in the event of failure of the Gov-

1 error to take the required appropriate action to
2 secure compliance.

3 ~~(b) SUBSTANTIAL VIOLATION.—~~

4 ~~(1) ACTION BY GOVERNOR.—~~If, as a result of
5 a financial or compliance audit or otherwise, the
6 Governor determines that there is a substantial vio-
7 lation of a specific provision of this title, including
8 regulations issued under this title, and corrective ac-
9 tion has not been taken, the Governor shall impose
10 a reorganization plan, which may include—

11 ~~(A) decertifying the local partnership in-~~
12 ~~volved in accordance with section 308(c)(3);~~

13 ~~(B) prohibiting the use of providers who~~
14 ~~have been identified as eligible providers of~~
15 ~~workforce investment activities under chapter 3~~
16 ~~of subtitle A;~~

17 ~~(C) selecting an alternative entity to ad-~~
18 ~~minister a program or activity for the local area~~
19 ~~involved;~~

20 ~~(D) merging the local area into 1 or more~~
21 ~~other local areas; or~~

22 ~~(E) making such other changes as the Sec-~~
23 ~~retary or Governor determines to be necessary~~
24 ~~to secure compliance.~~

1 (2) APPEAL.—The action taken by the Gov-
2 ernor pursuant to paragraph (1) may be appealed to
3 the Secretary, who shall make a final decision on the
4 appeal not later than 60 days after the receipt of the
5 appeal.

6 (3) ACTION BY SECRETARY.—If the Governor
7 fails to take promptly the action required under
8 paragraph (1), the Secretary shall take such action.

9 (c) ACCESS BY COMPTROLLER GENERAL.—For the
10 purpose of evaluating and reviewing programs and activi-
11 ties established or provided for by this title, the Comptrol-
12 ler General shall have access to and the right to copy any
13 books, accounts, records, correspondence, or other docu-
14 ments pertinent to such programs and activities that are
15 in the possession, custody, or control of a State, a local
16 partnership, any recipient of funds under this title, or any
17 subgrantee or contractor of such a recipient.

18 (d) REPAYMENT OF CERTAIN AMOUNTS TO THE
19 UNITED STATES.—

20 (1) IN GENERAL.—Every recipient of funds
21 under this title shall repay to the United States
22 amounts found not to have been expended in accord-
23 ance with this title.

24 (2) OFFSET OF REPAYMENT.—If the Secretary
25 determines that a State has expended funds made

1 available under this title in a manner contrary to the
2 requirements of this title, the Secretary may offset
3 repayment of such expenditures against any other
4 amount to which the State is or may be entitled, ex-
5 cept as provided under subsection (e)(1).

6 (3) REPAYMENT FROM DEDUCTION BY
7 STATE.—If the Secretary requires a State to repay
8 funds as a result of a determination that a local area
9 of the State has expended funds contrary to the re-
10 quirements of this title, the Governor of the State
11 may use an amount deducted under paragraph (4)
12 to repay the funds, except as provided under sub-
13 section (e)(1).

14 (4) DEDUCTION BY STATE.—The Governor may
15 deduct an amount equal to the misexpenditure de-
16 scribed in paragraph (3) from subsequent program
17 year allocations to the local area from funds re-
18 served for the administrative costs of the local pro-
19 grams involved, as appropriate.

20 (5) LIMITATIONS.—A deduction made by a
21 State as described in paragraph (4) shall not be
22 made until such time as the Governor has taken ap-
23 propriate corrective action to ensure full compliance
24 within such local area with regard to appropriate ex-
25 penditures of funds under this title.

1 (e) REPAYMENT OF AMOUNTS.—

2 (1) IN GENERAL.—Each recipient of funds
3 under this title shall be liable to repay the amounts
4 described in subsection (d)(1), from funds other
5 than funds received under this title, upon a deter-
6 mination by the Secretary that the misexpenditure
7 of funds was due to willful disregard of the require-
8 ments of this title, gross negligence, failure to ob-
9 serve accepted standards of administration, or a pat-
10 tern of misexpenditure as described in paragraphs
11 (2) and (3) of subsection (d). No such determination
12 shall be made under this subsection or subsection
13 (d) until notice and opportunity for a fair hearing
14 has been given to the recipient.

15 (2) FACTORS IN IMPOSING SANCTIONS.—In de-
16 termining whether to impose any sanction author-
17 ized by this section against a recipient for violations
18 by a subgrantee or contractor of such recipient
19 under this title (including the regulations issued
20 under this title), the Secretary shall first determine
21 whether such recipient has adequately demonstrated
22 that the recipient has—

23 (A) established and adhered to an appro-
24 priate system for the award and monitoring of
25 grants and contracts with subgrantees and con-

1 tractors that contains acceptable standards for
2 ensuring accountability;

3 (B) entered into a written grant agreement
4 or contract with such subgrantee or contractor
5 that established clear goals and obligations in
6 unambiguous terms;

7 (C) acted with due diligence to monitor the
8 implementation of the grant agreement or con-
9 tract, including the carrying out of the appro-
10 priate monitoring activities (including audits) at
11 reasonable intervals; and

12 (D) taken prompt and appropriate correc-
13 tive action upon becoming aware of any evi-
14 dence of a violation of this title, including regu-
15 lations issued under this title, by such sub-
16 grantee or contractor.

17 (3) WAIVER.—If the Secretary determines that
18 the recipient has demonstrated substantial compli-
19 ance with the requirements of paragraph (2), the
20 Secretary may waive the imposition of sanctions au-
21 thorized by this section upon such recipient. The
22 Secretary is authorized to impose any sanction con-
23 sistent with the provisions of this title and any ap-
24 plicable Federal or State law directly against any

1 subgrantee or contractor for violation of this title,
2 including regulations issued under this title.

3 (f) IMMEDIATE TERMINATION OR SUSPENSION OF
4 ASSISTANCE IN EMERGENCY SITUATIONS.—In emergency
5 situations, if the Secretary determines it is necessary to
6 protect the integrity of the funds or ensure the proper op-
7 eration of the program or activity involved, the Secretary
8 may immediately terminate or suspend financial assist-
9 ance, in whole or in part, to the recipient if the recipient
10 is given prompt notice and the opportunity for a subse-
11 quent hearing within 30 days after such termination or
12 suspension. The Secretary shall not delegate any of the
13 functions or authority specified in this subsection, other
14 than to an officer whose appointment is required to be
15 made by and with the advice and consent of the Senate.

16 (g) DISCRIMINATION AGAINST PARTICIPANTS.—If
17 the Secretary determines that any recipient of funds under
18 this title has discharged or in any other manner discrimi-
19 nated in violation of section 378 against, a participant or
20 any other individual in connection with the administration
21 of the program or activity involved, or any individual be-
22 cause such individual has filed any complaint or instituted
23 or caused to be instituted any proceeding under or related
24 to this title, or has testified or is about to testify in any
25 such proceeding or investigation under or related to this

1 title, or otherwise unlawfully denied to any individual a
2 benefit to which that individual is entitled under the provi-
3 sions of this title, including regulations issued under this
4 title, the Secretary shall, within 30 days after the date
5 of the determination, take such action or order such cor-
6 rective measures, as may be necessary, with respect to the
7 recipient or the aggrieved individual.

8 (h) REMEDIES.—The remedies described in this sec-
9 tion shall not be construed to be the exclusive remedies
10 available for violations described in this section.

11 **SEC. 375. REPORTS; RECORDKEEPING; INVESTIGATIONS.**

12 (a) REPORTS.—

13 (1) IN GENERAL.—Recipients of funds under
14 this title shall keep records that are sufficient to
15 permit the preparation of reports required by this
16 title and to permit the tracing of funds to a level of
17 expenditure adequate to ensure that the funds have
18 not been spent unlawfully.

19 (2) SUBMISSION TO THE SECRETARY.—Every
20 such recipient shall maintain such records and sub-
21 mit such reports, in such form and containing such
22 information, as the Secretary may require regarding
23 the performance of programs and activities carried
24 out under this title. Such records and reports shall
25 be submitted to the Secretary but shall not be re-

1 quired to be submitted more than once each quarter
2 unless specifically requested by Congress or a com-
3 mittee of Congress.

4 (3) MAINTENANCE OF STANDARDIZED
5 RECORDS.—In order to allow for the preparation of
6 the reports required under subsection (c), such re-
7 cipients shall maintain standardized records for all
8 individual participants and provide to the Secretary
9 a sufficient number of such records to provide for an
10 adequate analysis of the records.

11 (4) AVAILABILITY TO THE PUBLIC.—

12 (A) IN GENERAL.—Except as provided in
13 subparagraph (B), records maintained by such
14 recipients pursuant to this subsection shall be
15 made available to the public upon request.

16 (B) EXCEPTION.—Subparagraph (A) shall
17 not apply to—

18 (i) information, the disclosure of
19 which would constitute a clearly unwar-
20 ranted invasion of personal privacy; and

21 (ii) trade secrets, or commercial or fi-
22 nancial information, that is obtained from
23 a person and privileged or confidential.

24 (C) FEES TO RECOVER COSTS.—Such re-
25 cipients may charge fees sufficient to recover

1 costs applicable to the processing of requests
2 for records under subparagraph (A).

3 (b) INVESTIGATIONS OF USE OF FUNDS.—

4 (1) IN GENERAL.—

5 (A) SECRETARY.—In order to evaluate
6 compliance with the provisions of this title, the
7 Secretary shall conduct, in several States, in
8 each fiscal year, investigations of the use of
9 funds received by recipients under this title.

10 (B) COMPTROLLER GENERAL OF THE
11 UNITED STATES.—In order to ensure compli-
12 ance with the provisions of this title, the Comp-
13 troller General of the United States may con-
14 duct investigations of the use of funds received
15 under this title by any recipient.

16 (2) PROHIBITION.—In conducting any inves-
17 tigation under this title, the Secretary or the Comp-
18 troller General of the United States may not request
19 the compilation of any information that the recipient
20 is not otherwise required to compile and that is not
21 readily available to such recipient.

22 (3) AUDITS.—

23 (A) IN GENERAL.—In carrying out any
24 audit under this title (other than any initial
25 audit survey or any audit investigating possible

1 criminal or fraudulent conduct), either directly
2 or through grant or contract, the Secretary, the
3 Inspector General of the Department of Labor,
4 or the Comptroller General of the United States
5 shall furnish to the State, recipient, or other
6 entity to be audited, advance notification of the
7 overall objectives and purposes of the audit, and
8 any extensive recordkeeping or data require-
9 ments to be met, not later than 14 days (or as
10 soon as practicable), prior to the commence-
11 ment of the audit.

12 (B) NOTIFICATION REQUIREMENT.—If the
13 scope, objectives, or purposes of the audit
14 change substantially during the course of the
15 audit, the entity being audited shall be notified
16 of the change as soon as practicable.

17 (C) ADDITIONAL REQUIREMENT.—The re-
18 ports on the results of such audits shall cite the
19 law, regulation, policy, or other criteria applica-
20 ble to any finding contained in the reports.

21 (D) RULE OF CONSTRUCTION.—Nothing
22 contained in this title shall be construed so as
23 to be inconsistent with the Inspector General
24 Act of 1978 (5 U.S.C. App.) or government au-

1 diting standards issued by the Comptroller Gen-
2 eral of the United States.

3 (c) ACCESSIBILITY OF REPORTS.—Each State, each
4 local partnership, and each recipient (other than a sub-
5 recipient, subgrantee, or contractor of a recipient) receiv-
6 ing funds under this title shall—

7 (1) make readily accessible such reports con-
8 cerning its operations and expenditures as shall be
9 prescribed by the Secretary;

10 (2) prescribe and maintain comparable manage-
11 ment information systems, in accordance with guide-
12 lines that shall be prescribed by the Secretary, de-
13 signed to facilitate the uniform compilation, cross
14 tabulation, and analysis of programmatic, partici-
15 pant, and financial data, on statewide, local area,
16 and other appropriate bases, necessary for reporting,
17 monitoring, and evaluating purposes, including data
18 necessary to comply with section 378; and

19 (3) monitor the performance of providers in
20 complying with the terms of grants, contracts, or
21 other agreements made pursuant to this title.

22 (d) INFORMATION TO BE INCLUDED IN REPORTS.—

23 (1) IN GENERAL.—The reports required in sub-
24 section (c) shall include information regarding pro-

1 grams and activities carried out under this title per-
2 taining to—

3 (A) the relevant demographic characteris-
4 tics (including race, ethnicity, sex, and age) and
5 other related information regarding partici-
6 pants;

7 (B) the programs and activities in which
8 participants are enrolled, and the length of time
9 that participants are engaged in such programs
10 and activities;

11 (C) outcomes of the programs and activi-
12 ties for participants, including the occupations
13 of participants, and placement for participants
14 in nontraditional employment;

15 (D) specified costs of the programs and ac-
16 tivities; and

17 (E) information necessary to prepare re-
18 ports to comply with section 378.

19 (2) **ADDITIONAL REQUIREMENT.**—The Sec-
20 retary shall ensure that all elements of the informa-
21 tion required for the reports described in paragraph
22 (1) are defined and reported uniformly.

23 (e) **RETENTION OF RECORDS.**—The Governor of a
24 State that receives funds under this title shall ensure that
25 requirements are established for retention of all records

1 of the State pertinent to all grants awarded, and contracts
2 and agreements entered into, under this title, including
3 financial, statistical, property, and participant records and
4 supporting documentation. For funds allotted to a State
5 under this title for any program year, the State shall re-
6 tain the records for 2 subsequent program years. The
7 State shall retain records for nonexpendable property that
8 is used to carry out this title for a period of 3 years after
9 final disposition of the property.

10 (f) QUARTERLY FINANCIAL REPORTS.—

11 (1) IN GENERAL.—Each local partnership in
12 the State shall submit quarterly financial reports to
13 the Governor with respect to programs and activities
14 carried out under this title. Such reports shall in-
15 clude information identifying all program and activ-
16 ity costs by cost category in accordance with gen-
17 erally accepted accounting principles and by year of
18 the appropriation involved.

19 (2) ADDITIONAL REQUIREMENT.—Each State
20 shall submit to the Secretary, on a quarterly basis,
21 a summary of the reports submitted to the Governor
22 pursuant to paragraph (1).

23 (g) MAINTENANCE OF ADDITIONAL RECORDS.—

24 Each State and local partnership shall maintain records

1 with respect to programs and activities carried out under
2 this title that identify—

3 (1) any income or profits earned, including such
4 income or profits earned by subrecipients; and

5 (2) any costs incurred (such as stand-in costs)
6 that are otherwise allowable except for funding limi-
7 tations.

8 (h) COST CATEGORIES.—In requiring entities to
9 maintain records of costs by category under this title, the
10 Secretary shall require only that the costs be categorized
11 as administrative or programmatic costs.

12 **SEC. 376. ADMINISTRATIVE ADJUDICATION.**

13 (a) IN GENERAL.—Whenever any applicant for finan-
14 cial assistance under this title is dissatisfied because the
15 Secretary has made a determination not to award financial
16 assistance in whole or in part to such applicant, the appli-
17 cant may request a hearing before an administrative law
18 judge of the Department of Labor. A similar hearing may
19 also be requested by any recipient for whom a corrective
20 action has been required or a sanction has been imposed
21 by the Secretary under section 374. Except to the extent
22 provided for in section 371(c) or 378, all other disputes
23 arising under this title relating to the manner in which
24 the recipient carries out a program or activity under this
25 title shall be adjudicated under grievance procedures es-

1 tablished by the recipient or under applicable law other
2 than this title.

3 (b) APPEAL.—The decision of the administrative law
4 judge shall constitute final action by the Secretary unless,
5 within 20 days after receipt of the decision of the adminis-
6 trative law judge, a party dissatisfied with the decision or
7 any part of the decision has filed exceptions with the Sec-
8 retary specifically identifying the procedure, fact, law, or
9 policy to which exception is taken. Any exception not spe-
10 cifically urged shall be deemed to have been waived. After
11 the 20-day period the decision of the administrative law
12 judge shall become the final decision of the Secretary un-
13 less the Secretary, within 30 days after such filing, has
14 notified the parties that the case involved has been accept-
15 ed for review.

16 (c) TIME LIMIT.—Any case accepted for review by
17 the Secretary under subsection (b) shall be decided within
18 180 days after such acceptance. If the case is not decided
19 within the 180-day period, the decision of the administra-
20 tive law judge shall become the final decision of the Sec-
21 retary at the end of the 180-day period.

22 (d) ADDITIONAL REQUIREMENT.—The provisions of
23 section 377 shall apply to any final action of the Secretary
24 under this section.

1 **SEC. 377. JUDICIAL REVIEW.**

2 (a) REVIEW.—

3 (1) PETITION.—With respect to any final order
4 by the Secretary under section 376 by which the
5 Secretary awards, declines to award, or only condi-
6 tionally awards, financial assistance under this title,
7 or any final order of the Secretary under section 376
8 with respect to a corrective action or sanction im-
9 posed under section 374, any party to a proceeding
10 which resulted in such final order may obtain review
11 of such final order in the United States Court of Ap-
12 peals having jurisdiction over the applicant or recipi-
13 ent of funds involved, by filing a review petition
14 within 30 days after the date of issuance of such
15 final order.

16 (2) ACTION ON PETITION.—The clerk of the
17 court shall transmit a copy of the review petition to
18 the Secretary who shall file the record on which the
19 final order was entered as provided in section 2112
20 of title 28, United States Code. The filing of a re-
21 view petition shall not stay the order of the Sec-
22 retary, unless the court orders a stay. Petitions filed
23 under this subsection shall be heard expeditiously, if
24 possible within 10 days after the date of filing of a
25 reply to the petition.

1 (3) STANDARD AND SCOPE OF REVIEW.—No
2 objection to the order of the Secretary shall be con-
3 sidered by the court unless the objection was specifi-
4 cally urged, in a timely manner, before the Sec-
5 retary. The review shall be limited to questions of
6 law and the findings of fact of the Secretary shall
7 be conclusive if supported by substantial evidence.

8 (b) JUDGMENT.—The court shall have jurisdiction to
9 make and enter a decree affirming, modifying, or setting
10 aside the order of the Secretary in whole or in part. The
11 judgment of the court regarding the order shall be final,
12 subject to certiorari review by the Supreme Court as pro-
13 vided in section 1254(1) of title 28, United States Code.

14 **SEC. 378. NONDISCRIMINATION.**

15 (a) PROHIBITED DISCRIMINATION.—

16 (1) PROHIBITION ON DISCRIMINATION IN FED-
17 ERAL PROGRAMS AND ACTIVITIES.—For the purpose
18 of applying the prohibitions against discrimination
19 on the basis of age under the Age Discrimination
20 Act of 1975 (42 U.S.C. 6101 et seq.), on the basis
21 of disability under section 504 of the Rehabilitation
22 Act of 1973 (29 U.S.C. 794), on the basis of sex
23 under title IX of the Education Amendments of
24 1972 (20 U.S.C. 1681 et seq.), or on the basis of
25 race, color, or national origin under title VI of the

1 Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.),
2 programs and activities funded in whole or in part
3 under this title shall be considered to be programs
4 and activities receiving Federal financial assistance,
5 and education programs and activities receiving Fed-
6 eral financial assistance.

7 (2) PROHIBITION OF DISCRIMINATION REGARD-
8 ING PARTICIPATION, BENEFITS, AND EMPLOY-
9 MENT.—No individual shall be excluded from par-
10 ticipation in, denied the benefits of, subjected to dis-
11 crimination under, or denied employment in the ad-
12 ministration of or in connection with, any such pro-
13 gram or activity because of race, color, religion, sex,
14 national origin, age, disability, or political affiliation
15 or belief.

16 (3) PROHIBITION ON ASSISTANCE FOR FACILI-
17 TIES FOR SECTARIAN INSTRUCTION OR RELIGIOUS
18 WORSHIP.—Participants shall not be employed under
19 this title to carry out the construction, operation, or
20 maintenance of any part of any facility that is used
21 or to be used for sectarian instruction or as a place
22 for religious worship.

23 (4) PROHIBITION ON DISCRIMINATION ON BASIS
24 OF PARTICIPANT STATUS.—No person may discrimi-
25 nate against an individual who is a participant in a

1 program or activity that receives funds under this
2 title, with respect to the terms and conditions affect-
3 ing, or rights provided to, the individual, solely be-
4 cause of the status of the individual as a participant,
5 in carrying out any endeavor that involves—

6 (A) participants in programs and activities
7 that receive funding under this title; and

8 (B) persons who receive no assistance
9 under this title.

10 (5) PROHIBITION ON DISCRIMINATION AGAINST
11 CERTAIN NONCITIZENS.—Participation in programs
12 and activities or receiving funds under this title shall
13 be available to citizens and nationals of the United
14 States, lawfully admitted permanent resident aliens,
15 refugees, asylees, and parolees, other aliens lawfully
16 present in the United States, and other individuals
17 authorized by the Attorney General to work in the
18 United States.

19 (b) ACTION OF SECRETARY.—Whenever the Sec-
20 retary finds that a State or other recipient of funds under
21 this title has failed to comply with a provision of law re-
22 ferred to in subsection (a)(1), or with paragraph (2), (3),
23 (4), or (5) of subsection (a), including an applicable regu-
24 lation prescribed to carry out such provision or paragraph,
25 the Secretary shall notify such State or recipient and shall

1 request that the State or recipient comply. If within a rea-
 2 sonable period of time, not to exceed 60 days, the State
 3 or recipient fails or refuses to comply, the Secretary
 4 may—

5 (1) refer the matter to the Attorney General
 6 with a recommendation that an appropriate civil ac-
 7 tion be instituted;

8 (2) exercise the powers and functions provided
 9 to the head of a Federal department or agency
 10 under the Age Discrimination Act of 1975, title V
 11 of the Rehabilitation Act of 1973 (29 U.S.C. 791 et
 12 seq.); title IX of the Education Amendments of
 13 1972, or title VI of the Civil Rights Act of 1964, as
 14 may be applicable; or

15 (3) take such other action as may be provided
 16 by law.

17 (e) ACTION OF ATTORNEY GENERAL.—When a mat-
 18 ter is referred to the Attorney General pursuant to sub-
 19 section (b)(1), or whenever the Attorney General has rea-
 20 son to believe that a State or other recipient of funds
 21 under this title is engaged in a pattern or practice of dis-
 22 crimination in violation of a provision of law referred to
 23 in subsection (a)(1) or in violation of paragraph (2), (3),
 24 (4), or (5) of subsection (a), the Attorney General may
 25 bring a civil action in any appropriate district court of the

1 United States for such relief as may be appropriate, in-
2 cluding injunctive relief.

3 (d) **JOB CORPS MEMBERS.**—For purposes of this sec-
4 tion, Job Corps members shall be considered as the ulti-
5 mate beneficiaries of an education program or activity re-
6 ceiving Federal financial assistance.

7 **SEC. 379. ADMINISTRATIVE PROVISIONS.**

8 (a) **IN GENERAL.**—The Secretary may, in accordance
9 with chapter 5 of title 5, United States Code, prescribe
10 rules and regulations to carry out this title to the extent
11 necessary to implement, administer, and ensure compli-
12 ance with the requirements of this title. Such rules and
13 regulations may include provisions making adjustments
14 authorized by section 6504 of title 31, United States Code.
15 All such rules and regulations shall be published in the
16 Federal Register at least 30 days prior to their effective
17 dates. Copies of each such rule or regulation shall be
18 transmitted to the appropriate committees of Congress on
19 the date of such publication and shall contain, with respect
20 to each material provision of such rule or regulation, a
21 citation to the particular substantive section of law that
22 is the basis for the provision.

23 (b) **ACQUISITION OF CERTAIN PROPERTY AND SERV-**
24 **ICES.**—The Secretary is authorized, in carrying out this
25 title, to accept, purchase, or lease in the name of the De-

1 partment of Labor, and employ or dispose of in further-
2 ance of the purposes of this title, any money or property,
3 real, personal, or mixed, tangible or intangible, received
4 by gift, devise, bequest, or otherwise, and to accept vol-
5 untary and uncompensated services notwithstanding the
6 provisions of section 1342 of title 31, United States Code.

7 (c) ~~AUTHORITY TO ENTER INTO CERTAIN AGREE-~~
8 ~~MENTS AND TO MAKE CERTAIN EXPENDITURES.~~—The
9 Secretary may make such grants, enter into such con-
10 tracts or agreements, establish such procedures, and make
11 such payments, in installments and in advance or by way
12 of reimbursement, or otherwise allocate or expend such
13 funds under this title, as may be necessary to carry out
14 this title, including making expenditures for construction,
15 repairs, and capital improvements, and including making
16 necessary adjustments in payments on account of over-
17 payments or underpayments.

18 (d) ~~ANNUAL REPORT.~~—The Secretary shall prepare
19 and submit to Congress an annual report regarding the
20 programs and activities carried out under this title. The
21 Secretary shall include in such report—

22 (1) a summary of the achievements, failures,
23 and problems of the programs and activities in meet-
24 ing the objectives of this title;

1 (2) a summary of major findings from research,
2 evaluations, pilot projects, and experiments con-
3 ducted under this title in the fiscal year prior to the
4 submission of the report;

5 (3) recommendations for modifications in the
6 programs and activities based on analysis of such
7 findings; and

8 (4) such other recommendations for legislative
9 or administrative action as the Secretary determines
10 to be appropriate.

11 (e) UTILIZATION OF SERVICES AND FACILITIES.—

12 The Secretary is authorized, in carrying out this title,
13 under the same procedures as are applicable under sub-
14 section (e) or to the extent permitted by law other than
15 this title; to accept and use the services and facilities of
16 departments, agencies, and establishments of the United
17 States. The Secretary is also authorized, in carrying out
18 this title; to accept and use the services and facilities of
19 the agencies of any State or political subdivision of a
20 State, with the consent of the State or political subdivi-
21 sion.

22 (f) OBLIGATIONAL AUTHORITY.—Notwithstanding
23 any other provision of this title, the Secretary shall have
24 no authority to enter into contracts, grant agreements, or
25 other financial assistance agreements under this title ex-

1 cept to such extent and in such amounts as are provided
 2 in advance in appropriations Acts.

3 (g) PROGRAM YEAR.—

4 (1) IN GENERAL.—Appropriations for any fiscal
 5 year for programs and activities carried out under
 6 this title shall be available for obligation only on the
 7 basis of a program year. The program year shall
 8 begin on July 1 in the fiscal year for which the ap-
 9 propriation is made.

10 (2) AVAILABILITY.—Funds obligated for any
 11 program year for a program or activity carried out
 12 under this title may be expended by each State re-
 13 ceiving such funds during that program year and the
 14 2 succeeding program years. Funds received by local
 15 areas from States under this title during a program
 16 year may be expended during that program year and
 17 the succeeding program year. No amount of the
 18 funds described in this paragraph shall be
 19 deobligated on account of a rate of expenditure that
 20 is consistent with a State plan, an operating plan
 21 described in section 341, or a plan, grant agreement,
 22 contract, application, or other agreement described
 23 in subtitle C, as appropriate.

24 (h) ENFORCEMENT OF MILITARY SELECTIVE SERV-
 25 ICE ACT.—The Secretary shall ensure that each individual

1 participating in any program or activity established under
2 this title, or receiving any assistance or benefit under this
3 title, has not violated section 3 of the Military Selective
4 Service Act (50 U.S.C. App. 453) by not presenting and
5 submitting to registration as required pursuant to such
6 section. The Director of the Selective Service System shall
7 cooperate with the Secretary to enable the Secretary to
8 carry out this subsection.

9 (i) WAIVERS.—

10 (1) SPECIAL RULE.—With respect to a State
11 that has been granted a waiver under the provisions
12 relating to training and employment services of the
13 Department of Labor in title I of the Departments
14 of Labor, Health and Human Services, and Edu-
15 cation, and Related Agencies Appropriations Act,
16 1997 (Public Law 104-208; 110 Stat. 3009-234),
17 the authority provided under such waiver shall con-
18 tinue in effect and apply, and include a waiver of the
19 related provisions of subtitle A and this subtitle, for
20 the duration of the initial waiver.

21 (2) GENERAL AUTHORITY.—Notwithstanding
22 any other provision of law, the Secretary may waive
23 for a State, or a local area in a State, pursuant to
24 a request submitted by the Governor of the State (in

1 consultation with appropriate local elected officials)
2 that meets the requirements of paragraph (3)—

3 (A) any of the statutory or regulatory re-
4 quirements of subtitle A or this subtitle (except
5 for requirements relating to wage and labor
6 standards, worker rights, participation and pro-
7 tection of participants, grievance procedures
8 and judicial review, nondiscrimination, alloca-
9 tion of funds to local areas, eligibility of provid-
10 ers or participants, and the establishment and
11 functions of local areas); and

12 (B) any of the statutory or regulatory re-
13 quirements of sections 8 through 10 of the
14 Wagner-Peyser Act (29 U.S.C. 49e through
15 49i) (excluding requirements relating to the
16 provision of services to unemployment insurance
17 claimants (including veterans) but including re-
18 porting requirements relating to such provision
19 of services, and excluding requirements relating
20 to universal access to basic labor exchange serv-
21 ices without cost to jobseekers).

22 (3) REQUESTS.—A Governor requesting a waiv-
23 er under paragraph (2) shall submit a plan to the
24 Secretary to improve the statewide workforce invest-
25 ment system that—

1 (A) identifies the statutory or regulatory
2 requirements that are requested to be waived
3 and the goals that the State or local area in the
4 State, as appropriate, intends to achieve as a
5 result of the waiver;

6 (B) describes the actions that the State or
7 local area, as appropriate, has undertaken to
8 remove State or local statutory or regulatory
9 barriers;

10 (C) describes the goals of the waiver and
11 the expected programmatic outcomes if the re-
12 quest is granted;

13 (D) describes the individuals impacted by
14 the waiver; and

15 (E) describes the process used to monitor
16 the progress in implementing such a waiver,
17 and the process by which notice and an oppor-
18 tunity to comment on such request has been
19 provided to the organizations identified in sec-
20 tion 308(b)(2).

21 (4) CONDITIONS.—Not later than 90 days after
22 the date of the original submission of a request for
23 a waiver under paragraph (2), the Secretary shall
24 provide a waiver under this subsection if and only to
25 the extent that—

1 (A) the Secretary determines that the re-
 2 quirements requested to be waived impede the
 3 ability of the State or local area, as appro-
 4 priate, to implement the plan described in para-
 5 graph (3); and

6 (B) the State has executed a memorandum
 7 of understanding with the Secretary requiring
 8 such State to meet, or ensure that the local
 9 area meets, agreed-upon outcomes and to im-
 10 plement other appropriate measures to ensure
 11 accountability.

12 **SEC. 380. STATE LEGISLATIVE AUTHORITY.**

13 (a) **AUTHORITY OF STATE LEGISLATURE.**—Nothing
 14 in this title shall be interpreted to preclude the enactment
 15 of State legislation providing for the implementation, con-
 16 sistent with the provisions of this title, of the activities
 17 assisted under this title. Any funds received by a State
 18 under this title shall be subject to appropriation by the
 19 State legislature, consistent with the terms and conditions
 20 required under this title.

21 (b) **INTERSTATE COMPACTS AND COOPERATIVE**
 22 **AGREEMENTS.**—In the event that compliance with provi-
 23 sions of this title would be enhanced by compacts and co-
 24 operative agreements between States, the consent of Con-
 25 gress is given to States to enter into such compacts and

1 agreements to facilitate such compliance, subject to the
2 approval of the Secretary.

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 H 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
15 Development 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.
18 11441 et seq.); except section 738 of such title (42
19 U.S.C. 11448).

20 (6) Subchapter I of chapter 421 of title 49,
21 United States Code.

22 (b) **SUBSEQUENT REPEALS.**—The following provi-
23 sions 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
2 Homeless Assistance Act (42 U.S.C. 11421 et seq.),
3 except subtitle B and section 738 of such title (42
4 U.S.C. 11431 et seq. and 11448).

5 **SEC. 392. CONFORMING AMENDMENTS.**

6 (a) PREPARATION.—After consultation with the ap-
7 propriate committees of Congress and the Director of the
8 Office of Management and Budget, the Secretary shall
9 prepare recommended legislation containing technical and
10 conforming amendments to reflect the changes made by
11 this subtitle.

12 (b) SUBMISSION TO CONGRESS.—Not later than 6
13 months after the date of enactment of this Act, the Sec-
14 retary shall submit to Congress the recommended legisla-
15 tion referred to under paragraph (1).

16 **SEC. 393. EFFECTIVE DATES.**

17 (a) IMMEDIATE REPEALS.—The repeals made by sec-
18 tion 391(a) shall take effect on the date of the enactment
19 of this Act.

20 (b) SUBSEQUENT REPEALS.—The repeals made by
21 section 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
 11 Partnership Act of 1997”;

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
 20 Partnership Act of 1997;

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 1997;

1 “(4) the term ‘one-stop customer service sys-
 2 tem’ means a one-stop customer service system es-
 3 tablished under section 315(b) of the Workforce In-
 4 vestment Partnership Act of 1997;” 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(a) of the Wagner-
 10 Peyster Act (29 U.S.C. 49b(a)) is amended to read as fol-
 11 lows:

12 “(a) The Secretary shall—

13 “(1) assist in the coordination and development
 14 of a nationwide system of public labor exchange
 15 services, provided as part of the one-stop customer
 16 service systems of the States;

17 “(2) assist in the development of continuous
 18 improvement models for such nationwide system that
 19 ensure private sector satisfaction with the system
 20 and meet the demands of jobseekers relating to the
 21 system; and

22 “(3) ensure, for individuals otherwise eligible to
 23 receive unemployment compensation, the provision of
 24 reemployment services and other activities in which

1 the individuals are required to participate to receive
2 the compensation.”.

3 (b) CONFORMING AMENDMENTS.—Section 508(b)(1)
4 of the Unemployment Compensation Amendments of 1976
5 (42 U.S.C. 603a(b)(1)) is amended—

6 (1) by striking “the third sentence of section
7 3(a)” and inserting “section 3(b)”; and

8 (2) by striking “49b(a)” and inserting
9 “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(e) of the Wagner-Peyser Act (29 U.S.C.
22 49d(e)) 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 in-
3 vestment 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 1997.”;

8 (3) in subsection (d)—

9 (A) by striking “United States Employ-
10 ment Service” and inserting “Secretary”; and

11 (B) by striking “Job Training Partnership
12 Act” and inserting “Workforce Investment
13 Partnership Act of 1997”; and

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

15 “(e) All job search, placement, recruitment, labor
16 market information, and other labor exchange services au-
17 thorized under subsection (a) shall be provided as part of
18 the one-stop customer service system established by the
19 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 1997, detailed plans for carrying
 3 out the provisions of this Act within such State.”;

4 (2) by striking subsections (b), (c), and (e);

5 (3) by redesignating subsection (d) as sub-
 6 section (b); and

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

8 “(e) The part of the State plan described in sub-
 9 section (a) shall include the information described in para-
 10 graphs (8) and (16) of section 304(b) of the Workforce
 11 Investment Partnership Act of 1997.”.

12 **SEC. 407. REPEAL OF FEDERAL ADVISORY COUNCIL.**

13 Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j)
 14 is hereby repealed.

15 **SEC. 408. REGULATIONS.**

16 Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k)
 17 is amended by striking “The Director, with the approval
 18 of the Secretary of Labor,” and inserting “The Sec-
 19 retary”.

20 **SEC. 409. LABOR MARKET INFORMATION.**

21 The Wagner-Peyser Act is amended—

22 (1) by redesignating section 15 (29 U.S.C. 49
 23 note) as section 16; and

24 (2) by inserting after section 14 (29 U.S.C.
 25 49l-1) the following:

1 **“SEC. 15. LABOR MARKET INFORMATION.**

2 “(a) SYSTEM CONTENT.—

3 “(1) IN GENERAL.—The Secretary, in accord-
4 ance with the provisions of this section, shall oversee
5 the development, maintenance, and continuous im-
6 provement of a system of labor market information
7 that includes—

8 “(A) statistical data from cooperative sta-
9 tistical survey and projection programs and
10 data from administrative reporting systems
11 that, taken together, enumerate, estimate, and
12 project the employment opportunities at the na-
13 tional, State, and local levels in a timely man-
14 ner, including data on—

15 “(i) employment and unemployment
16 status of the national, State, and local
17 populations, as such data are developed by
18 the Bureau of Labor Statistics and other
19 sources;

20 “(ii) industrial distribution of occupa-
21 tions, as well as current and projected em-
22 ployment opportunities and skill trends by
23 occupation and industry, with particular
24 attention paid to State and local employ-
25 ment opportunities;

1 “(iii) data on the incidence of, indus-
2 trial and geographical location of, and
3 number of workers displaced by, perma-
4 nent layoffs and plant closings; and

5 “(iv) employee information maintained
6 in a longitudinal manner and collected (as
7 of the date of enactment of the Workforce
8 Investment Partnership Act of 1997) by
9 States;

10 “(B) State and local employment informa-
11 tion, and other appropriate statistical data re-
12 lated to labor market dynamics (compiled for
13 States and localities with technical assistance
14 provided by the Secretary); which shall—

15 “(i) be current and comprehensive, as
16 of the date used;

17 “(ii) assist individuals to make in-
18 formed choices relating to employment and
19 training; and

20 “(iii) assist employers to locate, iden-
21 tify skill traits of, and train individuals
22 who are seeking employment and training;

23 “(C) technical standards (which the Sec-
24 retary shall make publicly available) for data
25 and information described in subparagraphs (A)

1 and (B) that, at a minimum, meet the criteria
2 of chapter 35 of title 44, United States Code;

3 “(D) procedures to ensure compatibility
4 and additivity of the data and information de-
5 scribed in subparagraphs (A) and (B) from na-
6 tional, State, and local levels;

7 “(E) procedures to support standardization
8 and aggregation of data from administrative re-
9 porting systems described in subparagraph (A)
10 of employment-related programs;

11 “(F) analysis of data and information de-
12 scribed in subparagraphs (A) and (B) for uses
13 such as State and local policymaking;

14 “(G) wide dissemination of such data, in-
15 formation, and analysis; training for users of
16 the data, information, and analysis; and vol-
17 untary technical standards for dissemination
18 mechanisms; and

19 “(H) programs of—

20 “(i) research and demonstration; and

21 “(ii) technical assistance for States
22 and localities.

23 “(2) INFORMATION TO BE CONFIDENTIAL.—

1 “(A) IN GENERAL.—No officer or em-
2 ployee of the Federal Government or agent of
3 the Federal Government may—

4 “(i) use any submission that is fur-
5 nished for exclusively statistical purposes
6 under the provisions of this section for any
7 purpose other than the statistical purposes
8 for which the submission is furnished;

9 “(ii) make any publication or media
10 transmittal of the data contained in the
11 submission described in clause (i) that per-
12 mits information concerning individual
13 subjects to be reasonably inferred by either
14 direct or indirect means; or

15 “(iii) permit anyone other than a
16 sworn officer, employee, or agent of any
17 Federal department or agency, or a con-
18 tractor (including an employee of a con-
19 tractor) of such department or agency, to
20 examine an individual submission described
21 in clause (i);

22 without the consent of the individual, agency, or
23 other person who is the subject of the submis-
24 sion or provides that submission.

1 “(B) IMMUNITY FROM LEGAL PROCESS.—

2 Any submission (including any data derived
3 from the submission) that is collected and re-
4 tained by a Federal department or agency, or
5 an officer, employee, agent, or contractor of
6 such a department or agency, for exclusively
7 statistical purposes under this section shall be
8 immune from the legal process and shall not,
9 without the consent of the individual, agency, or
10 other person who is the subject of the submis-
11 sion or provides that submission, be admitted
12 as evidence or used for any purpose in any ac-
13 tion, suit, or other judicial or administrative
14 proceeding.

15 “(C) CONSTRUCTION.—Nothing in this
16 section shall be construed to provide immunity
17 from the legal process for such submission (in-
18 cluding any data derived from the submission)
19 if the submission is in the possession of any
20 person, agency, or entity other than the Federal
21 Government or an officer, employee, agent, or
22 contractor of the Federal Government, or if the
23 submission is independently collected, retained,
24 or produced for purposes other than the pur-
25 poses of this Act.

1 “(b) SYSTEM RESPONSIBILITIES.—

2 “(1) IN GENERAL.—The labor market informa-
3 tion system shall be planned, administered, overseen,
4 and evaluated through a cooperative governance
5 structure involving the Federal Government and
6 States.

7 “(2) DUTIES.—The Secretary, with respect to
8 data collection, analysis, and dissemination of labor
9 market information for the system, shall carry out
10 the following duties:

11 “(A) Assign responsibilities within the De-
12 partment of Labor for elements of the system
13 described in subsection (a) to ensure that all
14 statistical and administrative data collected is
15 consistent with appropriate Bureau of Labor
16 Statistics standards and definitions.

17 “(B) Actively seek the cooperation of other
18 Federal agencies to establish and maintain
19 mechanisms for ensuring complementarity and
20 nonduplication in the development and oper-
21 ation of statistical and administrative data col-
22 lection activities.

23 “(C) Eliminate gaps and duplication in
24 statistical undertakings, with the systemization
25 of wage surveys as an early priority.

1 “(D) In collaboration with the Bureau of
2 Labor Statistics and States, develop and main-
3 tain the elements of the system described in
4 subsection (a), including the development of
5 consistent definitions for use by the States in
6 collecting the data and information described in
7 subparagraphs (A) and (B), of subsection
8 (a)(1) and the development of the annual plan
9 under subsection (e).

10 “(E) Establish procedures for the system
11 to ensure that—

12 “(i) such data and information are
13 timely;

14 “(ii) administrative records for the
15 system are consistent in order to facilitate
16 aggregation of such data and information;

17 “(iii) paperwork and reporting for the
18 system are reduced to a minimum; and

19 “(iv) States and localities are fully in-
20 volved in the maintenance and continuous
21 improvement of the system at the State
22 and local levels.

23 “(e) ANNUAL PLAN.—The Secretary, with the assist-
24 ance of the States and the Bureau of Labor Statistics,
25 and with the assistance of other appropriate Federal agen-

1 cies, shall prepare an annual plan which shall be the mech-
2 anism for achieving cooperative management of the na-
3 tionwide labor market information system described in
4 subsection (a) and the statewide labor market information
5 systems that comprise the nationwide system. The plan
6 shall—

7 “(1)(A) describe the elements of the system de-
8 scribed in subsection (a), including standards, defini-
9 tions, formats, collection methodologies, and other
10 necessary system elements, for use in collecting data
11 and information described in subparagraphs (A) and
12 (B) of subsection (a)(1); and

13 “(B) include assurances that—

14 “(i) the data will be timely and detailed;

15 “(ii) administrative records will be stand-
16 ardized to facilitate the aggregation of the data
17 from local areas to State and national levels
18 and to support the creation of new statistical
19 series from program records; and

20 “(iii) paperwork and reporting require-
21 ments for employers and individuals will be re-
22 duced;

23 “(2) include a report on the results of an an-
24 nual consumer satisfaction review concerning the
25 performance of the system, including the perform-

1 ance of the system in addressing the needs of Con-
2 gress, States, localities, employers, jobseekers, and
3 other consumers;

4 “(3) evaluate the performance of the system
5 and recommend needed improvements, taking into
6 consideration the results of the consumer satisfac-
7 tion review, with particular attention paid to the im-
8 provements needed at the State and local levels;

9 “(4) describe annual priorities, and priorities
10 over 5 years, for the system;

11 “(5) describe current (as of the date of the sub-
12 mission of the plan) spending and spending needs to
13 carry out activities under this section, including the
14 costs to States and localities of meeting the require-
15 ments of subsection (d)(2); and

16 “(6) describe the involvement of States in the
17 development of the plan, through formal consulta-
18 tions conducted by the Secretary in cooperation with
19 representatives of the Governors of every State, and
20 with representatives of local partnerships, pursuant
21 to a process established by the Secretary in coopera-
22 tion with the States.

23 “(d) STATE RESPONSIBILITIES.—

1 “(1) DESIGNATION OF STATE AGENCY.—In
2 order to receive Federal financial assistance under
3 this section, the Governor of a State—

4 “(A) shall designate a single State agency
5 to be responsible for the management of the
6 portions of the system described in subsection
7 (a) that comprise a statewide labor market in-
8 formation system; and

9 “(B) shall establish a process for the over-
10 sight of such system.

11 “(2) DUTIES.—In order to receive Federal fi-
12 nancial assistance under this section, the State agen-
13 cy shall—

14 “(A) consult with State and local employ-
15 ers, participants, and local partnerships about
16 the labor market relevance of the data to be col-
17 lected and disseminated through the statewide
18 labor market information system;

19 “(B) consult with State educational agen-
20 cies and local educational agencies concerning
21 providing labor market information in order to
22 meet the needs of secondary school and post-
23 secondary school students who seek such infor-
24 mation;

1 “(C) collect and disseminate for the sys-
2 tem; on behalf of the State and localities in the
3 State; the information and data described in
4 subparagraphs (A) and (B) of subsection
5 (a)(1);

6 “(D) maintain and continuously improve
7 the statewide labor market information system
8 in accordance with this section;

9 “(E) perform contract and grant respon-
10 sibilities for data collection, analysis, and dis-
11 semination for such system;

12 “(F) conduct such other data collection,
13 analysis, and dissemination activities as will en-
14 sure an effective statewide labor market infor-
15 mation system;

16 “(G) actively seek the participation of
17 other State and local agencies in data collec-
18 tion, analysis, and dissemination activities in
19 order to ensure complementarity, compatibility,
20 and usefulness of data;

21 “(H) participate in the development of the
22 annual plan described in subsection (e); and

23 “(I) utilize the quarterly records described
24 in section 321(e)(1) and section 312 to assist

1 the State and other States in measuring State
2 progress on State performance measures.

3 ~~“(3) RULE OF CONSTRUCTION.—~~Nothing in
4 this section shall be construed as limiting the ability
5 of a State agency to conduct additional data collec-
6 tion, analysis, and dissemination activities with
7 State funds or with Federal funds from sources
8 other than this section.

9 ~~“(e) 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 fiscal years
12 1999 through 2003.

13 ~~“(f) DEFINITIONS.—~~In this section, the terms ‘local
14 area’ and ‘local partnership’ have the meanings given the
15 terms in section 2 of the Workforce Investment Partner-
16 ship Act of 1997.”.

17 **SEC. 410. TECHNICAL AMENDMENTS.**

18 Sections 3(b), 6(b)(1), and 7(d) of the Wagner
19 Peyser Act (29 U.S.C. 49b(b), 49e(b)(1), and 49f(d)) are
20 amended by striking “Secretary of Labor” and inserting
21 “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.
5 2313) 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
9 paragraphs (8) and (16) of section 304(b) of the
10 Workforce Investment Partnership Act of 1997.”.

11 **SEC. 422. NATIONAL APPRENTICESHIP ACT.**

12 The Act of August 16, 1937 (commonly known as
13 the “National Apprenticeship Act”; 50 Stat. 664, chapter
14 663; 29 U.S.C. 50 et seq.) is amended by inserting after
15 section 3 the following:

16 **“SEC. 3A. COORDINATION AND NONDUPLICATION.**

17 “In carrying out this Act, the Secretary of Labor
18 shall require that an appropriate administrative entity in
19 each State enter into an agreement with the Secretary re-
20 garding the implementation of this Act that includes the
21 description and information described in paragraphs (8)
22 and (16) of section 304(b) of the Workforce Investment
23 Partnership Act of 1997.”.

1 **SEC. 423. VETERANS' EMPLOYMENT PROGRAMS.**

2 Chapter 41 of title 38, United States Code, is amend-
3 ed by adding at the end the following:

4 **“§ 4110B. Coordination and nonduplication**

5 “In carrying out this chapter, the Secretary shall re-
6 quire that an appropriate administrative entity in each
7 State enter into an agreement with the Secretary regard-
8 ing the implementation of this Act that includes the de-
9 scription and information described in paragraphs (8) and
10 (16) of section 304(b) of the Workforce Investment Part-
11 nership Act of 1997.”.

12 **SEC. 424. OLDER AMERICANS ACT OF 1965.**

13 Section 502(b)(1) of the Older Americans Act of
14 1965 (42 U.S.C. 3056(b)(1)) is amended—

15 (1) in subparagraph (O), by striking “; and”
16 and inserting a semicolon;

17 (2) in subparagraph (P), by striking the period
18 and inserting “; and”; and

19 (3) by adding at the end the following subpara-
20 graph:

21 “(Q) will provide to the Secretary the descrip-
22 tion and information described in paragraphs (8)
23 and (16) of section 304(b) of the Workforce Invest-
24 ment Partnership Act of 1997.”.

1 **TITLE V—GENERAL PROVISIONS**

2 **SEC. 501. STATE UNIFIED PLANS.**

3 (a) **PURPOSE.**—The purpose of this section is to per-
 4 mit and encourage the submission of State unified plans;
 5 to assure coordination of and to avoid duplication between
 6 the activities carried out through the one-stop customer
 7 service systems.

8 (b) **DEFINITIONS.**—In this section:

9 (1) **APPROPRIATE SECRETARY.**—The term “ap-
 10 propriate Secretary” means the head of the Federal
 11 agency with authority to carry out a system pro-
 12 gram.

13 (2) **APPROPRIATE STATE AGENCY.**—The term
 14 “appropriate State agency”—

15 (A) used with respect to a system program
 16 authorized under title I or II, means an eligible
 17 agency; and

18 (B) used with respect to another system
 19 program, means a State agency with authority
 20 to carry out the system program, as specified
 21 by the Governor of the State.

22 (3) **SYSTEM PROGRAM.**—The term “system pro-
 23 gram” means a program of activities, carried out
 24 through the one-stop customer service system, that
 25 are—

1 (A) activities authorized under title I or H;

2 (B) workforce investment activities author-
3 ized under subtitle A of title III;

4 (C) other activities authorized under title
5 III;

6 (D) programs authorized under section
7 6(d) of the Food Stamp Act of 1977 (7 U.S.C.
8 2015(d));

9 (E) work programs authorized under sec-
10 tion 6(o) of the Food Stamp Act of 1977 (7
11 U.S.C. 2015(o));

12 (F) activities authorized under chapter 2
13 of title H of the Trade Act of 1974 (19 U.S.C.
14 2271 et seq.);

15 (G) programs authorized under the Wag-
16 ner-Peyser Act (29 U.S.C. 49 et seq.);

17 (H) activities carried out by the Bureau of
18 Apprenticeship and Training;

19 (I) programs authorized under title I of
20 the Rehabilitation Act of 1973 (29 U.S.C. 720
21 et seq.);

22 (J) activities authorized under chapter 41
23 of title 38, United States Code;

24 (K) programs authorized under State un-
25 employment compensation laws and the Federal

1 unemployment insurance program under titles
2 III, IX, and XII of the Social Security Act (42
3 U.S.C. 501 et seq., 1101 et seq., and 1321 et
4 seq.);

5 (L) programs authorized under part A of
6 title IV of the Social Security Act (42 U.S.C.
7 601 et seq.);

8 (M) programs authorized under title V of
9 the Older Americans Act of 1965 (42 U.S.C.
10 3056 et seq.); or

11 (N) training activities carried out by the
12 Department of Housing and Urban Develop-
13 ment.

14 (e) STATE UNIFIED PLAN.—A State may develop
15 and submit to the appropriate Secretaries a State unified
16 plan for 2 or more of the system programs.

17 (d) CONTENTS.—

18 (1) PLANNING PROVISIONS.—

19 (A) IN GENERAL.—In a State that elects
20 to develop a State unified plan, the plan shall
21 contain planning provisions, which shall be de-
22 veloped in a manner that substantially reflects
23 the planning requirements of the provisions of
24 the Federal statutes authorizing the system
25 programs.

1 (B) PLANNING REQUIREMENTS.—In sub-
2 paragraph (A), the term “planning require-
3 ments”; used with respect to a system program,
4 means such requirements as the appropriate
5 Secretary shall by regulation specify for the sys-
6 tem program.

7 (2) INFORMATION PROVISIONS.—In addition to
8 the planning provisions required to be included pur-
9 suant to paragraph (1), the plan shall include the
10 following:

11 (A) A description of the process used for
12 developing the State unified plan.

13 (B) A description of the process used to
14 consult the chief elected officials in the State
15 about the State unified plan.

16 (C) A description of the accountability sys-
17 tem of the State for activities carried out
18 through the one-stop customer service system.

19 (D) A description of how the one-stop cus-
20 tomer service system will provide the services
21 identified in the State unified plan through
22 such system.

23 (E) An assurance that the funds appro-
24 priated under Federal law to carry out the ac-
25 tivities identified in the State unified plan will

1 be used to supplement and not supplant other
2 Federal, State, and local public funds expended
3 to carry out the activities for eligible individ-
4 uals.

5 (e) DEVELOPMENT.—

6 (1) PLANNING PROVISIONS.—The provisions of
7 the plan described in subsection (d)(1) shall be de-
8 veloped by the statewide partnership. The portion of
9 the State unified plan relating to a system program
10 may be modified, as appropriate, with the agreement
11 of the Governor and the head of the appropriate
12 State agency with authority to carry out the system
13 program. The Governor and the head of the appro-
14 priate State agency shall have the final authority to
15 determine the content of the portion of the State
16 unified plan that relates to the system program.

17 (2) INFORMATION PROVISIONS.—The provisions
18 of the plan described in subsection (d)(2) shall be
19 developed by the statewide partnership, which shall
20 have the final authority to determine the content of
21 the provisions.

22 (f) SUBMISSION.—After the heads of the appropriate
23 State agencies approve the portions of the State unified
24 plan that relate to their system programs, the State uni-

1 fied plan shall be submitted to the appropriate Secretaries
2 by—

3 (1) the Governor; and

4 (2) an eligible agency, in the case of a plan con-
5 taining a portion relating to the system program of
6 the eligible agency.

7 (g) APPROVAL BY THE APPROPRIATE SECRETAR-
8 IES.—

9 (1) JURISDICTION.—Each of the appropriate
10 Secretaries shall have the authority to approve the
11 portion of the State unified plan relating to the sys-
12 tem program for which the Secretary has authority.
13 On the approval of the Secretary, the portion of the
14 plan relating to the system program shall be imple-
15 mented by the State pursuant to the State unified
16 plan.

17 (2) APPROVAL.—A portion of a State unified
18 plan submitted to an appropriate Secretary under
19 this section shall be considered to be approved by
20 the appropriate Secretary at the end of the 60-day
21 period beginning on the day the appropriate Sec-
22 retary receives the portion, unless the Secretary
23 makes a written determination, during the 60-day
24 period, that the portion does not substantially reflect

1 the planning requirements of the appropriate Fed-
2 eral statutes authorizing the system programs.

3 **SEC. 502. TRANSITION PROVISIONS.**

4 (a) **IN GENERAL.**—The Secretary of Education or the
5 Secretary of Labor, as appropriate, shall take such steps
6 as such Secretary determines to be appropriate to provide
7 for the orderly transition to the authority of this Act from
8 any authority under provisions of law to be repealed under
9 subtitle E of title I, subtitle B of title II, or subtitle E
10 of title III, or any related authority.

11 (b) **EXTENDED TRANSITION PERIOD.**—

12 (1) **IN GENERAL.**—If, on or before July 1,
13 1999, a State has enacted a State statute that pro-
14 vides for the establishment or conduct of 3 or more
15 of the programs, projects, or activities described in
16 subparagraphs (A) through (E) of paragraph (2),
17 the State shall not be required to comply with provi-
18 sions of this Act that conflict the provisions of with
19 such State statute relating to such programs,
20 projects, or activities for the period ending 3 years
21 after the effective date specified in section 503(a).
22 After such 3-year period, the Secretary of Education
23 or the Secretary of Labor, as appropriate, shall
24 allow a State to continue operating under such State

1 statute if the State is meeting the State performance
2 measures of the State.

3 ~~(2) PROGRAMS, PROJECTS, AND ACTIVITIES DE-~~
4 ~~SCRIBED.—~~The programs, projects, and activities
5 described in this paragraph are the following:

6 (A) Establishment of statewide partner-
7 ships or substate partnerships, including local
8 and regional partnerships.

9 (B) Reorganization or consolidation of
10 State agencies with responsibility for workforce
11 investment activities.

12 (C) Reorganization or consolidation of
13 workforce investment activities.

14 (D) Restructuring of local delivery systems
15 for workforce investment activities.

16 (E) Development or restructuring of State
17 accountability or oversight systems for
18 workforce investment systems to focus on per-
19 formance.

20 **SEC. 503. EFFECTIVE DATE.**

21 (a) **IN GENERAL.**—Except as otherwise provided in
22 this Act, this Act takes effect on July 1, 1999.

23 (b) **EARLY IMPLEMENTATION.**—At the option of a
24 State, the Governor of the State and the chief official of
25 the eligible agencies in the State may use funds made

1 available under a provision of law described in section
 2 502(a), or any related authority to implement this Act at
 3 any time prior to July 1, 1999.

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

5 (a) *SHORT TITLE.*—*This Act may be cited as the*
 6 *“Workforce Investment Partnership Act of 1997”.*

7 (b) *TABLE OF CONTENTS.*—*The table of contents is as*
 8 *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.

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.

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.

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.

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.

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. National Apprenticeship Act.
Sec. 423. Veterans' employment programs.

Sec. 424. *Older Americans Act of 1965.*

TITLE V—GENERAL PROVISIONS

Sec. 501. *State unified plans.*

Sec. 502. *Transition provisions.*

Sec. 503. *Effective date.*

1 **SEC. 2. DEFINITIONS.**

2 *In this Act:*

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

18 (ii) *do not possess a secondary school*
19 *diploma or its recognized equivalent; or*

20 (iii) *are unable to speak, read, or write*
21 *the English language.*

1 (3) *AREA VOCATIONAL EDUCATION SCHOOL.*—

2 *The term “area vocational education school” means—*

3 (A) *a specialized public secondary school*
4 *used exclusively or principally for the provision*
5 *of vocational education for individuals who seek*
6 *to study and prepare for entering the labor mar-*
7 *ket;*

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

14 (C) *a technical institute or vocational school*
15 *used exclusively or principally for the provision*
16 *of vocational education to individuals who have*
17 *completed or left public secondary school and*
18 *who seek to study and prepare for entering the*
19 *labor market, if the institute or school admits as*
20 *regular students both individuals who have com-*
21 *pleted public secondary school and individuals*
22 *who have left public secondary school; or*

23 (D) *the department or division of a junior*
24 *college, community college, or university operat-*
25 *ing under the policies of the eligible agency and*

1 that provides vocational education in not fewer
 2 than 5 different occupational fields leading to
 3 immediate employment but not necessarily lead-
 4 ing to a baccalaureate degree, if the department
 5 or division admits as regular students both indi-
 6 viduals who have completed public secondary
 7 school and individuals who have left public sec-
 8 ondary school.

9 (4) *CHIEF ELECTED OFFICIAL*.—The term “chief
 10 elected official” means the chief elected executive offi-
 11 cer of a unit of general local government in a local
 12 area.

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

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

19 (A)(i) has been terminated or laid off, or
 20 who has received a notice of termination or lay-
 21 off, from employment;

22 (ii)(I) is eligible for or has exhausted enti-
 23 tlement to unemployment compensation; or

24 (II) has been employed for a duration suffi-
 25 cient to demonstrate, to the appropriate entity at

1 *a one-stop customer service center, attachment to*
2 *the workforce, but is not eligible for unemploy-*
3 *ment compensation due to insufficient earnings*
4 *or having performed services for an employer*
5 *that were not covered under a State unemploy-*
6 *ment compensation law; and*

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

9 *(B)(i) has been terminated or laid off, or*
10 *has received a notice of termination or layoff,*
11 *from employment as a result of any permanent*
12 *closure of, or any substantial layoff at, a plant,*
13 *facility, or enterprise;*

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

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

23 *(C) was self-employed (including employ-*
24 *ment as a farmer, a rancher, or a fisherman) but*
25 *is unemployed as a result of general economic*

1 *conditions in the community in which the indi-*
 2 *vidual resides or because of natural disasters; or*

3 *(D) is a displaced homemaker.*

4 (7) *DISPLACED HOMEMAKER.*—*The term “dis-*
 5 *placed homemaker” means an individual who has*
 6 *been providing unpaid services to family members in*
 7 *the home and who—*

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

11 *(B) is unemployed or underemployed and is*
 12 *experiencing difficulty in obtaining or upgrad-*
 13 *ing employment.*

14 (8) *ECONOMIC DEVELOPMENT AGENCIES.*—*The*
 15 *term “economic development agencies” includes local*
 16 *planning and zoning commissions or boards, commu-*
 17 *nity development agencies, and other local agencies*
 18 *and institutions responsible for regulating, promot-*
 19 *ing, or assisting in local economic development.*

20 (9) *EDUCATIONAL SERVICE AGENCY.*—*The term*
 21 *“educational service agency” means a regional public*
 22 *multiservice agency authorized by State statute to de-*
 23 *velop and manage a service or program, and provide*
 24 *the service or program to a local educational agency.*

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

6 (11) *ELIGIBLE AGENCY.*—*The term “eligible*
7 *agency” means—*

8 (A) *in the case of vocational education ac-*
9 *tivities or requirements described in title I—*

10 (i) *the individual, entity, or agency in*
11 *a State or an outlying area responsible for*
12 *administering or setting policy for voca-*
13 *tional education in the State or outlying*
14 *area, respectively, pursuant to the law of*
15 *the State or outlying area, respectively; or*

16 (ii) *if no individual, entity, or agency*
17 *is responsible for administering or setting*
18 *such policy pursuant to the law of the State*
19 *or outlying area, the individual, entity, or*
20 *agency in a State or outlying area, respec-*
21 *tively, responsible for administering or set-*
22 *ting policy for vocational education in the*
23 *State or outlying area, respectively, on the*
24 *date of enactment of the Workforce Invest-*
25 *ment Partnership Act of 1997; and*

1 (B) *in the case of adult education and lit-*
2 *eracy activities or requirements described in title*
3 *II—*

4 (i) *the individual, entity, or agency in*
5 *a State or an outlying area responsible for*
6 *administering or setting policy for adult*
7 *education and literacy in the State or out-*
8 *lying area, respectively, pursuant to the law*
9 *of the State or outlying area, respectively;*
10 *or*

11 (ii) *if no individual, entity, or agency*
12 *is responsible for administering or setting*
13 *such policy pursuant to the law of the State*
14 *or outlying area, the individual, entity, or*
15 *agency in a State or outlying area, respec-*
16 *tively, responsible for administering or set-*
17 *ting policy for adult education and literacy*
18 *in the State or outlying area, respectively,*
19 *on the date of enactment of the Workforce*
20 *Investment Partnership Act of 1997.*

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

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

24 (B) *a local educational agency providing*
25 *education at the postsecondary level;*

1 (C) *an area vocational education school*
 2 *providing education at the postsecondary level;*

3 (D) *a postsecondary educational institution*
 4 *controlled by the Bureau of Indian Affairs or op-*
 5 *erated by or on behalf of any Indian tribe that*
 6 *is eligible to contract with the Secretary of the*
 7 *Interior for the administration of programs*
 8 *under the Indian Self-Determination Act or the*
 9 *Act of April 16, 1934 (48 Stat. 596; 25 U.S.C.*
 10 *452 et seq.); and*

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

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

15 (A) *in title II, means—*

16 (i) *a local educational agency;*

17 (ii) *a community-based organization;*

18 (iii) *an institution of higher education;*

19 (iv) *a public or private nonprofit*
 20 *agency;*

21 (v) *a consortium of such agencies, or-*
 22 *ganizations, or institutions; or*

23 (vi) *a library; and*

24 (B) *in title III, used with respect to—*

1 (i) *training services (other than on-the-*
2 *job training)*, means a provider who is
3 *identified in accordance with section 312;*

4 (ii) *youth activities*, means a provider
5 *who is awarded a grant in accordance with*
6 *section 313; or*

7 (iii) *other workforce investment activi-*
8 *ties*, means a public or private entity se-
9 *lected to be responsible for such activities, in*
10 *accordance with subtitle A of title III, such*
11 *as a one-stop customer service center opera-*
12 *tor designated or certified under section*
13 *311.*

14 (14) *EMPLOYMENT AND TRAINING ACTIVITY.*—
15 *The term “employment and training activity” means*
16 *an activity described in section 314(b)(1) or sub-*
17 *section (c)(1) or (d) of section 315, carried out for an*
18 *adult or dislocated worker.*

19 (15) *ENGLISH LITERACY PROGRAM.*—*The term*
20 *“English literacy program” means a program of in-*
21 *struction designed to help individuals of limited Eng-*
22 *lish proficiency achieve competence in the English*
23 *language.*

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

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

2 (A) *IN GENERAL.*—*The term “individual*
3 *with a disability” means an individual with*
4 *any disability (as defined in section 3 of the*
5 *Americans with Disabilities Act of 1990 (42*
6 *U.S.C. 12102)).*

7 (B) *INDIVIDUALS WITH DISABILITIES.*—*The*
8 *term “individuals with disabilities” means more*
9 *than 1 individual with a disability.*

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

15 (A) *whose native language is a language*
16 *other than English; or*

17 (B) *who lives in a family or community en-*
18 *vironment where a language other than English*
19 *is the dominant language.*

20 (19) *INSTITUTION OF HIGHER EDUCATION.*—*Ex-*
21 *cept for purposes of subtitle B of title I, the term “in-*
22 *stitution of higher education” has the meaning given*
23 *the term in section 1201(a) of the Higher Education*
24 *Act of 1965 (20 U.S.C. 1141(a)).*

25 (20) *LITERACY.*—

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

6 (B) *WORKPLACE LITERACY PROGRAM.*—The
7 term “workplace literacy program” means a pro-
8 gram of literacy activities that is offered in the
9 workplace for the purpose of improving the pro-
10 ductivity of the workforce through the improve-
11 ment of literacy skills.

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

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

18 (23) *LOCAL PERFORMANCE MEASURE.*—The term
19 “local performance measure” means a performance
20 measure established under section 321(b).

21 (24) *LOW-INCOME INDIVIDUAL.*—In paragraph
22 (49) and title III, the term “low-income individual”
23 means an individual who—

24 (A) receives, or is a member of a family
25 that receives, cash payments under a Federal,

1 *State, or local income-based public assistance*
2 *program;*

3 *(B) received an income, or is a member of*
4 *a family that received a total family income, for*
5 *the 6-month period prior to application for the*
6 *program involved (exclusive of unemployment*
7 *compensation, child support payments, payments*
8 *described in subparagraph (A), and old-age and*
9 *survivors insurance benefits received under sec-*
10 *tion 202 of the Social Security Act (42 U.S.C.*
11 *402)) that, in relation to family size, does not*
12 *exceed the higher of—*

13 *(i) the poverty line, for an equivalent*
14 *period; or*

15 *(ii) 70 percent of the lower living*
16 *standard income level, for an equivalent pe-*
17 *riod;*

18 *(C) is a member of a household that receives*
19 *(or has been determined within the 6-month pe-*
20 *riod prior to application for the program in-*
21 *volved to be eligible to receive) food stamps pur-*
22 *suant to the Food Stamp Act of 1977 (7 U.S.C.*
23 *2011 et seq.);*

24 *(D) qualifies as a homeless individual, as*
25 *defined in subsections (a) and (c) of section 103*

1 *of the Stewart B. McKinney Homeless Assistance*
2 *Act (42 U.S.C. 11302);*

3 *(E) is a foster child on behalf of whom*
4 *State or local government payments are made; or*

5 *(F) in cases permitted by regulations of the*
6 *Secretary of Labor, is an individual with a dis-*
7 *ability whose own income meets the requirements*
8 *of a program described in subparagraph (A) or*
9 *of subparagraph (B), but who is a member of a*
10 *family whose income does not meet such require-*
11 *ments.*

12 (25) *LOWER LIVING STANDARD INCOME LEVEL.—*

13 *The term “lower living standard income level” means*
14 *that income level (adjusted for regional, metropolitan,*
15 *urban, and rural differences and family size) deter-*
16 *mined annually by the Secretary of Labor based on*
17 *the most recent lower living family budget issued by*
18 *the Secretary of Labor.*

19 (26) *NONTRADITIONAL EMPLOYMENT.—In titles I*
20 *and III, the term “nontraditional employment” refers*
21 *to occupations or fields of work for which individuals*
22 *from one gender comprise less than 25 percent of the*
23 *individuals employed in each such occupation or field*
24 *of work.*

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

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

7 (B) *provides reimbursement to employers of*
8 *up to 50 percent of the wage rate of the partici-*
9 *part, for the extraordinary costs of providing the*
10 *training and additional supervision related to*
11 *the training; and*

12 (C) *is limited in duration as appropriate to*
13 *the occupation for which the participant is being*
14 *trained.*

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

17 (A) *a youth who is a school dropout; or*

18 (B) *a youth who has received a secondary*
19 *school diploma or its equivalent but is basic lit-*
20 *eracy skills deficient, unemployed, or under-*
21 *employed.*

22 (29) *OUTLYING AREA.*—*The term “outlying*
23 *area” means the United States Virgin Islands, Guam,*
24 *American Samoa, the Commonwealth of the Northern*
25 *Mariana Islands, the Republic of the Marshall Is-*

1 *lands, the Federated States of Micronesia, and the Re-*
2 *public of Palau.*

3 (30) *PARTICIPANT.*—*The term “participant”,*
4 *used with respect to an activity carried out under*
5 *title III, means an individual participating in the*
6 *activity.*

7 (31) *POSTSECONDARY EDUCATIONAL INSTITU-*
8 *TION.*—*The term “postsecondary educational institu-*
9 *tion” means—*

10 (A) *an institution of higher education that*
11 *provides not less than a 2-year program of in-*
12 *struction that is acceptable for credit toward a*
13 *bachelor’s degree;*

14 (B) *a tribally controlled community college;*
15 *or*

16 (C) *a nonprofit educational institution of-*
17 *fering certificate or apprenticeship programs at*
18 *the postsecondary level.*

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

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

5 (34) *RAPID RESPONSE ACTIVITY*.—*In title III,*
6 *the term “rapid response activity” means an activity*
7 *provided by a State, or by an entity designated by a*
8 *State, with funds provided by the State under section*
9 *306(a)(2), in the case of a permanent closure or mass*
10 *layoff at a plant, facility, or enterprise, or a natural*
11 *or other disaster, that results in mass job dislocation,*
12 *in order to assist dislocated workers in obtaining re-*
13 *employment as soon as possible, with services includ-*
14 *ing—*

15 (A) *the establishment of onsite contact with*
16 *employers and employee representatives—*

17 (i) *immediately after the State is noti-*
18 *fied of a current or projected permanent clo-*
19 *sure or mass layoff; or*

20 (ii) *in the case of a disaster, imme-*
21 *diately after the State is made aware of*
22 *mass job dislocation as a result of such dis-*
23 *aster;*

24 (B) *the provision of information and access*
25 *to available employment and training activities;*

1 (C) assistance in establishing a labor-man-
2 agement committee, voluntarily agreed to by
3 labor and management, with the ability to devise
4 and implement a strategy for assessing the em-
5 ployment and training needs of dislocated work-
6 ers and obtaining services to meet such needs;

7 (D) the provision of emergency assistance
8 adapted to the particular closure, layoff, or dis-
9 aster; and

10 (E) the provision of assistance to the local
11 community in developing a coordinated response
12 and in obtaining access to State economic devel-
13 opment assistance.

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

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

23 (37) *SECRETARY.*—

1 (A) *TITLES I AND II.*—*In titles I and II,*
2 *the term “Secretary” means the Secretary of*
3 *Education.*

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

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

9 (39) *STATE EDUCATIONAL AGENCY.*—*The term*
10 *“State educational agency” means the State board of*
11 *education or other agency or officer primarily respon-*
12 *sible for the State supervision of public elementary or*
13 *secondary schools, or, if there is no such agency or of-*
14 *ficer, an agency or officer designated by the Governor*
15 *or by State law.*

16 (40) *STATE PERFORMANCE MEASURE.*—*In title*
17 *III, the term “State performance measure” means a*
18 *performance measure established under section*
19 *321(a).*

20 (41) *STATEWIDE PARTNERSHIP.*—*The term*
21 *“statewide partnership” means a partnership estab-*
22 *lished under section 303.*

23 (42) *SUPPORTIVE SERVICES.*—*In title III, the*
24 *term “supportive services” means services such as*
25 *transportation, child care, dependent care, housing,*

1 *and needs-based payments, that are necessary to en-*
 2 *able an individual to participate in employment and*
 3 *training activities or youth activities.*

4 (43) *TRIBALLY CONTROLLED COMMUNITY COL-*
 5 *LEGE.—The term “tribally controlled community col-*
 6 *lege” means an institution that receives assistance*
 7 *under the Tribally Controlled Community College As-*
 8 *sistance Act of 1978 (25 U.S.C. 1801 et seq.) or the*
 9 *Navajo Community College Act (25 U.S.C. 640a et*
 10 *seq.).*

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

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

18 (A) *VETERAN.—The term “veteran” means*
 19 *an individual who served in the active military,*
 20 *naval, or air service, and who was discharged or*
 21 *released from such service under conditions other*
 22 *than dishonorable.*

23 (B) *DISABLED VETERAN.—The term “dis-*
 24 *abled veteran” means—*

1 (i) a veteran who is entitled to com-
2 pensation under laws administered by the
3 Secretary of Veterans Affairs; or

4 (ii) an individual who was discharged
5 or released from active duty because of serv-
6 ice-connected disability.

7 (C) *RECENTLY SEPARATED VETERAN*.—The
8 term “recently separated veteran” means any
9 veteran who applies for participation under title
10 III within 48 months of the discharge or release
11 from active military, naval, or air service.

12 (D) *VIETNAM ERA VETERAN*.—The term
13 “Vietnam era veteran” means a veteran any
14 part of whose active military, naval, or air serv-
15 ice occurred between August 5, 1964, and May 7,
16 1975.

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

19 (A) offers a sequence of courses that provides
20 individuals with the academic knowledge and
21 skills the individuals need to prepare for further
22 education and for careers in current or emerging
23 employment sectors; and

24 (B) includes competency-based applied
25 learning that contributes to the academic knowl-

1 *edge, higher-order reasoning and problem-solving*
 2 *skills, work attitudes, general employability*
 3 *skills, and occupation-specific skills, of an indi-*
 4 *vidual.*

5 (47) *VOCATIONAL REHABILITATION PROGRAM.*—
 6 *The term “vocational rehabilitation program” means*
 7 *a program assisted under title I of the Rehabilitation*
 8 *Act of 1973 (29 U.S.C. 720 et seq.).*

9 (48) *WORKFORCE INVESTMENT ACTIVITY.*—*The*
 10 *term “workforce investment activity” means an em-*
 11 *ployment and training activity, a youth activity, and*
 12 *an activity described in section 314.*

13 (49) *YOUTH.*—*In paragraph (50) and title III*
 14 *(other than subtitles B and C of such title), the term*
 15 *“youth” means an individual who—*

16 (A) *is not less than age 14 and not more*
 17 *than age 21;*

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

19 (C) *an individual who is 1 or more of the*
 20 *following:*

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

22 (ii) *A school dropout.*

23 (iii) *Homeless, a runaway, or a foster*
 24 *child.*

25 (iv) *Pregnant or a parent.*

1 (v) *An offender.*

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

5 (50) *YOUTH ACTIVITY.*—*The term “youth activ-*
 6 *ity” means an activity described in section 316, car-*
 7 *ried out for youth.*

8 (51) *YOUTH PARTNERSHIP.*—*The term “youth*
 9 *partnership” means a partnership established under*
 10 *section 308(i).*

11 ***TITLE I—VOCATIONAL, TECHNO-***
 12 ***LOGICAL, AND TECH-PREP***
 13 ***EDUCATION***

14 ***SEC. 101. SHORT TITLE.***

15 *This title may be cited as the “Carl D. Perkins Voca-*
 16 *tional and Applied Technology Education Act of 1997”.*

17 ***SEC. 102. FINDINGS AND PURPOSE.***

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

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

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

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

25 (C) *theoretical knowledge;*

1 (D) communications, problem-solving, team-
2 work, and employability skills; and

3 (E) the ability to acquire additional knowl-
4 edge and skills throughout a lifetime;

5 (2) students participating in vocational edu-
6 cation can achieve challenging academic and tech-
7 nical skills, and may learn better and retain more,
8 when the students learn in context, learn by doing,
9 and have an opportunity to learn and understand
10 how academic, vocational, and technological skills are
11 used outside the classroom;

12 (3)(A) many high school graduates in the United
13 States do not complete a rigorous course of study that
14 prepares the graduates for completing a 2-year or 4-
15 year college degree or for entering high-skill, high-
16 wage careers;

17 (B) adult students are an increasingly diverse
18 group and often enter postsecondary education unpre-
19 pared for academic and technical work; and

20 (C) certain individuals often face great chal-
21 lenges in acquiring the knowledge and skills needed
22 for successful employment;

23 (4) community colleges, technical colleges, and
24 area vocational education schools are offering adults
25 a gateway to higher education, and access to quality

1 *certificates and degrees that increase their skills and*
2 *earnings, by—*

3 *(A) ensuring that the academic, vocational,*
4 *and technological skills gained by students ade-*
5 *quately prepare the students for the workforce;*
6 *and*

7 *(B) enhancing connections with employers*
8 *and 4-year institutions of higher education;*

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

16 *(6) the Federal Government can assist States*
17 *and localities by carrying out nationally significant*
18 *research, program development, demonstration, dis-*
19 *semination, evaluation, data collection, professional*
20 *development, and technical assistance activities that*
21 *support State and local efforts regarding vocational*
22 *education; and*

23 *(7) through a performance partnership with*
24 *States and localities based on clear programmatic*
25 *goals, increased State and local flexibility, improved*

1 *accountability, and performance measures, the Fed-*
2 *eral Government will provide to States and localities*
3 *financial assistance for the improvement and expan-*
4 *sion of vocational education for students participat-*
5 *ing in vocational education.*

6 *(b) PURPOSE.—The purpose of this title is to make the*
7 *United States more competitive in the world economy by*
8 *developing more fully the academic, vocational, and em-*
9 *ployability skills of secondary students and postsecondary*
10 *students who elect to enroll in vocational education pro-*
11 *grams, by—*

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

14 *(2) promoting the development of services and*
15 *activities that integrate academic, vocational, and*
16 *technological instruction, and that link secondary and*
17 *postsecondary education for participating vocational*
18 *education students;*

19 *(3) increasing State and local flexibility in pro-*
20 *viding services and activities designed to develop, im-*
21 *plement, and improve vocational education, including*
22 *tech-prep education; and*

23 *(4) disseminating national research, and provid-*
24 *ing professional development and technical assistance,*

1 *that will improve vocational education programs,*
 2 *services, and activities.*

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

4 *No funds made available under this title shall be*
 5 *used—*

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

8 *(2) to mandate that any individual participate*
 9 *in a vocational education program under this title.*

10 ***Subtitle A—Vocational Education***

11 ***CHAPTER 1—FEDERAL PROVISIONS***

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

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

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

17 *(A) 0.2 percent to carry out section 113;*

18 *(B) 1.75 percent to carry out sections 114*
 19 *and 115, of which—*

20 *(i) 1.25 percent of the sum shall be*
 21 *available to carry out section 114(b);*

22 *(ii) 0.25 percent of the sum shall be*
 23 *available to carry out section 114(c); and*

24 *(iii) 0.25 percent of the sum shall be*
 25 *available to carry out section 115; and*

1 (C) 1.3 percent of the sum shall be used to
2 carry out sections 116, 163, 164, 165, and 166,
3 of which not less than 0.65 percent of the sum
4 shall be available to carry out section 116.

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

10 (A) an amount that bears the same ratio to
11 50 percent of the sums being allotted as the prod-
12 uct of the population aged 15 to 19 inclusive, in
13 the State in the fiscal year preceding the fiscal
14 year for which the determination is made and
15 the State's allotment ratio bears to the sum of
16 the corresponding products for all the States;

17 (B) an amount that bears the same ratio to
18 20 percent of the sums being allotted as the prod-
19 uct of the population aged 20 to 24, 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 (C) an amount that bears the same ratio to
25 15 percent of the sums being allotted as the prod-

1 *uct of the population aged 25 to 65, 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; and*

6 *(D) an amount that bears the same ratio to*
7 *15 percent of the sums being allotted as the*
8 *amounts allotted to the State under subpara-*
9 *graphs (A), (B), and (C) for such years bears to*
10 *the sum of the amounts allotted to all the States*
11 *under subparagraphs (A), (B), and (C) for such*
12 *year.*

13 *(3) MINIMUM ALLOTMENT.—*

14 *(A) IN GENERAL.—Notwithstanding any*
15 *other provision of law and subject to subpara-*
16 *graphs (B) and (C), and paragraph (4), no State*
17 *shall receive for a fiscal year under this sub-*
18 *section less than $\frac{1}{2}$ of 1 percent of the amount*
19 *appropriated under section 171 and not reserved*
20 *under paragraph (1) for such fiscal year.*
21 *Amounts necessary for increasing such payments*
22 *to States to comply with the preceding sentence*
23 *shall be obtained by ratably reducing the*
24 *amounts to be paid to other States.*

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

11 (C) *SPECIAL RULE.*—

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

16 (I) 150 percent of the amount that
17 the State received in the preceding fis-
18 cal year (or in the case of fiscal year
19 1999 only, under section 101 of the
20 Carl D. Perkins Vocational and Ap-
21 plied Technology Education Act, as
22 such section was in effect on the day
23 before the date of enactment of this
24 Act); and

1 (ii) the amount calculated under
2 clause (i).

3 (ii) AMOUNT.—The amount calculated
4 under this clause shall be determined by
5 multiplying—

6 (I) the number of individuals in
7 the State counted under paragraph (2)
8 in the preceding fiscal year; by

9 (II) 150 percent of the national
10 average per pupil payment made with
11 funds available under this section for
12 that year (or in the case of fiscal year
13 1999, only, under section 101 of the
14 Carl D. Perkins Vocational and Ap-
15 plied Technology Education Act, as
16 such section was in effect on the day
17 before the date of enactment of this
18 Act).

19 (4) HOLD HARMLESS.—

20 (A) IN GENERAL.—No State shall receive an
21 allotment under this section for a fiscal year that
22 is less than the allotment the State received
23 under part A of title I of the Carl D. Perkins Vo-
24 cational and Applied Technology Education Act
25 (20 U.S.C. 2311 et seq.) (as such part was in ef-

1 *fect on the day before the date of enactment of*
2 *this Act) for fiscal year 1997.*

3 *(B) RATABLE REDUCTION.—If for any fis-*
4 *cal year the amount appropriated for allotments*
5 *under this section is insufficient to satisfy the*
6 *provisions of subparagraph (A), the payments to*
7 *all States under such subparagraph shall be rat-*
8 *ably reduced.*

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

24 *(c) ALLOTMENT RATIO.—*

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

3 (A) *0.50; and*

4 (B) *the quotient obtained by dividing the*
5 *per capita income for the State by the per capita*
6 *income for all the States (exclusive of the Com-*
7 *monwealth of Puerto Rico), except that—*

8 (i) *the allotment ratio in no case shall*
9 *be more than 0.60 or less than 0.40; and*

10 (ii) *the allotment ratio for the Com-*
11 *monwealth of Puerto Rico shall be 0.60.*

12 (2) *PROMULGATION.*—*The allotment ratios shall*
13 *be promulgated by the Secretary for each fiscal year*
14 *between October 1 and December 31 of the fiscal year*
15 *preceding the fiscal year for which the determination*
16 *is made. Allotment ratios shall be computed on the*
17 *basis of the average of the appropriate per capita in-*
18 *comes for the 3 most recent consecutive fiscal years for*
19 *which satisfactory data are available.*

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

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

5 **SEC. 112. PERFORMANCE MEASURES AND EXPECTED LEV-**
6 **ELS OF PERFORMANCE.**

7 (a) *ESTABLISHMENT OF PERFORMANCE MEASURES.*—
8 *After consultation with eligible agencies, local educational*
9 *agencies, eligible institutions, and other interested parties*
10 *(including representatives of business and representatives of*
11 *labor organizations), the Secretary shall establish and pub-*
12 *lish performance measures described in this subsection to*
13 *assess the progress of each eligible agency in achieving the*
14 *following:*

- 15 (1) *Student mastery of academic skills.*
- 16 (2) *Student mastery of job readiness skills.*
- 17 (3) *Student mastery of vocational skill proficien-*
18 *cies for students in vocational education programs,*
19 *that are necessary for the receipt of a secondary*
20 *school diploma or its recognized equivalent, or a sec-*
21 *ondary school skill certificate.*
- 22 (4) *Receipt of a postsecondary degree or certifi-*
23 *cate.*
- 24 (5) *Placement in, retention in, and completion*
25 *of, secondary school education (as determined under*

1 *State law) and postsecondary education, and place-*
 2 *ment and retention in employment and in military*
 3 *service, including for the populations described in sec-*
 4 *tion 124(c)(16).*

5 *(6) Participation in and completion of nontradi-*
 6 *tional vocational education programs.*

7 *(7) Other performance measures as determined*
 8 *by the Secretary.*

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. 113. ASSISTANCE FOR THE OUTLYING AREAS.**

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

16 *(1) shall award a grant in the amount of*
 17 *\$500,000 to Guam for vocational education and*
 18 *training for the purpose of providing direct edu-*
 19 *cational services related to vocational education, in-*
 20 *cluding—*

21 *(A) teacher and counselor training and re-*
 22 *training;*

23 *(B) curriculum development; and*

24 *(C) improving vocational education pro-*
 25 *grams in secondary schools and institutions of*

1 *higher education, or improving cooperative edu-*
2 *cation programs involving both secondary schools*
3 *and institutions of higher education;*

4 (2) *shall award a grant in the amount of*
5 *\$600,000 to the United States Virgin Islands for vo-*
6 *catational education for the purpose described in para-*
7 *graph (1); and*

8 (3) *shall award a grant in the amount of*
9 *\$190,000 to each of American Samoa and the Com-*
10 *monwealth of the Northern Mariana Islands for voca-*
11 *tional education for the purpose described in para-*
12 *graph (1).*

13 (b) *SPECIAL RULE.—*

14 (1) *IN GENERAL.—From funds reserved under*
15 *section 111(a)(1)(A) and not awarded under sub-*
16 *section (a), the Secretary shall make available the*
17 *amount awarded to the Republic of the Marshall Is-*
18 *lands, the Federated States of Micronesia, and the Re-*
19 *public of Palau under section 101A of the Carl D.*
20 *Perkins Vocational and Applied Technology Edu-*
21 *cation Act (as such section was in effect on the day*
22 *before the date of enactment of this Act) to award*
23 *grants under the succeeding sentence. From the*
24 *amount made available under the preceding sentence,*
25 *the Secretary shall award grants, to Guam, American*

1 *Samoa, the Commonwealth of the Northern Mariana*
2 *Islands, the Republic of the Marshall Islands, the Fed-*
3 *erated States of Micronesia, or the Republic of Palau*
4 *for the purpose described in subsection (a)(1).*

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

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

24 (1) *DEFINITIONS.—For the purpose of this sec-*
25 *tion—*

1 (A) the term “Act of April 16, 1934” means
2 the Act entitled “An Act authorizing the Sec-
3 retary of the Interior to arrange with States or
4 territories for the education, medical attention,
5 relief of distress, and social welfare of Indians,
6 and for other purposes”, enacted April 16, 1934
7 (48 Stat. 596; 25 U.S.C. 452 et seq.);

8 (B) the term “Bureau funded school” has
9 the meaning given the term in section 1146 of
10 the Education Amendments of 1978 (25 U.S.C.
11 2026); and

12 (C) the term “Hawaiian native” means any
13 individual any of whose ancestors were natives,
14 prior to 1778, of the area which now comprises
15 the State of Hawaii.

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

22 (b) *INDIAN PROGRAMS.*—

23 (1) *AUTHORITY.*—

24 (A) *IN GENERAL.*—Except as provided in
25 subparagraph (B), from the funds reserved pur-

1 *suant to section 111(a)(1)(B)(i), the Secretary is*
2 *directed—*

3 *(i) upon the request of any Indian*
4 *tribe, or a tribal organization serving an*
5 *Indian tribe, which is eligible to contract*
6 *with the Secretary of the Interior for the ad-*
7 *ministration of programs under the Indian*
8 *Self-Determination Act (25 U.S.C. 450 et*
9 *seq.) or under the Act of April 16, 1934; or*

10 *(ii) upon an application received from*
11 *a Bureau funded school offering postsecond-*
12 *ary or adult education programs filed at*
13 *such time and under such conditions as the*
14 *Secretary may prescribe,*

15 *to make grants to or enter into contracts with*
16 *any Indian tribe or tribal organization, or to*
17 *make a grant to such Bureau funded school, as*
18 *appropriate, to plan, conduct, and administer*
19 *programs or portions of programs authorized by,*
20 *and consistent with the purpose of, this title.*

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

24 *(i) TRIBAL ORGANIZATIONS.—Such*
25 *grants or contracts with any tribal organi-*

1 *zation shall be subject to the terms and con-*
2 *ditions of section 102 of the Indian Self-De-*
3 *termination Act (25 U.S.C. 450f) and shall*
4 *be conducted in accordance with the provi-*
5 *sions of sections 4, 5, and 6 of the Act of*
6 *April 16, 1934, which are relevant to the*
7 *programs administered under this sub-*
8 *section.*

9 *(ii) BUREAU FUNDED SCHOOLS.—Such*
10 *grants to Bureau funded schools shall not be*
11 *subject to the requirements of the Indian*
12 *Self-Determination Act (25 U.S.C. 450f et*
13 *seq.) or the Act of April 16, 1934.*

14 *(C) APPLICATION.—Any Indian tribe, tribal*
15 *organization, or Bureau funded school eligible to*
16 *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 *(D) PERFORMANCE MEASURES AND EVAL-*
21 *UATION.—Any Indian tribe, tribal organization,*
22 *or Bureau funded school that receives assistance*
23 *under this section shall—*

1 (i) establish performance measures and
2 expected level 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 (E) *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 (F) *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 (G) 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 *is directed, to award grants or enter into contracts with*
6 *organizations primarily serving and representing Hawai-*
7 *ian natives which are recognized by the Governor of the*
8 *State of Hawaii to plan, conduct, and administer pro-*
9 *grams, or portions thereof, which are authorized by and*
10 *consistent with the purpose of this title, for the benefit of*
11 *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.*—*From the funds reserved*
21 *pursuant to section 111(a)(1)(B)(iii), the Secretary shall*
22 *make grants to tribally controlled postsecondary vocational*
23 *institutions to provide basic support for the vocational edu-*
24 *cation and training of Indian students.*

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

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

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

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

14 (4) *hold accreditation with or be a candidate for*
15 *accreditation by a nationally recognized accrediting*
16 *authority for postsecondary vocational education; and*

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

19 (d) *GRANT REQUIREMENTS.*—

20 (1) *APPLICATIONS.*—*Any tribally controlled*
21 *postsecondary vocational institution that desires to*
22 *receive a grant under this section shall submit an ap-*
23 *plication to the Secretary. Such application shall in-*
24 *clude a description of recordkeeping procedures for the*
25 *expenditure of funds received under this section that*

1 *will allow the Secretary to audit and monitor pro-*
2 *grams.*

3 (2) *NUMBER.—The Secretary shall award not*
4 *less than 2 grants under this section for each fiscal*
5 *year.*

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

11 (4) *LIMITATION.—Amounts made available*
12 *through grants under this section shall not be used in*
13 *connection with religious worship or sectarian in-*
14 *struction.*

15 (e) *USES OF GRANTS.—*

16 (1) *IN GENERAL.—The Secretary shall, subject to*
17 *the availability of appropriations, provide for each*
18 *program year to each tribally controlled vocational*
19 *institution having an application approved by the*
20 *Secretary, an amount necessary to pay expenses asso-*
21 *ciated with—*

22 (A) *the maintenance and operation of the*
23 *program, including development costs, costs of*
24 *basic and special instruction (including special*
25 *programs for individuals with disabilities and*

1 *academic instruction), materials, student costs,*
2 *administrative expenses, boarding costs, trans-*
3 *portation, student services, daycare and family*
4 *support programs for students and their families*
5 *(including contributions to the costs of education*
6 *for dependents), and student stipends;*

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

12 *(C) costs associated with repair, upkeep, re-*
13 *placement, and upgrading of the instructional*
14 *equipment.*

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

21 *(f) EFFECT ON OTHER PROGRAMS.—*

22 *(1) IN GENERAL.—Except as specifically pro-*
23 *vided in this Act, eligibility for assistance under this*
24 *section shall not preclude any tribally controlled post-*
25 *secondary vocational institution from receiving Fed-*

1 *eral financial assistance under any program author-*
2 *ized under the Higher Education Act of 1965 (20*
3 *U.S.C. 1001 et seq.) or any other applicable program*
4 *for the benefit of institutions of higher education or*
5 *vocational education.*

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

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

1 (g) *NEEDS ESTIMATE AND REPORT ON FACILITIES*
2 *AND FACILITIES IMPROVEMENT.*—

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

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

21 (A) *IN GENERAL.*—*The Secretary shall con-*
22 *duct a detailed study of the training, housing,*
23 *and immediate facilities needs of each institu-*
24 *tion eligible under this section. The study shall*
25 *include an examination of—*

1 (i) *training equipment needs;*

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

7 (iii) *immediate facilities needs.*

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

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

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

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

21 (A) *IN GENERAL.*—*The Secretary shall pro-*
22 *vide for the conduct of a long-term study of the*
23 *facilities of each institution eligible for assist-*
24 *ance under this section.*

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

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

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

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

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

23 (A) *is formally controlled, or has been for-*
24 *mally sanctioned or chartered by the governing*
25 *body of an Indian tribe or tribes; and*

1 (B) offers technical degrees or certificate
2 granting programs.

3 **SEC. 116. INCENTIVE GRANTS.**

4 (a) *IN GENERAL.*—The Secretary may make grants to
5 States that exceed—

6 (1) the State performance measures established
7 by the Secretary of Education under this Act; and

8 (2) the State performance measures established
9 under title III.

10 (b) *PRIORITY.*—In awarding incentive grants under
11 this section, the Secretary shall give priority to those States
12 submitting a State unified plan as described in section 501
13 that is approved by the appropriate Secretaries as described
14 in such section.

15 (c) *USE OF FUNDS.*—A State that receives an incen-
16 tive grant under this section shall use the funds made avail-
17 able through the grant to carry out innovative programs
18 as determined by the State.

19 **CHAPTER 2—STATE PROVISIONS**

20 **SEC. 121. STATE ADMINISTRATION.**

21 Each eligible agency shall be responsible for the State
22 administration of activities under this subtitle, including—

23 (1) the development, submission, and implemen-
24 tation of the State plan;

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

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

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

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

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

15 (2) *not more than 10 percent of the funds, or*
16 *\$300,000, whichever is greater, of which—*

17 (A) *\$60,000 shall be available to provide*
18 *technical assistance and advice to local edu-*
19 *cational agencies, postsecondary educational in-*
20 *stitutions, and other interested parties in the*
21 *State for gender equity activities; and*

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

23 (i) *develop the State plan;*

24 (ii) *review local applications;*

1 (iii) monitor and evaluate program ef-
2 fectiveness;

3 (iv) provide technical assistance; and

4 (v) assure compliance with all applica-
5 ble Federal laws, including required services
6 and activities for individuals who are mem-
7 bers of populations described in section
8 124(c)(16); and

9 (3) 1 percent of the funds, or the amount the
10 State expended under the Carl D. Perkins Vocational
11 and Applied Technology Education Act (20 U.S.C.
12 2301 et seq.) for vocational education programs for
13 criminal offenders for the fiscal year 1997, whichever
14 is greater, to carry out programs for criminal offend-
15 ers.

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

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

1 **SEC. 123. STATE LEADERSHIP ACTIVITIES.**

2 (a) *MANDATORY.*—*Each eligible agency shall use the*
3 *funds reserved under section 122(a)(1) to conduct programs,*
4 *services, and activities that further the development, imple-*
5 *mentation, and improvement of vocational education with-*
6 *in the State and that are integrated, to the maximum extent*
7 *possible, with challenging State academic standards, in-*
8 *cluding—*

9 (1) *providing comprehensive professional devel-*
10 *opment (including initial teacher preparation) for vo-*
11 *ccational, academic, guidance, and administrative per-*
12 *sonnel, that—*

13 (A) *will help the teachers and personnel to*
14 *meet the expected levels of performance estab-*
15 *lished under section 112;*

16 (B) *reflects the eligible agency's assessment*
17 *of the eligible agency's needs for professional de-*
18 *velopment; and*

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

23 (2) *developing and disseminating curricula that*
24 *are aligned, as appropriate, with challenging State*
25 *academic standards, and vocational and technological*
26 *skills;*

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

4 (4) *promoting gender equity in secondary and*
5 *postsecondary vocational education;*

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

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

9 (7) *supporting partnerships among local edu-*
10 *cational agencies, institutions of higher education,*
11 *adult education providers, and, as appropriate, other*
12 *entities, such as employers, labor organizations, par-*
13 *ents, and local partnerships, to enable students to*
14 *achieve to challenging State academic standards, and*
15 *vocational and technological skills; and*

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

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

21 (1) *improving guidance and counseling pro-*
22 *grams that assist students in making informed edu-*
23 *cation and vocational decisions;*

24 (2) *supporting vocational student organizations,*
25 *especially with respect to efforts to increase the par-*

1 *participation of students who are members of populations*
2 *described in section 124(c)(16);*

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

6 *(4) providing assistance to students who have*
7 *participated in services and activities under this sub-*
8 *title in finding an appropriate job and continuing*
9 *their education.*

10 **SEC. 124. STATE PLAN.**

11 *(a) STATE PLAN.—*

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

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

20 *(3) HEARING PROCESS.—The eligible agency*
21 *shall conduct public hearings in the State, after ap-*
22 *propriate and sufficient notice, for the purpose of af-*
23 *fording all segments of the public and interested orga-*
24 *nizations and groups (including employers, labor or-*
25 *ganizations, and parents), an opportunity to present*

1 *their views and make recommendations regarding the*
2 *State plan. A summary of such recommendations and*
3 *the eligible agency's response to such recommenda-*
4 *tions shall be included with the State plan.*

5 *(b) DEVELOPMENT OF PLAN.—The eligible agency*
6 *shall develop the State plan with representatives of second-*
7 *ary and postsecondary vocational education, and business,*
8 *in the State and shall also consult the Governor of the State.*

9 *(c) CONTENTS OF THE PLAN.—The State plan shall*
10 *include information that—*

11 *(1) describes the vocational education activities*
12 *to be assisted that are designed to meet and reach the*
13 *State performance measures;*

14 *(2) describes the integration of academic edu-*
15 *cation with vocational education, and with techno-*
16 *logical education related to vocational education;*

17 *(3) describes how the eligible agency will*
18 *disaggregate data relating to students participating*
19 *in vocational education in order to adequately meas-*
20 *ure the progress of the students;*

21 *(4) describes how the eligible agency will ade-*
22 *quately address the needs of students in alternative*
23 *education programs;*

24 *(5) describes how the eligible agency will provide*
25 *local educational agencies, area vocational education*

1 *schools, and eligible institutions in the State with*
2 *technical assistance;*

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

7 *(7) identifies how the eligible agency will obtain*
8 *the active participation of business, labor organiza-*
9 *tions, and parents in the development and improve-*
10 *ment of vocational education activities carried out by*
11 *the eligible agency;*

12 *(8) describes how vocational education is aligned*
13 *with State and regional employment opportunities;*

14 *(9) describes the methods proposed for the joint*
15 *planning and coordination of programs carried out*
16 *under this subtitle with other Federal education pro-*
17 *grams;*

18 *(10) describes how funds will be used to promote*
19 *gender equity in secondary and postsecondary voca-*
20 *tional education;*

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

23 *(12) describes how funds will be used to serve in-*
24 *dividuals in State correctional institutions;*

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

3 (14) describes how funds will be allocated and
4 used at the secondary and postsecondary level, any
5 consortia that will be formed among secondary schools
6 and eligible institutions, and how funds will be allo-
7 cated among the members of the consortia;

8 (15) describes how the eligible agency will ensure
9 that the data reported to the eligible agency from local
10 educational agencies and eligible institutions under
11 this subtitle and the data the eligible agency reports
12 to the Secretary are complete, accurate, and reliable;

13 (16) describes how the eligible agency will de-
14 velop program strategies for populations that include,
15 at a minimum—

16 (A) low-income individuals, including foster
17 children;

18 (B) individuals with disabilities;

19 (C) single parents and displaced home-
20 makers; and

21 (D) individuals with multiple barriers to
22 educational enhancement; and

23 (17) contains the description and information
24 specified in paragraphs (8) and (16) of section 304(b)

1 *concerning the provision of services only for post-*
2 *secondary students and school dropouts.*

3 *(d) PLAN APPROVAL.—*

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

7 *(A) the State plan, or revision, respectively,*
8 *meets the requirements of this section; and*

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

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

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

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

25 *(e) ELIGIBLE AGENCY REPORT.—*

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

3 (A) *the quality and effectiveness of the pro-*
 4 *grams, services, and activities, assisted under*
 5 *this subtitle, based on the performance measures*
 6 *and expected levels of performance described in*
 7 *section 112; and*

8 (B) *the progress each population of individ-*
 9 *uals described in section 124(c)(16) is making*
 10 *toward achieving the expected levels of perform-*
 11 *ance.*

12 (2) *CONTENTS.*—*The eligible agency report*
 13 *also—*

14 (A) *shall include such information, in such*
 15 *form, as the Secretary may reasonably require,*
 16 *in order to ensure the collection of uniform data;*
 17 *and*

18 (B) *shall be made available to the public.*

19 **CHAPTER 3—LOCAL PROVISIONS**

20 **SEC. 131. DISTRIBUTION FOR SECONDARY SCHOOL VOCA-** 21 **TIONAL EDUCATION.**

22 (a) *ALLOCATION.*—*Except as otherwise provided in*
 23 *this section, each eligible agency shall distribute the portion*
 24 *of the funds made available for secondary school vocational*

1 *education activities under section 122(b) for any fiscal year*
2 *to local educational agencies within the State as follows:*

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

13 (2) *TWENTY PERCENT.—From 20 percent of such*
14 *portion, each local educational agency shall be allo-*
15 *cated an amount that bears the same relationship to*
16 *such 20 percent as the number of students with dis-*
17 *abilities who have individualized education programs*
18 *under section 614(d) of the Individuals With Disabil-*
19 *ities Education Act (20 U.S.C. 1414(d)) served by*
20 *such local educational agency for the preceding fiscal*
21 *year bears to the total number of such students served*
22 *by all local educational agencies in the State for such*
23 *year.*

24 (3) *TEN PERCENT.—From 10 percent of such*
25 *portion, each local educational agency shall be allo-*

1 *cated an amount that bears the same relationship to*
2 *such 10 percent as the number of students enrolled in*
3 *schools and adults enrolled in training programs*
4 *under the jurisdiction of such local educational agen-*
5 *cy for the preceding fiscal year bears to the number*
6 *of students enrolled in schools and adults enrolled in*
7 *training programs under the jurisdiction of all local*
8 *educational agencies in the State for such year.*

9 *(b) MINIMUM ALLOCATION.—*

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

18 *(2) WAIVER.—The eligible agency may waive the*
19 *application of paragraph (1) in any case in which*
20 *the local educational agency—*

21 *(A) is located in a rural, sparsely populated*
22 *area; and*

23 *(B) demonstrates that such agency is unable*
24 *to enter into a consortium for purposes of pro-*
25 *viding services under this section.*

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

6 (c) *LIMITED JURISDICTION AGENCIES.*—

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

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

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

23 (1) *IN GENERAL.*—*Each eligible agency shall dis-*
24 *tribute the portion of funds made available for any*
25 *fiscal year by such entity for secondary school voca-*

1 *tional education activities under section 122(b) to the*
2 *appropriate area vocational education school or edu-*
3 *cational service agency in any case in which—*

4 *(A) the area vocational education school or*
5 *educational service agency, and the local edu-*
6 *cational agency concerned—*

7 *(i) have formed or will form a consor-*
8 *tium for the purpose of receiving funds*
9 *under this section; or*

10 *(ii) have entered into or will enter into*
11 *a cooperative arrangement for such purpose;*
12 *and*

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

22 *(ii) the area vocational education school,*
23 *educational service agency, or local educational*
24 *agency demonstrates that the vocational edu-*
25 *cation school or educational service agency is un-*

1 able to meet the criterion described in clause (i)
2 due to the lack of interest by students described
3 in clause (i) in attending vocational education
4 programs in that area vocational education
5 school or educational service agency.

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

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

19 (B) such amount may be allocated on the
20 basis of an agreement between the local edu-
21 cational agency and the area vocational edu-
22 cation school or educational service agency.

23 (3) *STATE DETERMINATION.*—

24 (A) *IN GENERAL.*—For the purposes of this
25 subsection, the eligible agency may determine the

1 *number of students who are low-income on the*
2 *basis of—*

3 *(i) eligibility for—*

4 *(I) free or reduced-price meals*
5 *under the National School Lunch Act*
6 *(7 U.S.C. 1751 et seq.);*

7 *(II) assistance under a State pro-*
8 *gram funded under part A of title IV*
9 *of the Social Security Act;*

10 *(III) benefits under the Food*
11 *Stamp Act of 1977 (7 U.S.C. 2011 et*
12 *seq.); or*

13 *(IV) services under title I of the*
14 *Elementary and Secondary Education*
15 *Act of 1965 (20 U.S.C. 6301 et seq.);*
16 *and*

17 *(ii) another index of economic status,*
18 *including an estimate of such index, if the*
19 *eligible agency demonstrates to the satisfac-*
20 *tion of the Secretary that such index is a*
21 *more representative means of determining*
22 *such number.*

23 *(B) DATA.—If an eligible agency elects to*
24 *use more than 1 factor described in subpara-*
25 *graph (A) for purposes of making the determina-*

1 *tion described in such subparagraph, the eligible*
2 *agency shall ensure that the data used is not du-*
3 *plicative.*

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

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

18 *(A) form a consortium or enter into a coop-*
19 *erative agreement with an area vocational edu-*
20 *cation school or educational service agency offer-*
21 *ing secondary school vocational education pro-*
22 *grams of sufficient size, scope, and quality to be*
23 *effective and that are accessible to students who*
24 *are individuals with disabilities or are low-in-*

1 *come, and are served by such local educational*
 2 *agency; and*

3 *(B) transfer such allocation to the area vo-*
 4 *cational education school or educational service*
 5 *agency.*

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

12 **SEC. 132. DISTRIBUTION FOR POSTSECONDARY VOCA-**
 13 **TIONAL EDUCATION.**

14 *(a) DISTRIBUTION.—*

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

21 *(2) ALLOCATION.—Each eligible institution in*
 22 *the State having an application approved under sec-*
 23 *tion 134 for a fiscal year shall be allocated an*
 24 *amount that bears the same relationship to the*
 25 *amount of funds made available for postsecondary vo-*

1 *ational education under section 122(b) for the fiscal*
2 *year as the number of Pell Grant recipients and re-*
3 *ipients of assistance from the Bureau of Indian Af-*
4 *fairs enrolled for the preceding fiscal year by such eli-*
5 *gible institution in vocational education programs*
6 *that do not exceed 2 years in duration bears to the*
7 *number of such recipients enrolled in such programs*
8 *within the State for such fiscal year.*

9 (3) *MINIMUM ALLOCATION.*—

10 (A) *IN GENERAL.*—*Except as provided in*
11 *subparagraph (B), no eligible institution shall*
12 *receive an allocation under paragraph (2) unless*
13 *the amount allocated to the eligible institution*
14 *under paragraph (2) is not less than \$65,000.*

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

19 (C) *REALLOCATION.*—*Any amounts that are*
20 *not allocated by reason of subparagraph (A) or*
21 *(B) shall be reallocated to eligible institutions*
22 *that meet the requirements of subparagraph (A)*
23 *or (B) in accordance with the provisions of this*
24 *section.*

1 (4) *DEFINITION OF PELL GRANT RECIPIENT.*—

2 *The term “Pell Grant recipient” means a recipient of*
3 *financial aid under subpart 1 of part A of title IV*
4 *of the Higher Education Act of 1965 (20 U.S.C.*
5 *1070a).*

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

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

13 (2)(A) *the formula described in subsection (a)*
14 *does not result in an allocation of funds to the eligible*
15 *institutions that serve the highest numbers or percent-*
16 *ages of low-income students; and*

17 (B) *the alternative formula will result in such a*
18 *distribution.*

19 **SEC. 133. LOCAL ACTIVITIES.**

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

23 (1) *to conduct vocational education programs,*
24 *and technological education programs related to voca-*
25 *tional education, that further student achievement;*

1 (2) to provide services and activities that are of
2 sufficient size, scope, and quality to be effective;

3 (3) to integrate academic education with voca-
4 tional education for students participating in voca-
5 tional education;

6 (4) to link secondary education (as determined
7 under State law) and postsecondary education, in-
8 cluding implementing tech-prep programs;

9 (5) to provide professional development activities
10 to teachers, counselors, and administrators, includ-
11 ing—

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

14 (B) internship programs that provide busi-
15 ness experience to teachers; and

16 (C) programs designed to train teachers spe-
17 cifically in the use and application of tech-
18 nology;

19 (6) to improve or expand the use of technology
20 in vocational instruction, including professional de-
21 velopment in the use of technology, which may in-
22 clude distance learning;

23 (7) to expand, improve, and modernize quality
24 vocational education programs;

1 (8) *to provide access to quality vocational edu-*
2 *cation programs for students, including students who*
3 *are members of the populations described in section*
4 *124(c)(16);*

5 (9) *to develop and implement performance man-*
6 *agement systems and evaluations; and*

7 (10) *to promote gender equity in secondary and*
8 *postsecondary vocational education.*

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

12 (1) *to carry out student internships;*

13 (2) *to provide guidance and counseling for stu-*
14 *dents participating in vocational education pro-*
15 *grams;*

16 (3) *to provide vocational education programs for*
17 *adults and school dropouts to complete their second-*
18 *ary school education;*

19 (4) *to acquire and adapt equipment, including*
20 *instructional aids;*

21 (5) *to support vocational student organizations;*

22 (6) *to provide assistance to students who have*
23 *participated in services and activities under this sub-*
24 *title in finding an appropriate job and continuing*
25 *their education; and*

1 (7) to support other activities that are consistent
2 with the purpose of this title.

3 **SEC. 134. LOCAL APPLICATION.**

4 (a) *IN GENERAL.*—Each local educational agency or
5 eligible institution desiring assistance under this subtitle
6 shall submit an application to the eligible agency at such
7 time, in such manner, and accompanied by such informa-
8 tion as the eligible agency (in consultation with such other
9 educational entities as the eligible agency determines to be
10 appropriate) may require.

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

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

16 (2) describe the process that will be used to inde-
17 pendently evaluate and continuously improve the per-
18 formance of the local educational agency or eligible
19 institution, as appropriate; and

20 (3) describe how the local educational agency or
21 eligible institution, as appropriate, will consult with
22 students, parents, business, labor organizations, and
23 other interested individuals, in carrying out activities
24 under this subtitle.

1 **Subtitle B—Tech-Prep Education**

2 **SEC. 151. SHORT TITLE.**

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

5 **SEC. 152. PURPOSES.**

6 *The purposes of this subtitle are—*

7 (1) *to provide implementation grants to consor-*
8 *tia of local educational agencies, postsecondary edu-*
9 *cational institutions, and employers or labor organi-*
10 *zations, for the development and operation of pro-*
11 *grams designed to provide a tech-prep education pro-*
12 *gram leading to a 2-year associate degree or a 2-year*
13 *certificate;*

14 (2) *to provide, in a systematic manner, strong,*
15 *comprehensive links among secondary schools, post-*
16 *secondary educational institutions, and local or re-*
17 *gional employers, or labor organizations; and*

18 (3) *to support the use of contextual, authentic,*
19 *and applied teaching and curriculum based on each*
20 *State’s academic, occupational, and employability*
21 *standards.*

22 **SEC. 153. DEFINITIONS.**

23 *(a) In this subtitle:*

24 (1) **ARTICULATION AGREEMENT.**—*The term “ar-*
25 *ticulation agreement” means a written commitment*

1 to a program designed to provide students with a non
2 duplicative sequence of progressive achievement lead-
3 ing to degrees or certificates in a tech-prep education
4 program.

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

7 (A) has the meaning provided in section
8 1201(a) of the Higher Education Act of 1965 (20
9 U.S.C. 1141) for an institution which provides
10 not less than a 2-year program which is accept-
11 able for full credit toward a bachelor’s degree;
12 and

13 (B) includes tribally controlled community
14 colleges.

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

17 (A) combines at a minimum 2 years of sec-
18 ondary education (as determined under State
19 law) and a minimum 2 years of postsecondary
20 education in a nonduplicative, sequential course
21 of study;

22 (B) integrates academic and vocational in-
23 struction, and utilizes work-based and worksite
24 learning where appropriate and available;

1 (C) provides technical preparation in a ca-
 2 reer field such as engineering technology, applied
 3 science, a mechanical, industrial, or practical
 4 art or trade, agriculture, health occupations,
 5 business, or applied economics;

6 (D) builds student competence in mathe-
 7 matics, science, communications, economics, and
 8 workplace skills, through applied, contextual aca-
 9 demics, and integrated instruction in a coherent
 10 sequence of courses;

11 (E) leads to an associate or a baccalaureate
 12 degree or a certificate in a specific career field;
 13 and

14 (F) leads to placement in appropriate em-
 15 ployment or further education.

16 **SEC. 154. PROGRAM AUTHORIZED.**

17 (a) *DISCRETIONARY AMOUNTS.*—

18 (1) *IN GENERAL.*—For any fiscal year for which
 19 the amount appropriated under section 157 to carry
 20 out this subtitle is equal to or less than \$50,000,000,
 21 the Secretary shall award grants for tech-prep edu-
 22 cation programs to consortia of—

23 (A) local educational agencies, intermediate
 24 educational agencies or area vocational edu-
 25 cation schools serving secondary school students,

1 or secondary schools funded by the Bureau of In-
2 dian Affairs;

3 (B)(i) nonprofit institutions of higher edu-
4 cation that offer—

5 (I) a 2-year associate degree program,
6 or a 2-year certificate program, and are
7 qualified as institutions of higher education
8 pursuant to section 481(a) of the Higher
9 Education Act of 1965 (20 U.S.C. 1088(a)),
10 including institutions receiving assistance
11 under the Tribally Controlled Community
12 College Assistance Act of 1978 (25 U.S.C.
13 1801 et seq.) and tribally controlled post-
14 secondary vocational institutions; or

15 (II) a 2-year apprenticeship program
16 that follows secondary instruction,

17 if such nonprofit institutions of higher education
18 are not prohibited from receiving assistance
19 under part B of the Higher Education Act of
20 1965 (20 U.S.C. 1071 et seq.) pursuant to the
21 provisions of section 435(a)(3) of such Act (20
22 U.S.C. 1083(a)); or

23 (ii) proprietary institutions of higher edu-
24 cation which offer a 2-year associate degree pro-
25 gram and which are qualified as institutions of

1 *higher education pursuant to section 481(a) of*
2 *the Higher Education Act of 1965 (20 U.S.C.*
3 *1088(a)) if such proprietary institutions of high-*
4 *er education are not subject to a default manage-*
5 *ment plan required by the Secretary; or*

6 *(C) employers or labor organizations.*

7 (2) *SPECIAL RULE.—A consortium described in*
8 *paragraph (1) may include 1 or more institutions of*
9 *higher education that award baccalaureate degrees.*

10 **(b) STATE GRANTS.—**

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

17 (2) *PAYMENTS TO ELIGIBLE AGENCIES.—The*
18 *Secretary shall make a payment in the amount of a*
19 *State's allotment under this paragraph to the eligible*
20 *agency that serves the State and has an application*
21 *approved under paragraph (4).*

22 (3) *AWARD BASIS.—From amounts made avail-*
23 *able to each eligible agency under this subsection, the*
24 *eligible agency shall award grants, on a competitive*
25 *basis or on the basis of a formula determined by the*

1 *eligible agency, for tech-prep education programs to*
2 *consortia described in subsection (a).*

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

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

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

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

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

16 (2) *consist of at least 2 years of secondary school*
17 *preceding graduation and 2 years or more of higher*
18 *education, or an apprenticeship program of at least*
19 *2 years following secondary instruction, with a com-*
20 *mon core of required proficiency in mathematics,*
21 *science, communications, and technologies designed to*
22 *lead to an associate or baccalaureate degree or a cer-*
23 *tificate in a specific career field;*

1 (3) include the development of tech-prep edu-
2 cation program curricula for both secondary and
3 postsecondary levels that—

4 (A) meets challenging academic standards
5 developed by the State;

6 (B) links secondary schools and 2-year post-
7 secondary institutions, and where possible and
8 practicable, 4-year institutions of higher edu-
9 cation through nonduplicative sequences of
10 courses in career fields;

11 (C) uses, where appropriate and available,
12 work-based or worksite learning in conjunction
13 with business and industry; and

14 (D) uses educational technology and dis-
15 tance learning, as appropriate, to involve all the
16 consortium partners more fully in the develop-
17 ment and operation of programs.

18 (4) include a professional development program
19 for academic, vocational, and technical teachers
20 that—

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

23 (B) provides for joint training for teachers
24 from all participants in the consortium;

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

4 (D) focuses on training postsecondary edu-
5 cation faculty in the use of contextual and ap-
6 plied curricula and instruction; and

7 (E) provides training in the use and appli-
8 cation of technology;

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

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

13 (B) ensure that such students successfully
14 complete such programs;

15 (C) ensure that such students are placed in
16 appropriate employment; and

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

19 (6) provide equal access to the full range of tech-
20 nical preparation programs to individuals who are
21 members of populations described in section
22 124(c)(16), including the development of tech-prep
23 education program services appropriate to the needs
24 of such individuals; and

1 (7) *provide for preparatory services that assist*
2 *all participants in such programs.*

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

5 (1) *provide for the acquisition of tech-prep edu-*
6 *cation program equipment;*

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

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

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

23 **SEC. 156. APPLICATIONS.**

24 (a) *IN GENERAL.—Each consortium that desires to re-*
25 *ceive a grant under this subtitle shall submit an application*

1 *to the Secretary or the eligible agency, as appropriate, at*
2 *such time and in such manner as the Secretary or the eligi-*
3 *ble agency, as appropriate, shall prescribe.*

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

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

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

16 (1) *provide for effective employment placement*
17 *activities or the transfer of students to 4-year institu-*
18 *tions of higher education;*

19 (2) *are developed in consultation with 4-year in-*
20 *stitutions of higher education;*

21 (3) *address effectively the needs of populations*
22 *described in section 124(c)(16);*

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

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

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

10 (f) *NOTICE.—*

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

18 (2) *NOTIFICATION.—The Secretary shall notify*
19 *the State educational agency and the State agency for*
20 *higher education of a State each time a consortium*
21 *located in the State is selected to receive a grant*
22 *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 ***Subtitle C—General Provisions***

6 **SEC. 161. ADMINISTRATIVE PROVISIONS.**

7 (a) *SUPPLEMENT NOT SUPPLANT.—Funds made*
 8 *available under this title for vocational education activities*
 9 *shall supplement, and shall not supplant, other public funds*
 10 *expended to carry out vocational education and tech-prep*
 11 *activities.*

12 (b) *MAINTENANCE OF EFFORT.—*

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

23 (2) *WAIVER.—The Secretary may waive the re-*
 24 *quirements of this section, with respect to not more*
 25 *than 5 percent of expenditures by any eligible agency*
 26 *for 1 fiscal year only, on making a determination*

1 *that such waiver would be equitable due to excep-*
2 *tional or uncontrollable circumstances affecting the*
3 *ability of the applicant to meet such requirements,*
4 *such as a natural disaster or an unforeseen and pre-*
5 *cipitous decline in financial resources. No level of*
6 *funding permitted under such a waiver may be used*
7 *as the basis for computing the fiscal effort or aggreg-*
8 *ate expenditures required under this section for years*
9 *subsequent to the year covered by such waiver. The*
10 *fiscal effort or aggregate expenditures for the subse-*
11 *quent years shall be computed on the basis of the level*
12 *of funding that would, but for such waiver, have been*
13 *required.*

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

16 **SEC. 162. EVALUATION, IMPROVEMENT, AND ACCOUNTABIL-**
17 **ITY.**

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

23 (b) *IMPROVEMENT ACTIVITIES.*—*If, after reviewing the*
24 *evaluation, an eligible agency determines that a local edu-*
25 *cational agency or eligible institution is not making sub-*

1 *stantial progress in achieving the purpose of this title, the*
2 *eligible agency may work jointly with the local educational*
3 *agency or eligible institution, respectively, to develop an*
4 *improvement plan. If, after not more than 2 years of imple-*
5 *mentation of the improvement plan, the eligible agency de-*
6 *termines that the local educational agency or eligible insti-*
7 *tution, respectively, is not making substantial progress, the*
8 *eligible agency shall take whatever corrective action the eli-*
9 *gible agency deems necessary, which may include termi-*
10 *nation of funding or the implementation of alternative serv-*
11 *ice arrangements, consistent with State law. The eligible*
12 *agency shall take corrective action under the preceding sen-*
13 *tence only after the eligible agency has provided technical*
14 *assistance to the local educational agency or eligible institu-*
15 *tion and shall ensure, to the extent practicable, that any*
16 *corrective action the eligible agency takes allows for contin-*
17 *ued services to and activities for individuals served by the*
18 *local educational agency or eligible institution, respectively.*

19 (c) *TECHNICAL ASSISTANCE.—If the Secretary deter-*
20 *mines that an eligible agency is not properly implementing*
21 *the eligible agency’s responsibilities under section 124, or*
22 *is not making substantial progress in meeting the purpose*
23 *of this title, based on the performance measures and ex-*
24 *pected levels of performance under section 112 included in*
25 *the eligible agency’s State plan, the Secretary shall work*

1 *with the eligible agency to implement improvement activi-*
2 *ties.*

3 (d) *WITHHOLDING OF FEDERAL FUNDS.—If, after a*
4 *reasonable time, but not earlier than 1 year after imple-*
5 *menting activities described in subsection (c), the Secretary*
6 *determines that the eligible agency is not making sufficient*
7 *progress, based on the eligible agency’s performance meas-*
8 *ures and expected levels of performance, the Secretary, after*
9 *notice and opportunity for a hearing, shall withhold from*
10 *the eligible agency all, or a portion, of the eligible agency’s*
11 *grant funds under this subtitle. The Secretary may use*
12 *funds withheld under the preceding sentence to provide,*
13 *through alternative arrangements, services, and activities*
14 *within the State to meet the purpose of this title.*

15 **SEC. 163. NATIONAL ACTIVITIES.**

16 *The Secretary may, directly or through grants, con-*
17 *tracts, or cooperative agreements, carry out research, devel-*
18 *opment, dissemination, evaluation, capacity-building, and*
19 *technical assistance activities that carry out the purpose of*
20 *this title.*

21 **SEC. 164. NATIONAL ASSESSMENT OF VOCATIONAL EDU-**
22 **CATION PROGRAMS.**

23 (a) *IN GENERAL.—The Secretary shall conduct a na-*
24 *tional assessment of vocational education programs assisted*

1 *under this title, through studies and analyses conducted*
2 *independently through competitive awards.*

3 **(b) INDEPENDENT ADVISORY PANEL.**—*The Secretary*
4 *shall appoint an independent advisory panel, consisting of*
5 *vocational education administrators, educators, researchers,*
6 *and representatives of labor organizations, business, par-*
7 *ents, guidance and counseling professionals, and other rel-*
8 *evant groups, to advise the Secretary on the implementation*
9 *of such assessment, including the issues to be addressed and*
10 *the methodology of the studies involved, and the findings*
11 *and recommendations resulting from the assessment. The*
12 *panel shall submit to the Committee on Education and the*
13 *Workforce of the House of Representatives, the Committee*
14 *on Labor and Human Resources of the Senate, and the Sec-*
15 *retary an independent analysis of the findings and rec-*
16 *ommendations resulting from the assessment. The Federal*
17 *Advisory Committee Act (5 U.S.C. App.) shall not apply*
18 *to the panel established under this subsection.*

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

21 **(1)** *the effect of the vocational education pro-*
22 *grams assisted under this title on State and tribal ad-*
23 *ministration of vocational education programs and*
24 *on local vocational education practices, including the*

1 *capacity of State, tribal, and local vocational edu-*
2 *cation systems to address the purpose of this title;*

3 (2) *expenditures at the Federal, State, tribal,*
4 *and local levels to address program improvement in*
5 *vocational education, including the impact of Federal*
6 *allocation requirements (such as within-State dis-*
7 *tribution formulas) on the delivery of services;*

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

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

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

15 (A) *the extent and success of integration of*
16 *academic and vocational curricula; and*

17 (B) *the degree to which vocational edu-*
18 *cation is relevant to subsequent employment or*
19 *participation in postsecondary education;*

20 (6) *employer involvement in, and satisfaction*
21 *with, vocational education programs; and*

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

25 (d) *CONSULTATION.—*

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

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

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

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

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

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

6 **SEC. 165. NATIONAL RESEARCH CENTER.**

7 *(a) GENERAL AUTHORITY.—*

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

11 *(A) applied research and development; and*
12 *(B) dissemination and training.*

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

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

21 *(b) ACTIVITIES.—*

22 *(1) IN GENERAL.—The national center or centers*
23 *shall carry out such activities as the Secretary deter-*
24 *mines to be appropriate to assist State and local re-*
25 *cipients of funds under this title to achieve the pur-*

1 *pose of this title, which may include the research and*
2 *evaluation activities in such areas as—*

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

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

9 *(C) performance measures and expected lev-*
10 *els of performance that serve to improve voca-*
11 *tional education programs and student achieve-*
12 *ment;*

13 *(D) effects of economic changes on the kinds*
14 *of knowledge and skills required for employment*
15 *or participation in postsecondary education;*

16 *(E) longitudinal studies of student achieve-*
17 *ment; and*

18 *(F) dissemination and training activities*
19 *related to the applied research and demonstra-*
20 *tion activities described in this subsection, which*
21 *may also include—*

22 *(i) serving as a repository for informa-*
23 *tion on vocational and technological skills,*
24 *State academic standards, and related ma-*
25 *terials; and*

1 (ii) *developing and maintaining na-*
2 *tional networks of educators who facilitate*
3 *the development of vocational education sys-*
4 *tems.*

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

16 (c) *REVIEW.—The Secretary shall—*

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

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

1 **SEC. 166. DATA SYSTEMS.**

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

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

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

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

23 **SEC. 171. AUTHORIZATION OF APPROPRIATIONS.**

24 *There is authorized to be appropriated to carry out*
25 *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 1997”.*

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 1997”;*

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 1997”;*

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 1997”.*

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 1997”.*

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 1997”*; 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 1997”.*

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 *1997”.*

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 1997”.

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) *ESTABLISHMENT OF PERFORMANCE MEASURES.—*
 24 *After consultation with eligible agencies, eligible providers,*
 25 *and other interested parties (including representatives of*

1 *business, representatives of labor organizations, and insti-*
2 *tutions of higher education), the Secretary shall establish*
3 *and publish performance measures described in this sub-*
4 *section that assess the progress of each eligible agency in*
5 *enhancing and developing more fully the literacy skills of*
6 *the adult population in the State or outlying area. The*
7 *measures, at a minimum, shall include—*

8 (1) *demonstrated improvements in literacy skill*
9 *levels in reading and writing the English language,*
10 *numeracy, and problem solving;*

11 (2) *attainment of secondary school diplomas or*
12 *their recognized equivalent;*

13 (3) *placement in, retention in, or completion of,*
14 *postsecondary education, training, or unsubsidized*
15 *employment; and*

16 (4) *other performance measures the Secretary de-*
17 *termines necessary.*

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

22 **SEC. 213. NATIONAL LEADERSHIP ACTIVITIES.**

23 (a) *AUTHORITY.—From the amount reserved under*
24 *section 211(a)(1) for any fiscal year, the Secretary may es-*
25 *tablish a program of national leadership and evaluation ac-*

1 *tivities to enhance the quality of adult education and lit-*
2 *eracy nationwide.*

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

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

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

11 (2) *demonstration of model and innovative pro-*
12 *grams, such as the development of models for basic*
13 *skill certificates, identification of effective strategies*
14 *for working with adults with learning disabilities and*
15 *with individuals with limited English proficiency*
16 *who are adults, and workplace literacy programs;*

17 (3) *dissemination, such as dissemination of in-*
18 *formation regarding promising practices resulting*
19 *from federally funded demonstration programs;*

20 (4) *evaluations and assessments, such as periodic*
21 *independent evaluations of activities assisted under*
22 *this subtitle and assessments of the condition and*
23 *progress of literacy in the United States;*

24 (5) *efforts to support capacity building at the*
25 *State and local levels, such as technical assistance in*

1 *program planning, assessment, evaluation, and mon-*
 2 *itoring of activities under this subtitle;*

3 (6) *data collection, such as improvement of both*
 4 *local and State data systems through technical assist-*
 5 *ance and development of model performance data col-*
 6 *lection systems;*

7 (7) *professional development, such as technical*
 8 *assistance activities to advance effective training*
 9 *practices, identify exemplary professional develop-*
 10 *ment projects, and disseminate new findings in adult*
 11 *education training;*

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

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

17 **CHAPTER 2—STATE PROVISIONS**

18 **SEC. 221. STATE ADMINISTRATION.**

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

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

24 (2) *consultation with other appropriate agencies,*
 25 *groups, and individuals that are involved in, or in-*

1 *terested in, the development and implementation of*
2 *activities assisted under this subtitle; and*

3 *(3) coordination and nonduplication with other*
4 *Federal and State education, training, corrections,*
5 *public housing, and social service programs.*

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

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

13 *(a) STATE DISTRIBUTION OF FUNDS.—Each eligible*
14 *agency receiving a grant under this subtitle for a fiscal*
15 *year—*

16 *(1) shall use not less than 80 percent of the grant*
17 *funds to carry out section 225 and to award grants*
18 *and contracts under section 231 for the fiscal year, of*
19 *which not more than 10 percent of the 80 percent*
20 *shall be available to carry out section 225 for the fis-*
21 *cal year;*

22 *(2) shall use not more than 15 percent of the*
23 *grant funds to carry out State leadership activities*
24 *under section 223 for the fiscal year; and*

1 (3) shall use not more than 5 percent of the
2 grant funds, or \$80,000, whichever is greater, for ad-
3 ministrative expenses of the eligible agency for the fis-
4 cal year.

5 (b) *STATE SHARE REQUIREMENT.*—

6 (1) *IN GENERAL.*—In order to receive a grant
7 from the Secretary under section 211(b) each eligible
8 agency shall provide an amount equal to 25 percent
9 of the total amount of funds expended for adult edu-
10 cation in the State or outlying area, except that the
11 Secretary may decrease the amount of funds required
12 under this subsection for an eligible agency serving an
13 outlying area.

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

20 **SEC. 223. STATE LEADERSHIP ACTIVITIES.**

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

1 (1) *Professional development and training, in-*
2 *cluding training in the use of software and*
3 *technology.*

4 (2) *Developing and disseminating curricula for*
5 *adult education and literacy activities.*

6 (3) *Monitoring and evaluating the quality of,*
7 *and improvement in, services and activities conducted*
8 *with assistance under this subtitle.*

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

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

15 (6) *Linkages with postsecondary institutions.*

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

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

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

24 **SEC. 224. STATE PLAN.**

25 (a) *3-YEAR PLANS.*—

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

5 (2) *COMPREHENSIVE PLAN OR APPLICATION.*—
6 The eligible agency may submit the State plan as
7 part of a comprehensive plan or application for Fed-
8 eral education assistance.

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

12 (1) *an objective assessment of the needs of indi-*
13 *viduals in the State for adult education and literacy*
14 *activities, including individuals most in need or*
15 *hardest to serve, such as educationally disadvantaged*
16 *adults, immigrants, individuals with limited English*
17 *proficiency, incarcerated individuals, homeless indi-*
18 *viduals, recipients of public assistance, and individ-*
19 *uals with disabilities;*

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

23 (3) *a description of how the eligible agency will*
24 *evaluate annually the effectiveness of the adult edu-*

1 *cation and literacy activities based on the perform-*
2 *ance measures described in section 212;*

3 (4) *a description of how the eligible agency will*
4 *ensure that the data reported to the eligible agency*
5 *from eligible providers under this subtitle and the*
6 *data the eligible agency reports to the Secretary are*
7 *complete, accurate, and reliable;*

8 (5) *a description of the performance measures re-*
9 *quired under section 212(a) and how such perform-*
10 *ance measures and the expected levels of performance*
11 *will ensure improvement of adult education and lit-*
12 *eracy activities in the State or outlying area;*

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

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

19 (8) *a description of how the eligible agency will*
20 *determine which eligible providers are eligible for*
21 *funding in accordance with the preferences described*
22 *in section 242(b);*

23 (9) *a description of how funds will be used for*
24 *State leadership activities, which activities may in-*

1 *clude professional development and training, instruc-*
2 *tional technology, and management technology;*

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

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

9 *(12) a description of how the eligible agency will*
10 *develop program strategies for populations that in-*
11 *clude, at a minimum—*

12 *(A) low-income students;*

13 *(B) individuals with disabilities;*

14 *(C) single parents and displaced home-*
15 *makers; and*

16 *(D) individuals with multiple barriers to*
17 *educational enhancement;*

18 *(13) a description of the measures that will be*
19 *taken by the eligible agency to assure coordination of*
20 *and avoid duplication among—*

21 *(A) adult education activities authorized*
22 *under this subtitle;*

23 *(B) activities authorized under title III;*

24 *(C) programs authorized under the Wagner-*
25 *Peyser Act (29 U.S.C. 49 et seq.), title I of the*

1 *Rehabilitation Act of 1973 (29 U.S.C. 720 et*
2 *seq.), part A of title IV of the Social Security*
3 *Act (42 U.S.C. 601 et seq.), section 6(d) of the*
4 *Food Stamp Act of 1977 (7 U.S.C. 2015(d)), and*
5 *title V of the Older Americans Act of 1965 (42*
6 *U.S.C. 3056 et seq.);*

7 *(D) a work program authorized under sec-*
8 *tion 6(o) of the Food Stamp Act of 1977 (7*
9 *U.S.C. 2015(o));*

10 *(E) activities authorized under chapter 2 of*
11 *title II of the Trade Act of 1974 (19 U.S.C. 2271*
12 *et seq.);*

13 *(F) activities authorized under chapter 41*
14 *of title 38, United States Code;*

15 *(G) activities carried out by the Bureau of*
16 *Apprenticeship and Training;*

17 *(H) training activities carried out by the*
18 *Department of Housing and Urban Develop-*
19 *ment; and*

20 *(I) programs authorized under State unem-*
21 *ployment compensation laws and the Federal*
22 *unemployment insurance program under titles*
23 *III, IX, and XII of the Social Security Act (42*
24 *U.S.C. 501 et seq., 1101 et seq., and 1321 et*
25 *seq.); and*

1 (14) the description and information specified in
2 paragraphs (8) and (16) of section 304(b).

3 (c) *PLAN REVISIONS.*—When changes in conditions or
4 other factors require substantial revisions to an approved
5 State plan, the eligible agency shall submit a revision to
6 the State plan to the Secretary.

7 (d) *CONSULTATION.*—The eligible agency shall—

8 (1) submit the State plan, and any revisions to
9 the State plan, to the Governor of the State for review
10 and comment; and

11 (2) ensure that any comments by the Governor
12 regarding the State plan, and any revision to the
13 State plan, are submitted to the Secretary.

14 (e) *PLAN APPROVAL.*—

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

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

20 (B) the State's performance measures and
21 expected levels of performance under section 212
22 are sufficiently rigorous to meet the purpose of
23 this title.

24 (2) *DISAPPROVAL.*—The Secretary shall not fi-
25 nally disapprove a State plan, except after giving the

1 *eligible agency notice and an opportunity for a*
2 *hearing.*

3 (3) *PEER REVIEW.*—*The Secretary shall establish*
4 *a peer review process to make recommendations re-*
5 *garding the approval of State plans and revisions to*
6 *the State plan.*

7 **SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
8 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

9 (a) *PROGRAM AUTHORIZED.*—*From funds made avail-*
10 *able under section 222(a)(1) for a fiscal year, each eligible*
11 *agency shall carry out corrections education or education*
12 *for other institutionalized individuals.*

13 (b) *USES OF FUNDS.*—*The funds described in sub-*
14 *section (a) shall be used for the cost of educational programs*
15 *for criminal offenders in corrections institutions and for*
16 *other institutionalized individuals, including academic*
17 *programs for—*

18 (1) *basic education;*

19 (2) *special education programs as determined by*
20 *the State;*

21 (3) *bilingual programs, or English as a second*
22 *language programs; and*

23 (4) *secondary school credit programs.*

24 (c) *DEFINITION OF CRIMINAL OFFENDER.*—

1 (1) *CRIMINAL OFFENDER.*—*The term “criminal*
 2 *offender” means any individual who is charged with*
 3 *or convicted of any criminal offense.*

4 (2) *CORRECTIONAL INSTITUTION.*—*The term*
 5 *“correctional institution” means any—*

6 (A) *prison;*

7 (B) *jail;*

8 (C) *reformatory;*

9 (D) *work farm;*

10 (E) *detention center; or*

11 (F) *halfway house, community-based reha-*
 12 *ilitation center, or any other similar institution*
 13 *designed for the confinement or rehabilitation of*
 14 *criminal offenders.*

15 **CHAPTER 3—LOCAL PROVISIONS**

16 **SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE** 17 **PROVIDERS.**

18 (a) *GRANTS.*—*From funds made available under sec-*
 19 *tion 222(a)(1), each eligible agency shall award multiyear*
 20 *grants or contracts to eligible providers within the State*
 21 *to enable the eligible providers to develop, implement, and*
 22 *improve adult education and literacy activities within the*
 23 *State.*

24 (b) *SPECIAL RULE.*—*Each eligible agency receiving*
 25 *funds under this subtitle shall ensure that all eligible pro-*

1 *viders have direct and equitable access to apply for grants*
2 *or contracts under this section.*

3 (c) *REQUIRED LOCAL ACTIVITIES.*—*Each eligible pro-*
4 *vider receiving a grant or contract under this subtitle shall*
5 *establish programs that provide instruction or services that*
6 *meet the purpose described in section 202(b), such as—*

7 (1) *adult education and literacy services; or*

8 (2) *English literacy programs.*

9 **SEC. 232. LOCAL APPLICATION.**

10 *Each eligible provider desiring a grant or contract*
11 *under this subtitle shall submit an application to the eligi-*
12 *ble agency containing such information and assurances as*
13 *the eligible agency may require, including—*

14 (1) *a description of how funds awarded under*
15 *this subtitle will be spent;*

16 (2) *how the expected levels of performance of the*
17 *eligible provider with respect to participant recruit-*
18 *ment, retention, and performance measures described*
19 *in section 212, will be met and reported to the eligible*
20 *agency; and*

21 (3) *a description of any cooperative arrange-*
22 *ments the eligible provider has with other agencies,*
23 *institutions, or organizations for the delivery of adult*
24 *education and literacy programs.*

1 **SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.**

2 (a) *IN GENERAL.*—Subject to subsection (b), of the sum
3 that is made available under this subtitle to an eligible
4 provider—

5 (1) not less than 95 percent shall be expended for
6 carrying out adult education and literacy activities;
7 and

8 (2) the remaining amount, not to exceed 5 per-
9 cent, shall be used for planning, administration, per-
10 sonnel development, and interagency coordination.

11 (b) *SPECIAL RULE.*—In cases where the cost limits de-
12 scribed in subsection (a) are too restrictive to allow for ade-
13 quate planning, administration, personnel development,
14 and interagency coordination, the eligible provider shall ne-
15 gotiate with the eligible agency in order to determine an
16 adequate level of funds to be used for noninstructional pur-
17 poses.

18 **CHAPTER 4—GENERAL PROVISIONS**

19 **SEC. 241. ADMINISTRATIVE PROVISIONS.**

20 (a) *SUPPLEMENT NOT SUPPLANT.*—Funds made
21 available for adult education and literacy activities under
22 this subtitle shall supplement and not supplant other State
23 or local public funds expended for adult education and lit-
24 eracy activities.

25 (b) *REPRESENTATION.*—The eligible agency shall pro-
26 vide representation to the statewide partnership.

1 **SEC. 242. PRIORITIES AND PREFERENCES.**

2 (a) *PRIORITIES.*—*Each eligible agency and eligible*
3 *provider receiving assistance under this subtitle shall give*
4 *priority in using the assistance to adult education and lit-*
5 *eracy activities that—*

6 (1) *are built on a strong foundation of research*
7 *and effective educational practice;*

8 (2) *effectively employ advances in technology, as*
9 *appropriate, including the use of computers;*

10 (3) *provide learning in real life contexts to en-*
11 *sure that an individual has the skills needed to com-*
12 *pete in a global economy and exercise the rights and*
13 *responsibilities of citizenship;*

14 (4) *are staffed by well-trained instructors, coun-*
15 *selors, and administrators;*

16 (5) *are of sufficient intensity and duration for*
17 *participants to achieve substantial learning gains,*
18 *such as by earning a basic skills certificate that re-*
19 *fects skills acquisition and has meaning to*
20 *employers;*

21 (6) *establish measurable performance levels for*
22 *participant outcomes, such as levels of literacy*
23 *achieved and attainment of a secondary school di-*
24 *ploma or its recognized equivalent, that are tied to*
25 *challenging State performance levels for literacy*
26 *proficiency;*

1 (7) *coordinate with other available resources in*
2 *the community, such as by establishing strong links*
3 *with elementary schools and secondary schools, post-*
4 *secondary institutions, 1-stop customer service cen-*
5 *ters, job training programs, and social service*
6 *agencies;*

7 (8) *offer flexible schedules and support services*
8 *(such as child care and transportation) that are nec-*
9 *essary to enable individuals, including individuals*
10 *with disabilities or other special needs, to attend and*
11 *complete programs; and*

12 (9) *maintain a high-quality information man-*
13 *agement system that has the capacity to report client*
14 *outcomes and to monitor program performance*
15 *against the State performance measures.*

16 (b) *PREFERENCES.—In determining which eligible*
17 *providers will receive funds under this subtitle for a fiscal*
18 *year, each eligible agency receiving a grant under this sub-*
19 *title, in addition to addressing the priorities described in*
20 *subsection (a), shall—*

21 (1) *give preference to eligible providers that the*
22 *eligible agency determines serve local areas with high*
23 *concentrations of individuals in poverty or with low*
24 *levels of literacy (including English language pro-*
25 *ficiency); and*

1 (2) *consider—*

2 (A) *the results, if any, of the evaluations re-*
3 *quired under section 244(a); and*

4 (B) *the degree to which the eligible provider*
5 *will coordinate with and utilize other literacy*
6 *and social services available in the community.*

7 **SEC. 243. INCENTIVE GRANTS.**

8 (a) *IN GENERAL.—The Secretary may make grants to*
9 *States that exceed—*

10 (1) *the State performance measures established*
11 *by the Secretary of Education under this Act; and*

12 (2) *the State performance measures established*
13 *under title III.*

14 (b) *PRIORITY.—In awarding incentive grants under*
15 *this section, the Secretary shall give priority to those States*
16 *submitting a State unified plan as described in section 501*
17 *that is approved by the appropriate Secretaries as described*
18 *in such section.*

19 (c) *USE OF FUNDS.—A State that receives an incen-*
20 *tive grant under this section shall use the funds made avail-*
21 *able through the grant to carry out innovative programs*
22 *as determined by the State.*

1 **SEC. 244. EVALUATION, IMPROVEMENT, AND ACCOUNT-**
2 **ABILITY.**

3 (a) *LOCAL EVALUATION.*—Each eligible agency shall
4 biennially evaluate the adult education and literacy activi-
5 ties of each eligible provider that receives a grant or con-
6 tract under this subtitle, using the performance measures
7 established under section 212.

8 (b) *IMPROVEMENT ACTIVITIES.*—If, after reviewing the
9 evaluation, an eligible agency determines that an eligible
10 provider is not making substantial progress in achieving
11 the purpose of this subtitle, the eligible agency may work
12 jointly with the eligible provider to develop an improvement
13 plan. If, after not more than 2 years of implementation of
14 the improvement plan, the eligible agency determines that
15 the eligible provider is not making substantial progress, the
16 eligible agency shall take whatever corrective action the eli-
17 gible agency deems necessary, which may include termi-
18 nation of funding or the implementation of alternative serv-
19 ice arrangements, consistent with State law. The eligible
20 agency shall take corrective action under the preceding sen-
21 tence only after the eligible agency has provided technical
22 assistance to the eligible provider and shall ensure, to the
23 extent practicable, that any corrective action the eligible
24 agency takes allows for continued services to and activities
25 for the individuals served by the eligible provider.

26 (c) *STATE REPORT.*—

1 (1) *IN GENERAL.*—*The eligible agency shall re-*
2 *port annually to the Secretary regarding the quality*
3 *and effectiveness of the adult education and literacy*
4 *activities funded through the eligible agency’s grants*
5 *or contracts under this subtitle, based on the perform-*
6 *ance measures and expected levels of performance in-*
7 *cluded in the State plan.*

8 (2) *INFORMATION.*—*The eligible agency shall in-*
9 *clude in the reports such information, in such form,*
10 *as the Secretary may require in order to ensure the*
11 *collection of uniform national data.*

12 (3) *AVAILABILITY.*—*The eligible agency shall*
13 *make available to the public the annual report under*
14 *this subsection.*

15 (d) *TECHNICAL ASSISTANCE.*—*If the Secretary deter-*
16 *mines that the eligible agency is not properly implementing*
17 *the eligible agency’s responsibilities under subsection (b), or*
18 *is not making substantial progress in meeting the purpose*
19 *of this subtitle, based on the performance measures and ex-*
20 *pected levels of performance included in the eligible agency’s*
21 *State plan, the Secretary shall work with the eligible agency*
22 *to implement improvement activities.*

23 (e) *WITHHOLDING OF FEDERAL FUNDS.*—*If, not ear-*
24 *lier than 2 years after implementing activities described in*
25 *subsection (d), the Secretary determines that the eligible*

1 *agency is not making sufficient progress, based on the eligi-*
2 *ble agency's performance measures and expected levels of*
3 *performance, the Secretary, after notice and opportunity for*
4 *a hearing, shall withhold from the eligible agency all, or*
5 *a portion, of the eligible agency's grant under this subtitle.*
6 *The Secretary may use funds withheld under the preceding*
7 *sentence to provide, through alternative arrangements, serv-*
8 *ices and activities within the State to meet the purpose of*
9 *this title.*

10 **SEC. 245. NATIONAL INSTITUTE FOR LITERACY.**

11 (a) *PURPOSE.*—*The purpose of this section is to estab-*
12 *lish a National Institute for Literacy that—*

13 (1) *provides national leadership regarding*
14 *literacy;*

15 (2) *coordinates literacy services and policy; and*

16 (3) *is a national resource for adult education*
17 *and literacy, by providing the best and most current*
18 *information available and supporting the creation of*
19 *new ways to offer improved literacy services.*

20 (b) *ESTABLISHMENT.*—

21 (1) *IN GENERAL.*—*There shall be a National In-*
22 *stitute for Literacy (in this section referred to as the*
23 *“Institute”). The Institute shall be administered*
24 *under the terms of an interagency agreement entered*
25 *into by the Secretary with the Secretary of Labor and*

1 *the Secretary of Health and Human Services (in this*
2 *section referred to as the “Interagency Group”). The*
3 *Secretary may include in the Institute any research*
4 *and development center, institute, or clearinghouse es-*
5 *tablished within the Department of Education the*
6 *purpose of which is determined by the Secretary to be*
7 *related to the purpose of the Institute.*

8 (2) *RECOMMENDATIONS.—The Interagency*
9 *Group shall consider the recommendations of the Na-*
10 *tional Institute for Literacy Advisory Board (in this*
11 *section referred to as the “Board”) established under*
12 *subsection (e) in planning the goals of the Institute*
13 *and in the implementation of any programs to*
14 *achieve the goals. If the Board’s recommendations are*
15 *not followed, the Interagency Group shall provide a*
16 *written explanation to the Board concerning actions*
17 *the Interagency Group takes that are inconsistent*
18 *with the Board’s recommendations, including the rea-*
19 *sons for not following the Board’s recommendations*
20 *with respect to the actions. The Board may also re-*
21 *quest a meeting of the Interagency Group to discuss*
22 *the Board’s recommendations.*

23 (3) *DAILY OPERATIONS.—The daily operations of*
24 *the Institute shall be administered by the Director of*
25 *the Institute.*

1 (c) *DUTIES.*—

2 (1) *IN GENERAL.*—*In order to provide leadership*
3 *for the improvement and expansion of the system for*
4 *delivery of literacy services, the Institute is authorized*
5 *to—*

6 (A) *establish a national electronic data base*
7 *of information that disseminates information to*
8 *the broadest possible audience within the literacy*
9 *and basic skills field, and that includes—*

10 (i) *effective practices in the provision*
11 *of literacy and basic skills instruction, in-*
12 *cluding the integration of such instruction*
13 *with occupational skills training;*

14 (ii) *public and private literacy and*
15 *basic skills programs and Federal, State,*
16 *and local policies affecting the provision of*
17 *literacy services at the national, State, and*
18 *local levels;*

19 (iii) *opportunities for technical assist-*
20 *ance, meetings, conferences, and other op-*
21 *portunities that lead to the improvement of*
22 *literacy and basic skills services; and*

23 (iv) *a communication network for lit-*
24 *eracy programs, providers, social service*
25 *agencies, and students;*

1 (B) coordinate support for the provision of
2 literacy and basic skills services across Federal
3 agencies and at the State and local levels;

4 (C) coordinate the support of research and
5 development on literacy and basic skills for
6 adults across Federal agencies, especially with
7 the Office of Educational Research and Improve-
8 ment in the Department of Education, and carry
9 out basic and applied research and development
10 on topics that are not being investigated by other
11 organizations or agencies;

12 (D) collect and disseminate information on
13 methods of advancing literacy;

14 (E) provide policy and technical assistance
15 to Federal, State, and local entities for the im-
16 provement of policy and programs relating to
17 literacy;

18 (F) fund a network of State or regional
19 adult literacy resource centers to assist State and
20 local public and private nonprofit efforts to im-
21 prove literacy by—

22 (i) encouraging the coordination of lit-
23 eracy services; and

24 (ii) serving as a link between the Insti-
25 tute and providers of adult education and

1 *literacy activities for the purpose of sharing*
2 *information, data, research, expertise, and*
3 *literacy resources; and*

4 *(G) undertake other activities that lead to*
5 *the improvement of the Nation's literacy delivery*
6 *system and that complement other such efforts*
7 *being undertaken by public and private agencies*
8 *and organizations.*

9 (2) *GRANTS, CONTRACTS, AND COOPERATIVE*
10 *AGREEMENTS.—The Institute may award grants to,*
11 *or enter into contracts or cooperative agreements*
12 *with, individuals, public or private institutions,*
13 *agencies, organizations, or consortia of such institu-*
14 *tions, agencies, or organizations to carry out the ac-*
15 *tivities of the Institute. Such grants, contracts, or*
16 *agreements shall be subject to the laws and regula-*
17 *tions that generally apply to grants, contracts, or*
18 *agreements entered into by Federal agencies.*

19 (d) *LITERACY LEADERSHIP.—*

20 (1) *IN GENERAL.—The Institute may, in con-*
21 *sultation with the Board, award fellowships, with*
22 *such stipends and allowances that the Director con-*
23 *siders necessary, to outstanding individuals pursuing*
24 *careers in adult education or literacy in the areas of*
25 *instruction, management, research, or innovation.*

1 (2) *FELLOWSHIPS.*—*Fellowships awarded under*
2 *this subsection shall be used, under the auspices of the*
3 *Institute, to engage in research, education, training,*
4 *technical assistance, or other activities to advance the*
5 *field of adult education or literacy, including the*
6 *training of volunteer literacy providers at the na-*
7 *tional, State, or local level.*

8 (3) *INTERNSHIPS.*—*The Institute, in consulta-*
9 *tion with the Board, is authorized to award paid and*
10 *unpaid internships to individuals seeking to assist in*
11 *carrying out the Institute's purpose and to accept as-*
12 *sistance from volunteers.*

13 (e) *NATIONAL INSTITUTE FOR LITERACY ADVISORY*
14 *BOARD.*—

15 (1) *ESTABLISHMENT.*—

16 (A) *IN GENERAL.*—*There shall be a Na-*
17 *tional Institute for Literacy Advisory Board,*
18 *which shall consist of 10 individuals appointed*
19 *by the President with the advice and consent of*
20 *the Senate.*

21 (B) *COMPOSITION.*—*The Board shall com-*
22 *prise individuals who are not otherwise officers*
23 *or employees of the Federal Government and who*
24 *are representative of such entities as—*

1 (i) *literacy organizations and provid-*
2 *ers of literacy services, including nonprofit*
3 *providers, providers of English as a second*
4 *language programs and services, social serv-*
5 *ice organizations, and eligible providers re-*
6 *ceiving assistance under this subtitle;*

7 (ii) *businesses that have demonstrated*
8 *interest in literacy programs;*

9 (iii) *literacy students, including lit-*
10 *eracy students with disabilities;*

11 (iv) *experts in the area of literacy*
12 *research;*

13 (v) *State and local governments;*

14 (vi) *State Directors of adult education;*

15 *and*

16 (vii) *labor organizations.*

17 (2) *DUTIES.—The Board shall—*

18 (A) *make recommendations concerning the*
19 *appointment of the Director and staff of the In-*
20 *stitute; and*

21 (B) *provide independent advice on the oper-*
22 *ation of the Institute.*

23 (3) *APPOINTMENTS.—*

24 (A) *IN GENERAL.—Appointments to the*
25 *Board made after the date of enactment of the*

1 *Workforce Investment Partnership Act shall be*
2 *for 3-year terms, except that the initial terms for*
3 *members may be established at 1, 2, or 3 years*
4 *in order to establish a rotation in which $\frac{1}{3}$ of*
5 *the members are selected each year.*

6 (B) *VACANCIES.*—*Any member appointed to*
7 *fill a vacancy occurring before the expiration of*
8 *the term for which the member's predecessor was*
9 *appointed shall be appointed only for the re-*
10 *mainder of that term. A member may serve after*
11 *the expiration of that member's term until a suc-*
12 *cessor has taken office.*

13 (4) *OFFICERS.*—*The Chairperson and Vice*
14 *Chairperson of the Board shall be elected by the mem-*
15 *bers.*

16 (5) *MEETINGS.*—*The Board shall meet at the call*
17 *of the Chairperson or a majority of its members.*

18 (f) *GIFTS, BEQUESTS, AND DEVISES.*—

19 (1) *IN GENERAL.*—*The Institute may accept, ad-*
20 *minister, and use gifts or donations of services,*
21 *money, or property, whether real or personal, tangible*
22 *or intangible.*

23 (2) *RULES.*—*The Board shall establish written*
24 *rules setting forth the criteria to be used by the Insti-*
25 *tute in determining whether the acceptance of con-*

1 *tributions of services, money, or property whether real*
2 *or personal, tangible or intangible, would reflect unfa-*
3 *vorably upon the ability of the Institute or any em-*
4 *ployee to carry out its responsibilities or official du-*
5 *ties in a fair and objective manner, or would com-*
6 *promise the integrity or the appearance of the integ-*
7 *egrity of its programs or any official involved in those*
8 *programs.*

9 *(g) MAILS.—The Board and the Institute may use the*
10 *United States mails in the same manner and under the*
11 *same conditions as other departments and agencies of the*
12 *United States.*

13 *(h) STAFF.—The Interagency Group, after considering*
14 *recommendations made by the Board, shall appoint and fix*
15 *the pay of a Director.*

16 *(i) APPLICABILITY OF CERTAIN CIVIL SERVICE*
17 *LAWS.—The Director and staff of the Institute may be ap-*
18 *pointed without regard to the provisions of title 5, United*
19 *States Code, governing appointments in the competitive*
20 *service, and may be paid without regard to the provisions*
21 *of chapter 51 and subchapter III of chapter 53 of that title*
22 *relating to classification and General Schedule pay rates,*
23 *except that an individual so appointed may not receive pay*
24 *in excess of the annual rate of basic pay payable for level*
25 *IV of the Executive Schedule.*

1 (j) *EXPERTS AND CONSULTANTS.*—*The Institute may*
 2 *procure temporary and intermittent services under section*
 3 *3109(b) of title 5, United States Code.*

4 (k) *REPORT.*—*The Institute shall submit a biennial re-*
 5 *port to the Interagency Group and Congress.*

6 (l) *NONDUPLICATION.*—*The Institute shall not dupli-*
 7 *cate any functions carried out by the Secretary, the Sec-*
 8 *retary of Labor, or the Secretary of Health and Human*
 9 *Services under this subtitle. This subsection shall not be*
 10 *construed to prohibit the Secretaries from delegating such*
 11 *functions to the Institute.*

12 (m) *FUNDING.*—*Any amounts appropriated to the Sec-*
 13 *retary, the Secretary of Labor, the Secretary of Health and*
 14 *Human Services, or any other department that participates*
 15 *in the Institute for purposes that the Institute is authorized*
 16 *to perform under this section may be provided to the Insti-*
 17 *tute for such purposes.*

18 **SEC. 246. AUTHORIZATION OF APPROPRIATIONS.**

19 *There is authorized to be appropriated to carry out*
 20 *this title such sums as may be necessary for fiscal year 1999*
 21 *and each of the 5 succeeding fiscal years.*

22 ***Subtitle B—Repeal***

23 **SEC. 251. REPEAL.**

24 (a) *REPEAL.*—*The Adult Education Act (20 U.S.C.*
 25 *1201 et. seq.) is repealed.*

1 **(b) CONFORMING AMENDMENTS.—**

2 **(1) REFUGEE EDUCATION ASSISTANCE ACT.—**

3 *Subsection (b) of section 402 of the Refugee Education*
4 *Assistance Act of 1980 (8 U.S.C. 1522 note) is re-*
5 *pealed.*

6 **(2) ELEMENTARY AND SECONDARY EDUCATION**
7 **ACT OF 1965.—**

8 **(A) SECTION 1202 OF ESEA.—***Section*
9 *1202(c)(1) of the Elementary and Secondary*
10 *Education Act of 1965 (20 U.S.C. 6362(c)(1)) is*
11 *amended by striking “Adult Education Act” and*
12 *inserting “Workforce Investment Partnership Act*
13 *of 1997”.*

14 **(B) SECTION 1205 OF ESEA.—***Section*
15 *1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is*
16 *amended by striking “Adult Education Act” and*
17 *inserting “Workforce Investment Partnership Act*
18 *of 1997”.*

19 **(C) SECTION 1206 OF ESEA.—***Section*
20 *1206(a)(1)(A) of such Act (20 U.S.C.*
21 *6366(a)(1)(A)) is amended by striking “an adult*
22 *basic education program under the Adult Edu-*
23 *cation Act” and inserting “adult education and*
24 *literacy activities under the Workforce Invest-*
25 *ment Partnership Act of 1997”.*

1 (D) SECTION 3113 OF ESEA.—Section
2 3113(1) of such Act (20 U.S.C. 6813(1)) is
3 amended by striking “section 312 of the Adult
4 Education Act” and inserting “section 2 of the
5 Workforce Investment Partnership Act of 1997”.

6 (E) SECTION 9161 OF ESEA.—Section
7 9161(2) of such Act (20 U.S.C. 7881(2)) is
8 amended by striking “section 312(2) of the Adult
9 Education Act” and inserting “section 2 of the
10 Workforce Investment Partnership Act of 1997”.

11 (3) OLDER AMERICANS ACT OF 1965.—Section
12 203(b)(8) of the Older Americans Act of 1965 (42
13 U.S.C. 3013(b)(8)) is amended by striking “Adult
14 Education Act” and inserting “Workforce Investment
15 Partnership Act of 1997”.

16 (4) NATIONAL LITERACY ACT OF 1991.—The Na-
17 tional Literacy Act of 1991 (20 U.S.C. 1201 note) is
18 repealed.

1 **TITLE III—WORKFORCE INVEST-**
2 **MENT AND RELATED ACTIVI-**
3 **TIES**

4 **Subtitle A—Workforce Investment**
5 **Activities**

6 **CHAPTER 1—ALLOTMENTS TO STATES**
7 **FOR ADULT EMPLOYMENT AND TRAIN-**
8 **ING ACTIVITIES, DISLOCATED WORK-**
9 **ER EMPLOYMENT AND TRAINING AC-**
10 **TIVITIES, AND YOUTH ACTIVITIES**

11 **SEC. 301. GENERAL AUTHORIZATION.**

12 *The Secretary of Labor shall make an allotment to*
13 *each State that has a State plan approved under section*
14 *304 and a grant to each outlying area that complies with*
15 *the requirements of this title, to enable the State or outlying*
16 *area to assist local areas in providing, through a statewide*
17 *workforce investment system—*

18 *(1) adult employment and training activities;*

19 *(2) dislocated worker employment and training*
20 *activities; and*

21 *(3) youth activities, including summer employ-*
22 *ment opportunities, tutoring, activities to promote*
23 *study skills, alternative secondary school services, em-*
24 *ployment skill training, adult mentoring, and sup-*
25 *portive services.*

1 **SEC. 302. STATE ALLOTMENTS.**

2 (a) *IN GENERAL.*—*The Secretary shall—*

3 (1) *make allotments and grants from the total*
4 *amount appropriated under section 322(a) for a fis-*
5 *cal year in accordance with subsection (b)(1);*

6 (2)(A) *reserve 20 percent of the amount appro-*
7 *priated under section 322(b) for a fiscal year for use*
8 *under sections 366(b)(2), 367(f), and 369; and*

9 (B) *make allotments and grants from 80 percent*
10 *of the amount appropriated under section 322(b) for*
11 *a fiscal year in accordance with subsection (b)(2);*
12 *and*

13 (3)(A) *for each fiscal year in which the amount*
14 *appropriated under section 322(c) exceeds*
15 *\$1,000,000,000, reserve a portion determined under*
16 *subsection (b)(3)(A) of the amount appropriated*
17 *under section 322(c) for use under sections 362 and*
18 *364; and*

19 (B) *use the remainder of the amount appro-*
20 *priated under section 322(c) for a fiscal year to make*
21 *allotments and grants in accordance with subpara-*
22 *graphs (B) and (C) of subsection (b)(3) and make*
23 *funds available for use under section 361.*

24 (b) *ALLOTMENT AMONG STATES.*—

25 (1) *ADULT EMPLOYMENT AND TRAINING ACTIVI-*
26 *TIES.*—

1 (A) *OUTLYING AREAS.*—

2 (i) *IN GENERAL.*—*From the amount*
3 *made available under subsection (a)(1) for a*
4 *fiscal year, the Secretary shall reserve not*
5 *more than $\frac{1}{4}$ of 1 percent—*

6 (I) *to provide assistance to the*
7 *outlying areas to carry out adult em-*
8 *ployment and training activities; and*

9 (II) *for each of the fiscal years*
10 *1999 through 2004, to carry out the*
11 *competition described in clause (iii),*
12 *except that the amount reserved to*
13 *carry out such clause for any such fis-*
14 *cal year shall not exceed the amount*
15 *reserved for the Freely Associated*
16 *States for fiscal year 1998, from*
17 *amounts reserved under section*
18 *202(a)(1) of the Job Training Partner-*
19 *ship Act (29 U.S.C. 1602(a)(1)) (as in*
20 *effect on the day before the date of en-*
21 *actment of this Act).*

22 (ii) *APPLICATION.*—*To be eligible to*
23 *receive a grant under this subparagraph, an*
24 *outlying area shall submit an application*
25 *to the Secretary at such time, in such man-*

1 *ner, and containing such information and*
2 *assurances as the Secretary may require.*

3 *(iii) COMPETITIVE GRANTS.—The Sec-*
4 *retary shall use funds described in clause*
5 *(i)(II) to make grants to outlying areas to*
6 *carry out adult employment and training*
7 *activities.*

8 *(iv) BASIS.—The Secretary shall make*
9 *grants pursuant to clause (iii) on a com-*
10 *petitive basis and pursuant to the rec-*
11 *ommendations of experts in the field of em-*
12 *ployment and training, working through the*
13 *Pacific Region Educational Laboratory in*
14 *Honolulu, Hawaii.*

15 *(v) ASSISTANCE REQUIREMENTS.—Any*
16 *Freely Associated State that desires to re-*
17 *ceive a grant made under this subpara-*
18 *graph shall include in the application of the*
19 *State for assistance—*

20 *(I) information demonstrating*
21 *that the State will meet all conditions*
22 *of the regulations described in clause*
23 *(ix); and*

24 *(II) an assurance that, notwith-*
25 *standing any other provision of this*

1 *title, the State will use the amounts*
2 *made available through such grants*
3 *only for the direct provision of services.*

4 *(vi) TERMINATION OF ELIGIBILITY.—*
5 *Notwithstanding any other provision of law,*
6 *the Freely Associated States shall not re-*
7 *ceive any funds under this subparagraph*
8 *for any program year that begins after Sep-*
9 *tember 30, 2004.*

10 *(vii) ADMINISTRATIVE COSTS.—The*
11 *Secretary may provide not more than 5*
12 *percent of the amount made available for*
13 *grants under clause (iii) to pay the admin-*
14 *istrative costs of the Pacific Region Edu-*
15 *cational Laboratory in Honolulu, Hawaii,*
16 *regarding activities assisted under this sub-*
17 *paragraph.*

18 *(viii) ADDITIONAL REQUIREMENT.—*
19 *The provisions of Public Law 95–134, per-*
20 *mitting the consolidation of grants by the*
21 *outlying areas, shall not apply to funds*
22 *provided to those areas, including the Free-*
23 *ly Associated States, under this subpara-*
24 *graph.*

1 *(ix) REGULATIONS.—The Secretary*
2 *shall issue regulations specifying require-*
3 *ments of this title that apply to outlying*
4 *areas receiving funds under this subpara-*
5 *graph.*

6 *(B) STATES.—*

7 *(i) IN GENERAL.—After determining*
8 *the amount to be reserved under subpara-*
9 *graph (A), the Secretary shall allot the re-*
10 *mainder of the amount referred to in sub-*
11 *section (a)(1) for a fiscal year to the States*
12 *pursuant to clause (ii) for adult employ-*
13 *ment and training activities.*

14 *(ii) FORMULA.—Subject to clauses (iii)*
15 *and (iv), of the remainder—*

16 *(I) 33¹/₃ percent shall be allotted*
17 *on the basis of the relative number of*
18 *unemployed individuals in areas of*
19 *substantial unemployment in each*
20 *State, compared to the total number of*
21 *unemployed individuals in areas of*
22 *substantial unemployment in all*
23 *States;*

24 *(II) 33¹/₃ percent shall be allotted*
25 *on the basis of the relative excess num-*

1 *ber of unemployed individuals in each*
 2 *State, compared to the total excess*
 3 *number of unemployed individuals in*
 4 *all States; and*

5 *(III) 33¹/₃ percent shall be allotted*
 6 *on the basis of the relative number of*
 7 *disadvantaged adults in each State,*
 8 *compared to the total number of dis-*
 9 *advantaged adults in all States.*

10 *(iii) MINIMUM AND MAXIMUM PER-*
 11 *CENTAGES.—*

12 *(I) MINIMUM PERCENTAGE.—No*
 13 *State shall receive an allotment per-*
 14 *centage for a fiscal year that is less*
 15 *than 90 percent of the allotment per-*
 16 *centage of the State for the preceding*
 17 *fiscal year.*

18 *(II) MAXIMUM PERCENTAGE.—No*
 19 *State shall receive an allotment per-*
 20 *centage for a fiscal year that is more*
 21 *than 130 percent of the allotment per-*
 22 *centage of the State for the preceding*
 23 *fiscal year.*

24 *(iv) SMALL STATE MINIMUM ALLOT-*
 25 *MENT.—No State shall receive an allotment*

1 under this subparagraph that is less than
2 $\frac{1}{2}$ of 1 percent of the remainder described
3 in clause (i) for a fiscal year. Amounts nec-
4 essary for increasing such allotments to
5 States to comply with the preceding sen-
6 tence shall be obtained by ratably reducing
7 the allotments to be made to other States
8 under this subparagraph.

9 (v) *DEFINITIONS.*—In this subpara-
10 graph:

11 (I) *ALLOTMENT PERCENTAGE.*—

12 The term “allotment percentage”, used
13 with respect to fiscal year 1999 or a
14 subsequent fiscal year, means a per-
15 centage of the remainder described in
16 clause (i), received through an allot-
17 ment made under this subparagraph,
18 for the fiscal year. The term, used with
19 respect to fiscal year 1998, means the
20 percentage of the amounts allocated
21 under section 202(b) of the Job Train-
22 ing Partnership Act (29 U.S.C.
23 1602(b)) (as in effect on the day before
24 the date of enactment of this Act) re-
25 ceived under such section by service de-

1 *livery areas in the State involved for*
2 *fiscal year 1998.*

3 (II) *AREA OF SUBSTANTIAL UN-*
4 *EMPLOYMENT.—The term “area of sub-*
5 *stantial unemployment” means any*
6 *area that is of sufficient size and scope*
7 *to sustain a program of workforce in-*
8 *vestment activities carried out under*
9 *this subtitle and that has an average*
10 *rate of unemployment of at least 6.5*
11 *percent for the most recent 12 months,*
12 *as determined by the Secretary. For*
13 *purposes of this subclause, determina-*
14 *tions of areas of substantial unemploy-*
15 *ment shall be made once each fiscal*
16 *year.*

17 (III) *DISADVANTAGED ADULT.—*
18 *The term “disadvantaged adult” means*
19 *an individual who is not less than age*
20 *22 and not more than age 72 and is a*
21 *low-income individual.*

22 (IV) *EXCESS NUMBER.—The term*
23 *“excess number” means the number of*
24 *unemployed individuals in excess of*

1 4.5 percent of the civilian labor force
2 in a State.

3 (2) *DISLOCATED WORKER EMPLOYMENT AND*
4 *TRAINING.*—

5 (A) *OUTLYING AREAS.*—

6 (i) *IN GENERAL.*—*From the amount*
7 *made available under subsection (a)(2)(B)*
8 *for a fiscal year, the Secretary shall reserve*
9 *not more than $\frac{1}{4}$ of 1 percent—*

10 (I) *to provide assistance to the*
11 *outlying areas to carry out dislocated*
12 *worker employment and training ac-*
13 *tivities; and*

14 (II) *for each of the fiscal years*
15 *1999 through 2004, to carry out the*
16 *competition described in clause (iii),*
17 *except that the amount reserved to*
18 *carry out such clause for any such fis-*
19 *cal year shall not exceed the amount*
20 *reserved for the Freely Associated*
21 *States for fiscal year 1998, from*
22 *amounts reserved under section 302(b)*
23 *of the Job Training Partnership Act*
24 *(29 U.S.C. 1652(b)) (as in effect on the*

1 *day before the date of enactment of this*
2 *Act).*

3 *(ii) APPLICATION.—To be eligible to*
4 *receive a grant under this subparagraph, an*
5 *outlying area shall submit an application*
6 *to the Secretary at such time, in such man-*
7 *ner, and containing such information and*
8 *assurances as the Secretary may require.*

9 *(iii) COMPETITIVE GRANTS.—The Sec-*
10 *retary shall use funds described in clause*
11 *(i)(II) to make grants to outlying areas to*
12 *carry out dislocated worker employment*
13 *and training activities.*

14 *(iv) BASIS.—The Secretary shall make*
15 *grants pursuant to clause (iii) on a com-*
16 *petitive basis and pursuant to the rec-*
17 *ommendations of experts in the field of em-*
18 *ployment and training, working through the*
19 *Pacific Region Educational Laboratory in*
20 *Honolulu, Hawaii.*

21 *(v) ASSISTANCE REQUIREMENTS.—Any*
22 *Freely Associated State that desires to re-*
23 *ceive a grant made under this subpara-*
24 *graph shall include in the application of the*
25 *State for assistance—*

1 (I) information demonstrating
2 that the State will meet all conditions
3 of the regulations described in clause
4 (ix); and

5 (II) an assurance that, notwith-
6 standing any other provision of this
7 title, the State will use the amounts
8 made available through such grants
9 only for the direct provision of services.

10 (vi) *TERMINATION OF ELIGIBILITY.*—
11 Notwithstanding any other provision of law,
12 the Freely Associated States shall not re-
13 ceive any funds under this subparagraph
14 for any program year that begins after Sep-
15 tember 30, 2004.

16 (vii) *ADMINISTRATIVE COSTS.*—The
17 Secretary may provide not more than 5
18 percent of the amount made available for
19 grants under clause (iii) to pay the admin-
20 istrative costs of the Pacific Region Edu-
21 cational Laboratory in Honolulu, Hawaii,
22 regarding activities assisted under this sub-
23 paragraph.

24 (viii) *ADDITIONAL REQUIREMENT.*—
25 The provisions of Public Law 95-134, per-

1 *mitting the consolidation of grants by the*
2 *outlying areas, shall not apply to funds*
3 *provided to those areas, including the Free-*
4 *ly Associated States, under this subpara-*
5 *graph.*

6 *(ix) REGULATIONS.—The Secretary*
7 *shall issue regulations specifying require-*
8 *ments of this title that apply to outlying*
9 *areas receiving funds under this subpara-*
10 *graph.*

11 *(B) STATES.—*

12 *(i) IN GENERAL.—After determining*
13 *the amount to be reserved under subpara-*
14 *graph (A), the Secretary shall allot the re-*
15 *mainder of the amount referred to in sub-*
16 *section (a)(2)(B) for a fiscal year to the*
17 *States pursuant to clause (ii) for dislocated*
18 *worker employment and training activities.*

19 *(ii) FORMULA.—Of the remainder—*

20 *(I) 33¹/₃ percent shall be allotted*
21 *on the basis of the relative number of*
22 *unemployed individuals in each State,*
23 *compared to the total number of unem-*
24 *ployed individuals in all States;*

1 (II) $33\frac{1}{3}$ percent shall be allotted
2 on the basis described in paragraph
3 (1)(B)(i)(II); and

4 (III) $33\frac{1}{3}$ percent shall be allotted
5 on the basis of the relative number of
6 individuals in each State who have
7 been unemployed for 15 weeks or more,
8 compared to the total number of indi-
9 viduals in all States who have been un-
10 employed for 15 weeks or more.

11 (3) *YOUTH ACTIVITIES.*—

12 (A) *YOUTH OPPORTUNITY GRANTS.*—

13 (i) *IN GENERAL.*—For each fiscal year
14 in which the amount appropriated under
15 section 322(c) exceeds \$1,000,000,000, the
16 Secretary shall reserve a portion of the
17 amount to provide youth opportunity
18 grants under section 364 and provide youth
19 activities under section 362.

20 (ii) *PORTION.*—The portion referred to
21 in clause (i) shall equal, for a fiscal year—

22 (I) except as provided in sub-
23 clause (II), the difference obtained by
24 subtracting \$1,000,000,000 from the
25 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 (B) *OUTLYING AREAS.*—

10 (i) *IN GENERAL.*—From the amount
11 made available under subsection (a)(3)(B)
12 for a fiscal year, the Secretary shall reserve
13 not more than $\frac{1}{4}$ of 1 percent—

14 (I) to provide assistance to the
15 outlying areas to carry out youth ac-
16 tivities; and

17 (II) for each of the fiscal years
18 1999 through 2004, to carry out the
19 competition described in clause (iii),
20 except that the amount reserved to
21 carry out such clause for any such fis-
22 cal year shall not exceed the amount
23 reserved for the Freely Associated
24 States for fiscal year 1998, from
25 amounts reserved under sections 252(a)

1 *and 262(a)(1) of the Job Training*
2 *Partnership Act (29 U.S.C. and*
3 *1631(a) and 1642(a)(1)) (as in effect*
4 *on the day before the date of enactment*
5 *of this Act).*

6 *(ii) APPLICATION.—To be eligible to*
7 *receive a grant under this subparagraph, an*
8 *outlying area shall submit an application*
9 *to the Secretary at such time, in such man-*
10 *ner, and containing such information and*
11 *assurances as the Secretary may require.*

12 *(iii) COMPETITIVE GRANTS.—The Sec-*
13 *retary shall use funds described in clause*
14 *(i)(II) to make grants to outlying areas to*
15 *carry out youth activities.*

16 *(iv) BASIS.—The Secretary shall make*
17 *grants pursuant to clause (iii) on a com-*
18 *petitive basis and pursuant to the rec-*
19 *ommendations of experts in the field of em-*
20 *ployment and training, working through the*
21 *Pacific Region Educational Laboratory in*
22 *Honolulu, Hawaii.*

23 *(v) ASSISTANCE REQUIREMENTS.—Any*
24 *Freely Associated State that desires to re-*
25 *ceive a grant made under this subpara-*

1 *graph shall include in the application of the*
2 *State for assistance—*

3 *(I) information demonstrating*
4 *that the State will meet all conditions*
5 *of the regulations described in clause*
6 *(ix); and*

7 *(II) an assurance that, notwith-*
8 *standing any other provision of this*
9 *title, the State will use the amounts*
10 *made available through such grants*
11 *only for the direct provision of services.*

12 *(vi) TERMINATION OF ELIGIBILITY.—*
13 *Notwithstanding any other provision of law,*
14 *the Freely Associated States shall not re-*
15 *ceive any funds under this subparagraph*
16 *for any program year that begins after Sep-*
17 *tember 30, 2004.*

18 *(vii) ADMINISTRATIVE COSTS.—The*
19 *Secretary may provide not more than 5*
20 *percent of the amount made available for*
21 *grants under clause (iii) to pay the admin-*
22 *istrative costs of the Pacific Region Edu-*
23 *cational Laboratory in Honolulu, Hawaii,*
24 *regarding activities assisted under this sub-*
25 *paragraph.*

1 (viii) *ADDITIONAL REQUIREMENT.*—
2 *The provisions of Public Law 95–134, per-*
3 *mitting the consolidation of grants by the*
4 *outlying areas, shall not apply to funds*
5 *provided to those areas, including the Free-*
6 *ly Associated States, under this subpara-*
7 *graph.*

8 (ix) *REGULATIONS.*—*The Secretary*
9 *shall issue regulations specifying require-*
10 *ments of this title that apply to outlying*
11 *areas receiving funds under this subpara-*
12 *graph.*

13 (C) *STATES.*—

14 (i) *IN GENERAL.*—*After determining*
15 *the amounts to be reserved under subpara-*
16 *graph (A) (if any) and subparagraph (B),*
17 *the Secretary shall—*

18 (I) *from the amount referred to in*
19 *subsection (a)(3)(B) for a fiscal year,*
20 *make available \$15,000,000 to provide*
21 *youth activities under section 361; and*

22 (II) *allot the remainder of the*
23 *amount referred to in subsection*
24 *(a)(3)(B) for a fiscal year to the States*

1 pursuant to clause (ii) for youth ac-
2 tivities.

3 (ii) *FORMULA.*—Subject to clause (iii),
4 of the remainder—

5 (I) $33\frac{1}{3}$ percent shall be allotted
6 on the basis described in paragraph
7 (1)(B)(ii)(I);

8 (II) $33\frac{1}{3}$ percent shall be allotted
9 on the basis described in paragraph
10 (1)(B)(ii)(II); and

11 (III) $33\frac{1}{3}$ percent shall be allotted
12 on the basis of the relative number of
13 disadvantaged youth in each State,
14 compared to the total number of dis-
15 advantaged youth in all States.

16 (iii) *MINIMUM PERCENTAGE; MAXIMUM*
17 *PERCENTAGE; SMALL STATE MINIMUM AL-*
18 *LOTMENT.*—

19 (I) *IN GENERAL.*—Except as pro-
20 vided in subclause (II), the require-
21 ments of clauses (iii), (iv), and (v) of
22 paragraph (1)(B) shall apply to allot-
23 ments made under this subparagraph
24 in the same manner and to the same
25 extent as the requirements apply to al-

1 *lotments made under paragraph*
2 *(1)(B).*

3 *(II) EXCEPTIONS.—For purposes*
4 *of applying the requirements of those*
5 *clauses under this subparagraph—*

6 *(aa) references in those*
7 *clauses to the remainder described*
8 *in clause (i) of paragraph (1)(B)*
9 *shall be considered to be references*
10 *to the remainder described in*
11 *clause (i)(II) of this subpara-*
12 *graph; and*

13 *(bb) the term “allotment per-*
14 *centage”, used with respect to fis-*
15 *cal year 1998, means the percent-*
16 *age of the amounts allocated*
17 *under sections 252(b) and 262(b)*
18 *of the Job Training Partnership*
19 *Act (29 U.S.C. 1631(b) and*
20 *1642(b)) (as in effect on the day*
21 *before the date of enactment of*
22 *this Act) received under such sec-*
23 *tions by service delivery areas in*
24 *the State involved for fiscal year*
25 *1998.*

1 (iv) *DEFINITION.*—*In this subpara-*
 2 *graph, the term “disadvantaged youth”*
 3 *means an individual who is not less than*
 4 *age 14 and is not more than age 21 and is*
 5 *a low-income individual.*

6 (4) *DEFINITION.*—*In this subsection, the term*
 7 *“Freely Associated States” means the Republic of the*
 8 *Marshall Islands, the Federated States of Micronesia,*
 9 *and the Republic of Palau.*

10 **SEC. 303. STATEWIDE PARTNERSHIP.**

11 (a) *IN GENERAL.*—*The Governor of a State shall estab-*
 12 *lish and appoint the members of a statewide partnership*
 13 *to assist in the development of the State plan described in*
 14 *section 304 and carry out the functions described in sub-*
 15 *section (d).*

16 (b) *MEMBERSHIP.*—

17 (1) *IN GENERAL.*—*The statewide partnership*
 18 *shall include—*

19 (A) *the Governor;*

20 (B) *representatives, appointed by the Gov-*
 21 *ernor, who—*

22 (i) *are representatives of business in*
 23 *the State;*

24 (ii) *are owners of businesses, chief ex-*
 25 *ecutives or operating officers of private*

1 *businesses, and other business executives or*
2 *employers with optimum policymaking or*
3 *hiring authority, including members of*
4 *local partnerships described in section*
5 *308(c)(2)(A)(i);*

6 *(iii) represent businesses with employ-*
7 *ment opportunities that reflect the employ-*
8 *ment opportunities of the State; and*

9 *(iv) are appointed from among indi-*
10 *viduals nominated by State business orga-*
11 *nizations and business trade associations;*

12 *(C) representatives, appointed by the Gov-*
13 *ernor, who are individuals who have optimum*
14 *policymaking authority, including—*

15 *(i) representatives of—*

16 *(I) chief elected officials (rep-*
17 *resenting both cities and counties,*
18 *where appropriate);*

19 *(II) labor organizations, who have*
20 *been nominated by State labor federa-*
21 *tions; and*

22 *(III) individuals, and organiza-*
23 *tions, that have experience relating to*
24 *youth activities;*

1 (ii) the eligible agency officials respon-
2 sible for vocational education, including
3 postsecondary vocational education, and for
4 adult education and literacy, and the State
5 officials responsible for postsecondary edu-
6 cation (including education in community
7 colleges); and

8 (iii) the State agency official respon-
9 sible for vocational rehabilitation and,
10 where applicable, the State agency official
11 responsible for providing vocational reha-
12 bilitation program activities for the blind;

13 (D) such other State agency officials as the
14 Governor may designate, such as State agency
15 officials carrying out activities relating to em-
16 ployment and training, economic development,
17 public assistance, veterans, youth, juvenile justice
18 and the employment service established under the
19 Wagner-Peyser Act (29 U.S.C. 49 et seq.); and

20 (E) two members of each chamber of the
21 State legislature, appointed by the appropriate
22 presiding officer of the chamber.

23 (2) MAJORITY.—A majority of the members of
24 the statewide partnership shall be representatives de-
25 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*
15 *workforce investment system, including the evaluation*
16 *of the effectiveness of workforce investment activities*
17 *carried 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 to submit com-
 8 ments on the proposed State plan to the Gov-
 9 ernor, not later than the end of the 30-day pe-
 10 riod beginning on the date on which the proposed
 11 State plan is made available; and

12 (C) include with the State plan submitted
 13 to the Secretary under section 304 any such com-
 14 ments that represent disagreement with the plan.

15 **SEC. 304. STATE PLAN.**

16 (a) *IN GENERAL.*—For a State to be eligible to receive
 17 an allotment under section 302, the Governor of the State
 18 shall submit to the Secretary for approval a single com-
 19 prehensive State plan (referred to in this title as the “State
 20 plan”) that outlines a 3-year strategy for the statewide
 21 workforce investment system of the State and that meets the
 22 requirements of section 303 and this section.

23 (b) *CONTENTS.*—The State plan shall include—

24 (1) a description of the statewide partnership de-
 25 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 criteria for the appoint-
9 ment of members of local partnerships based on the
10 requirements of section 308;

11 (7) the detailed plans required under section 8 of
12 the Wagner-Peyser Act;

13 (8) a description of the measures that will be
14 taken by the State to assure coordination of and
15 avoid duplication among—

16 (A) workforce investment activities author-
17 ized under this subtitle;

18 (B) other activities authorized under this
19 title;

20 (C) activities authorized under title I or II;

21 (D) programs authorized under the Wagner-
22 Peyser Act (29 U.S.C. 49 et seq.), title I of the
23 Rehabilitation Act of 1973 (29 U.S.C. 720 et
24 seq.), part A of title IV of the Social Security
25 Act (42 U.S.C. 601 et seq.), and section 6(d) of

1 *the Food Stamp Act of 1977 (7 U.S.C. 2015(d)),*
2 *and activities authorized under title V of the*
3 *Older Americans Act of 1965 (42 U.S.C. 3056 et*
4 *seq.);*

5 *(E) work programs authorized under section*
6 *6(o) of the Food Stamp Act of 1977 (7 U.S.C.*
7 *2015(o));*

8 *(F) activities authorized under chapter 2 of*
9 *title II of the Trade Act of 1974 (19 U.S.C. 2271*
10 *et seq.);*

11 *(G) activities authorized under chapter 41*
12 *of title 38, United States Code;*

13 *(H) activities carried out by the Bureau of*
14 *Apprenticeship and Training;*

15 *(I) training activities carried out by the*
16 *Department of Housing and Urban Develop-*
17 *ment; and*

18 *(J) programs authorized under State unem-*
19 *ployment compensation laws and the Federal*
20 *unemployment insurance program under titles*
21 *III, IX, and XII of the Social Security Act (42*
22 *U.S.C. 501 et seq., 1101 et seq., and 1321 et*
23 *seq.);*

24 *(9) a description of the process used by the State*
25 *to provide an opportunity for public comment, and*

1 *input into the development of the State plan, prior to*
2 *submission of the plan;*

3 *(10) a description of the process for the public to*
4 *comment on members of the local partnerships;*

5 *(11) a description of the length of terms and ap-*
6 *pointment processes for members of the statewide*
7 *partnership and local partnerships in the State;*

8 *(12) information identifying how the State will*
9 *leverage any funds the State receives under this sub-*
10 *title with other private and Federal resources;*

11 *(13) assurances that the State will provide, in*
12 *accordance with section 374, for fiscal control and*
13 *fund accounting procedures that may be necessary to*
14 *ensure the proper disbursement of, and accounting*
15 *for, funds paid to the State through the allotment*
16 *made under section 302;*

17 *(14) if appropriate, a description of a within-*
18 *State allocation formula—*

19 *(A) that is based on factors relating to ex-*
20 *cess poverty in local areas or excess unemploy-*
21 *ment above the State average in local areas; and*

22 *(B) through which the State may distribute*
23 *the funds the State receives under this subtitle*
24 *for adult employment and training activities or*
25 *youth activities to local areas;*

1 (15) *an assurance that the funds made available*
2 *to the State through the allotment made under section*
3 *302 will supplement and not supplant other public*
4 *funds expended to provide activities described in this*
5 *subtitle;*

6 (16) *information indicating—*

7 (A) *how the services of one-stop partners in*
8 *the State will be provided through the one-stop*
9 *customer service system;*

10 (B) *how the costs of such services and the*
11 *operating costs of the system will be funded; and*

12 (C) *how the State will assist in the develop-*
13 *ment and implementation of the operating agree-*
14 *ment described in section 311(c);*

15 (17) *information specifying the actions that con-*
16 *stitute a conflict of interest prohibited in the State for*
17 *purposes of section 308(g)(2)(B);*

18 (18) *a description of a core set of consistently de-*
19 *finied data elements for reporting on the activities car-*
20 *ried out through the one-stop customer service system*
21 *in the State;*

22 (19) *with respect to employment and training*
23 *activities funded under this subtitle, information—*

24 (A) *describing the employment and training*
25 *activities that will be carried out with the funds*

1 *the State receives under this subtitle, and a de-*
2 *scription of how the State will provide rapid re-*
3 *sponse activities to dislocated workers;*

4 *(B) describing the State strategy for devel-*
5 *opment of a fully operational statewide one-stop*
6 *customer service system as described in section*
7 *315(b), including—*

8 *(i) criteria for use by chief elected offi-*
9 *cials and local partnerships, for designating*
10 *or certifying one-stop customer service cen-*
11 *ter operators, appointing one-stop partners,*
12 *and conducting oversight with respect to the*
13 *one-stop customer service system, for each*
14 *local area; and*

15 *(ii) the steps that the State will take*
16 *over the 3 years covered by the plan to en-*
17 *sure that all publicly funded labor exchange*
18 *services described in section 315(c)(2) or the*
19 *Wagner-Peyser Act (29 U.S.C. 49 et seq.),*
20 *will be available through the one-stop cus-*
21 *tomers service system of the State;*

22 *(C) describing the criteria used by the local*
23 *partnership in the development of the local plan*
24 *described in section 309; and*

1 (D) describing the procedures the State will
2 use to identify eligible providers of training serv-
3 ices, as required under this subtitle; and

4 (20) with respect to youth activities funded
5 under this subtitle, information—

6 (A) describing the youth activities that will
7 be carried out with the funds the State receives
8 under this subtitle;

9 (B) identifying the criteria to be used by
10 the local partnership in awarding grants under
11 section 313 for youth activities;

12 (C) identifying the types of criteria the
13 Governor and local partnerships will use to iden-
14 tify effective and ineffective youth activities and
15 eligible providers of such activities; and

16 (D) describing how the State will coordinate
17 the youth activities carried out in the State
18 under this subtitle with the services provided by
19 Job Corps centers in the State.

20 (c) *PLAN SUBMISSION AND APPROVAL.*—A State plan
21 submitted to the Secretary under this section by a Governor
22 shall be considered to be approved by the Secretary at the
23 end of the 60-day period beginning on the day the Secretary
24 receives the plan, unless the Secretary makes a written de-
25 termination, during the 60-day period, that—

1 (1) *the plan is inconsistent with a specific provi-*
2 *sion of this title; or*

3 (2) *the levels of performance have not been*
4 *agreed to pursuant to section 321(b)(4).*

5 (d) *MODIFICATIONS TO INITIAL PLAN.—A State may*
6 *submit, for approval by the Secretary, substantial modifica-*
7 *tions to the State plan in accordance with the requirements*
8 *of this section and section 303, as necessary, during the 3-*
9 *year period of the plan.*

10 **CHAPTER 2—ALLOCATIONS TO LOCAL**
11 **WORKFORCE INVESTMENT AREAS**

12 **SEC. 306. WITHIN STATE ALLOCATIONS.**

13 (a) *RESERVATIONS FOR STATE ACTIVITIES.—*

14 (1) *ADULT EMPLOYMENT AND TRAINING ACTIVI-*
15 *TIES, DISLOCATED WORKER EMPLOYMENT AND TRAIN-*
16 *ING ACTIVITIES, AND YOUTH ACTIVITIES.—The Gov-*
17 *ernor of a State shall reserve not more than 15 per-*
18 *cent of each of the amounts allotted to the State under*
19 *paragraphs (1)(B), (2)(B), and (3)(C)(vi) of section*
20 *302(b) for a fiscal year for statewide workforce invest-*
21 *ment activities described in subsections (b)(2) and (c)*
22 *of section 314.*

23 (2) *STATEWIDE RAPID RESPONSE ACTIVITIES.—*
24 *The Governor of the State shall reserve not more than*
25 *25 percent of the total amount allotted to the State*

1 *under section 302(b)(2)(B) for a fiscal year for state-*
2 *wide rapid response activities described in section*
3 *314(b)(1).*

4 *(b) WITHIN STATE ALLOCATION.—*

5 *(1) ALLOCATION.—The Governor of the State*
6 *shall allocate to the local areas the funds that are al-*
7 *lotted to the State under section 302(b) and are not*
8 *reserved under subsection (a) for the purpose of pro-*
9 *viding employment and training activities to eligible*
10 *participants pursuant to section 315 and youth ac-*
11 *tivities to eligible participants pursuant to section*
12 *316.*

13 *(2) METHODS.—The State, acting in accordance*
14 *with the State plan, and after consulting with chief*
15 *elected officials in the local areas, shall allocate—*

16 *(A) the funds that are allotted to the State*
17 *for adult employment and training activities*
18 *under section 302(b)(1)(B) and are not reserved*
19 *under subsection (a)(1), in accordance with*
20 *paragraph (3) or (4);*

21 *(B) the funds that are allotted to the State*
22 *for dislocated worker employment and training*
23 *activities under section 302(b)(2)(B) and are not*
24 *reserved under paragraph (1) or (2) of subsection*
25 *(a), in accordance with paragraph (3); and*

1 (C) the funds that are allotted to the State
 2 for youth activities under section
 3 302(b)(3)(C)(ii) and are not reserved under sub-
 4 section (a)(1), in accordance with paragraph (3)
 5 or (4).

6 (3) ADULT EMPLOYMENT AND TRAINING ACTIVI-
 7 TIES, DISLOCATED WORKER EMPLOYMENT AND TRAIN-
 8 ING ACTIVITIES, AND YOUTH ACTIVITIES FORMULA AL-
 9 LOCATIONS.—

10 (A) ADULT EMPLOYMENT AND TRAINING AC-
 11 TIVITIES.—In allocating the funds described in
 12 paragraph (2)(A) to local areas, a State may al-
 13 locate—

14 (i) $33\frac{1}{3}$ percent of the funds on the
 15 basis described in section
 16 302(b)(1)(B)(ii)(I);

17 (ii) $33\frac{1}{3}$ percent of the funds on the
 18 basis described in section
 19 302(b)(1)(B)(ii)(II); and

20 (iii) $33\frac{1}{3}$ percent of the funds on the
 21 basis described in section
 22 302(b)(1)(B)(ii)(III).

23 (B) DISLOCATED WORKER EMPLOYMENT
 24 AND TRAINING ACTIVITIES.—In allocating the

1 *funds described in paragraph (2)(B) to local*
2 *areas, a State shall allocate—*

3 *(i) 33¹/₃ percent of the funds on the*
4 *basis described in section*
5 *302(b)(2)(B)(ii)(I);*

6 *(ii) 33¹/₃ percent of the funds on the*
7 *basis described in section*
8 *302(b)(2)(B)(ii)(II); and*

9 *(iii) 33¹/₃ percent of the funds on the*
10 *basis described in section*
11 *302(b)(2)(B)(ii)(III).*

12 *(C) YOUTH ACTIVITIES.—In allocating the*
13 *funds described in paragraph (2)(C) to local*
14 *areas, a State may allocate—*

15 *(i) 33¹/₃ percent of the funds on the*
16 *basis described in section*
17 *302(b)(3)(C)(ii)(I);*

18 *(ii) 33¹/₃ percent of the funds on the*
19 *basis described in section*
20 *302(b)(3)(C)(ii)(II); and*

21 *(iii) 33¹/₃ percent of the funds on the*
22 *basis described in section*
23 *302(b)(3)(C)(ii)(III).*

1 (D) *APPLICATION.*—*For purposes of carry-*
2 *ing out subparagraphs (A), (B), and (C), and*
3 *subparagraphs (A) and (B) of paragraph (4)—*

4 (i) *references in section 302(b) to a*
5 *State shall be deemed to be references to a*
6 *local area; and*

7 (ii) *references in section 302(b) to all*
8 *States shall be deemed to be references to all*
9 *local areas in the State involved.*

10 (4) *ADULT EMPLOYMENT AND TRAINING AND*
11 *YOUTH DISCRETIONARY ALLOCATIONS.*—

12 (A) *ADULT EMPLOYMENT AND TRAINING AC-*
13 *TIVITIES.*—*In lieu of making the allocation de-*
14 *scribed in paragraph (3)(A), in allocating the*
15 *funds described in paragraph (2)(A) to local*
16 *areas, a State may distribute—*

17 (i) *a portion equal to not less than 70*
18 *percent of the funds in accordance with*
19 *paragraph (3)(A); and*

20 (ii) *the remaining portion of the funds*
21 *on the basis of a formula that—*

22 (I) *takes into consideration fac-*
23 *tors relating to excess poverty in local*
24 *areas or excess unemployment above*
25 *the State average in 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) takes into consideration fac-
14 tors relating to excess youth poverty in
15 local areas or excess unemployment
16 above the State average in local areas;
17 and

18 (II) was developed by the state-
19 wide partnership and approved by the
20 Secretary as part of the State plan.

21 (5) *LIMITATION.*—

22 (A) *IN GENERAL.*—Of the amount allocated
23 to a local area under this subsection for a fiscal
24 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 from any unit of general local gov-*
14 *ernment with a population of 500,000 or more,*
15 *if the designation meets the State plan require-*
16 *ments described in section 304(b)(5).*

17 *(B) LARGE COUNTIES.—A county with a*
18 *population of 500,000 or more may request such*
19 *designation only with the agreement of the polit-*
20 *ical subdivisions within the county with popu-*
21 *lations of 200,000 or more.*

22 *(C) LARGE POLITICAL SUBDIVISIONS.—Sin-*
23 *gle units of general local government with popu-*
24 *lations of 200,000 or more that are service deliv-*
25 *ery areas on the date of enactment of this Act*

1 (1) *ensuring that the activities authorized under*
2 *this subtitle and carried out in the local area meet*
3 *local performance measures that include high aca-*
4 *demie and skill measures;*

5 (2) *ensuring that the activities meet the needs of*
6 *employers and jobseekers; and*

7 (3) *ensuring the continuous improvement of the*
8 *system.*

9 (c) *MEMBERSHIP OF LOCAL PARTNERSHIP.—*

10 (1) *STATE CRITERIA.—The Governor of the State*
11 *shall establish criteria for the appointment of mem-*
12 *bers of the local partnerships for local areas in the*
13 *State in accordance with the requirements of para-*
14 *graph (2). Information identifying such criteria shall*
15 *be included in the State plan, as described in section*
16 *304(b)(6).*

17 (2) *COMPOSITION.—Such criteria shall require,*
18 *at a minimum, that the membership of each local*
19 *partnership—*

20 (A) *shall include—*

21 (i) *a majority of members who—*

22 (I) *are representatives of business*
23 *in the local area;*

24 (II) *are owners of businesses, chief*
25 *executives or operating officers of pri-*

1 *vate businesses, and other business ex-*
2 *ecutives or employers with optimum*
3 *policymaking or hiring authority;*

4 *(III) represent businesses with*
5 *employment opportunities that reflect*
6 *the employment opportunities of the*
7 *local area; and*

8 *(IV) are appointed from among*
9 *individuals nominated by local busi-*
10 *ness organizations and business trade*
11 *associations;*

12 *(ii) chief officers representing local*
13 *postsecondary educational institutions, rep-*
14 *resentatives of vocational education provid-*
15 *ers, and representatives of adult education*
16 *providers;*

17 *(iii) chief officers representing labor*
18 *organizations (for a local area in which*
19 *such representatives reside), nominated by*
20 *local labor federations, or (for a local area*
21 *in which such representatives do not reside)*
22 *other representatives of employees; and*

23 *(iv) chief officers representing economic*
24 *development agencies, including private sec-*
25 *tor economic development entities;*

1 (B) may include chief officers who have pol-
 2 icymaking authority, from one-stop partners who
 3 have entered into an operating agreement de-
 4 scribed in section 311(c) to participate in the
 5 one-stop customer service system in the local
 6 area; and

7 (C) may include such other individuals or
 8 representatives of entities as the chief elected offi-
 9 cial in the local area may determine to be appro-
 10 priate.

11 (3) CHAIRPERSON.—The local partnership shall
 12 elect a chairperson from among the members of the
 13 partnership described in paragraph (2)(A)(i).

14 (d) APPOINTMENT AND CERTIFICATION OF LOCAL
 15 PARTNERSHIP.—

16 (1) APPOINTMENT OF LOCAL PARTNERSHIP MEM-
 17 BERS AND ASSIGNMENT OF RESPONSIBILITIES.—

18 (A) IN GENERAL.—The chief elected official
 19 in a local area is authorized to appoint the
 20 members of the local partnership for such area,
 21 in accordance with the State criteria established
 22 under subsection (c).

23 (B) MULTIPLE UNITS OF LOCAL GOVERN-
 24 MENT IN AREA.—

1 (i) *IN GENERAL.*—*In a case in which*
2 *a local area includes more than 1 unit of*
3 *general local government, the chief elected*
4 *officials of such units may execute an agree-*
5 *ment that specifies the respective roles of the*
6 *individual chief elected officials—*

7 (I) *in the appointment of the*
8 *members of the local partnership from*
9 *the individuals nominated or rec-*
10 *ommended to be such members in ac-*
11 *cordance with the criteria established*
12 *under subsection (c); and*

13 (II) *in carrying out any other re-*
14 *sponsibilities assigned to such officials*
15 *under this subtitle.*

16 (ii) *LACK OF AGREEMENT.*—*If, after a*
17 *reasonable effort, the chief elected officials*
18 *are unable to reach agreement as provided*
19 *under clause (i), the Governor may appoint*
20 *the members of the local partnership from*
21 *individuals so nominated or recommended.*

22 (2) *CERTIFICATION.*—

23 (A) *IN GENERAL.*—*The Governor shall an-*
24 *nually certify 1 local partnership for each local*
25 *area in the State.*

1 (B) *CRITERIA.*—Such certification shall be
2 based on criteria established under subsection (c)
3 and, for a second or subsequent certification, the
4 extent to which the local partnership has ensured
5 that workforce investment activities carried out
6 in the local area have enabled the local area to
7 meet the local performance measures required
8 under section 321(c).

9 (C) *FAILURE TO ACHIEVE CERTIFI-*
10 *CATION.*—Failure of a local partnership to
11 achieve certification shall result in reappoint-
12 ment and certification of another local partner-
13 ship for the local area pursuant to the process
14 described in paragraph (1) and this paragraph.

15 (3) *DECERTIFICATION.*—

16 (A) *IN GENERAL.*—Notwithstanding para-
17 graph (2), the Governor may decertify a local
18 partnership, at any time after providing notice
19 and an opportunity for comment, for—

20 (i) fraud or abuse; or

21 (ii) failure to carry out the functions
22 specified for the local partnership in para-
23 graphs (1) through (5) of subsection (e).

24 (B) *PLAN.*—If the Governor decertifies a
25 local partnership for a local area, the Governor

1 *may require that a local partnership be ap-*
2 *pointed and certified for the local area pursuant*
3 *to a plan developed by the Governor in consulta-*
4 *tion with the chief elected official in the local*
5 *area and in accordance with the criteria estab-*
6 *lished under subsection (c).*

7 (4) *EXCEPTION.—Notwithstanding subsection (c)*
8 *and paragraphs (1) and (2), if a State described in*
9 *section 307(b) designates the State as a local area in*
10 *the State plan, the Governor may designate the state-*
11 *wide partnership described in section 303 to carry*
12 *out any of the functions described in subsection (e).*

13 (e) *FUNCTIONS OF LOCAL PARTNERSHIP.—The func-*
14 *tions of the local partnership shall include—*

15 (1) *developing and submitting a local plan as*
16 *described in section 309 in partnership with the ap-*
17 *propriate chief elected official;*

18 (2) *appointing, certifying, or designating one-*
19 *stop partners and one-stop customer service center op-*
20 *erators, pursuant to the criteria specified in the local*
21 *plan;*

22 (3) *conducting oversight with respect to the one-*
23 *stop customer service system;*

1 (4) *modifying the list of eligible providers of*
2 *training services pursuant to subsections (b)(3)(B)*
3 *and (c)(2)(B) of section 312;*

4 (5) *setting local performance measures pursuant*
5 *to section 312(b)(2)(D)(ii);*

6 (6) *analyzing and identifying—*

7 (A) *current and projected local employment*
8 *opportunities; and*

9 (B) *the skills necessary to obtain such local*
10 *employment opportunities;*

11 (7) *coordinating the workforce investment activi-*
12 *ties carried out in the local area with economic devel-*
13 *opment strategies and developing other employer link-*
14 *ages with such activities; and*

15 (8) *assisting the Governor in developing the*
16 *statewide labor market information system described*
17 *in section 15(e) of the Wagner-Peyser Act.*

18 (f) *SUNSHINE PROVISION.—The local partnership*
19 *shall make available to the public, on a regular basis*
20 *through open meetings, information regarding the activities*
21 *of the local partnership, including information regarding*
22 *membership, the appointment of one-stop partners, the des-*
23 *ignation and certification of one-stop customer service cen-*
24 *ter operators, and the award of grants to eligible providers*
25 *of youth activities.*

1 (g) *OTHER ACTIVITIES OF LOCAL PARTNERSHIP.*—

2 (1) *LIMITATION.*—

3 (A) *IN GENERAL.*—*Except as provided in*
4 *subparagraph (B), no local partnership may di-*
5 *rectly carry out or enter into a contract for a*
6 *training service described in section 315(c)(3).*

7 (B) *WAIVERS.*—*The Governor of the State*
8 *in which the local partnership is located may*
9 *grant to the local partnership a written waiver*
10 *of the prohibition set forth in subparagraph (A),*
11 *if the local partnership provides substantial evi-*
12 *dence that a private or public entity is not*
13 *available to provide the training service and that*
14 *the activity is necessary to provide an employ-*
15 *ment opportunity described in the local plan de-*
16 *scribed in section 309.*

17 (2) *CONFLICT OF INTEREST.*—*No member of a*
18 *local partnership may—*

19 (A) *vote on a matter under consideration by*
20 *the local partnership—*

21 (i) *regarding the provision of services*
22 *by such member (or by an organization that*
23 *such member represents); or*

1 (ii) that would provide direct financial
2 benefit to such member or the immediate
3 family of such member; or

4 (B) engage in any other activity determined
5 by the Governor to constitute a conflict of inter-
6 est as specified in the State plan.

7 (h) *TECHNICAL ASSISTANCE.*—If a local area fails to
8 meet established State or local performance measures, the
9 Governor shall provide technical assistance to the local
10 partnership involved to improve the performance of the
11 local area.

12 (i) *YOUTH PARTNERSHIP.*—

13 (1) *ESTABLISHMENT.*—There shall be established
14 in each local area of a State, a youth partnership ap-
15 pointed by the local partnership, in cooperation with
16 the chief elected official, in the local area.

17 (2) *MEMBERSHIP.*—The membership of each
18 youth partnership—

19 (A) shall include—

20 (i) 1 or more members of the local
21 partnership;

22 (ii) representatives of youth service
23 agencies, including juvenile justice agencies;

24 (iii) representatives of local public
25 housing authorities;

1 (iv) parents of youth seeking assistance
2 under this subtitle;

3 (v) individuals, including former par-
4 ticipants, and representatives of organiza-
5 tions, that have experience relating to youth
6 activities; and

7 (vi) representatives of the Job Corps,
8 as appropriate; and

9 (B) may include such other individuals as
10 the chairperson of the local partnership, in co-
11 operation with the chief elected official, deter-
12 mines to be appropriate.

13 (3) DUTIES.—The duties of the youth partner-
14 ship include—

15 (A) the development of the portions of the
16 local plan relating to youth, as determined by
17 the chairperson of the local partnership;

18 (B) awarding grants to, and conducting
19 oversight with respect to, eligible providers of
20 youth activities, as described in section 313, in
21 the local area;

22 (C) coordinating youth activities in the
23 local area; and

1 (D) other duties determined to be appro-
2 priate by the chairperson of the local partner-
3 ship.

4 **SEC. 309. LOCAL PLAN.**

5 (a) *IN GENERAL.*—Each local partnership shall de-
6 velop and submit to the Governor a comprehensive 3-year
7 local plan (referred to in this title as the “local plan”), in
8 partnership with the appropriate chief elected official. The
9 local plan shall be consistent with the State plan.

10 (b) *CONTENTS.*—The local plan shall include—

11 (1) an identification of the needs of the local
12 area with regard to current and projected employ-
13 ment opportunities;

14 (2) an identification of the job skills necessary to
15 obtain such employment opportunities;

16 (3) a description of the activities to be used
17 under this subtitle to link local employers and local
18 jobseekers;

19 (4) an identification and assessment of the type
20 and availability of adult and dislocated worker em-
21 ployment and training activities in the local area;

22 (5) an identification of successful eligible provid-
23 ers of youth activities in the local area;

24 (6) a description of the measures that will be
25 taken by the local area to assure coordination of and

1 *avoid duplication among the programs and activities*
2 *described in section 304(b)(8);*

3 *(7) a description of the manner in which the*
4 *local partnership will coordinate activities carried*
5 *out under this subtitle in the local area with such ac-*
6 *tivities carried out in neighboring local areas;*

7 *(8) a description of the competitive process to be*
8 *used to award grants in the local area for activities*
9 *carried out under this subtitle;*

10 *(9) information describing local performance*
11 *measures for the local area that are based on the per-*
12 *formance measures in the State plan;*

13 *(10) in accordance with the State plan, a de-*
14 *scription of the criteria that the chief elected official*
15 *in the local area and the local partnership will use*
16 *to appoint, designate, or certify, and to conduct over-*
17 *sight with respect to, one-stop customer service center*
18 *systems in the local area; and*

19 *(11) such other information as the Governor may*
20 *require.*

21 *(c) PLAN SUBMISSION AND APPROVAL.—A local plan*
22 *submitted to the Governor under this section shall be consid-*
23 *ered to be approved by the Governor at the end of the 60-*
24 *day period beginning on the day the Governor receives the*

1 *plan, unless the Governor makes a written determination*
 2 *during the 60-day period that—*

3 (1) *entities conducting evaluations conducted*
 4 *under section 321(e) in the local area have found defi-*
 5 *ciencies in activities carried out under this subtitle*
 6 *and the local area has not made acceptable progress*
 7 *in implementing corrective measures to address the*
 8 *deficiencies; or*

9 (2) *the plan does not comply with this title.*

10 (d) *LACK OF AGREEMENT.—If the local partnership*
 11 *and the appropriate chief elected official in the local area*
 12 *cannot agree on the local plan after making a reasonable*
 13 *effort, the Governor may develop the local plan.*

14 **CHAPTER 3—WORKFORCE INVESTMENT**

15 **ACTIVITIES AND PROVIDERS**

16 **SEC. 311. IDENTIFICATION AND OVERSIGHT OF ONE-STOP**
 17 **PARTNERS AND ONE-STOP CUSTOMER SERV-**
 18 **ICE CENTER OPERATORS.**

19 (a) *IN GENERAL.—Consistent with the State plan, the*
 20 *chief elected official and the local partnership shall develop*
 21 *and implement operating agreements described in sub-*
 22 *section (c) to appoint one-stop partners, shall designate or*
 23 *certify one-stop customer service center operators, and shall*
 24 *conduct oversight with respect to the one-stop customer serv-*
 25 *ice system, in the local area.*

1 (b) *ONE-STOP PARTNERS.*—

2 (1) *DESIGNATED PARTNERS.*—

3 (A) *IN GENERAL.*—*Each entity that carries*
4 *out a program, services, or activities described in*
5 *subparagraph (B) shall make available to par-*
6 *ticipants, through a one-stop customer service*
7 *center, the services described in section 315(c)(2)*
8 *that are applicable to such program, and shall*
9 *participate in the operation of such center as a*
10 *party to the agreement described in subsection*
11 *(c).*

12 (B) *PROGRAMS; SERVICES; ACTIVITIES.*—

13 *The programs, services, and activities referred to*
14 *in subparagraph (A) consist of—*

15 (i) *core services authorized under this*
16 *subtitle;*

17 (ii) *other activities authorized under*
18 *this title;*

19 (iii) *activities authorized under title I*
20 *and title II;*

21 (iv) *programs authorized under the*
22 *Wagner-Peyser Act (29 U.S.C. 49 et seq.);*

23 (v) *programs authorized under title I*
24 *of the Rehabilitation Act of 1973 (29 U.S.C.*
25 *729 et seq.);*

1 (vi) programs authorized under section
2 403(a)(5) of the Social Security Act (42
3 U.S.C. 603(a)(5)) (as added by section 5001
4 of the Balanced Budget Act of 1997);

5 (vii) programs authorized under title V
6 of the Older Americans Act of 1965 (42
7 U.S.C. 3056 et seq.);

8 (viii) activities authorized under chap-
9 ter 2 of title II of the Trade Act of 1974 (19
10 U.S.C. 2271 et seq.);

11 (ix) activities authorized under chapter
12 41 of title 38, United States Code;

13 (x) activities carried out by the Bureau
14 of Apprenticeship and Training;

15 (xi) training activities carried out by
16 the Department of Housing and Urban De-
17 velopment; and

18 (xii) programs authorized under State
19 unemployment compensation laws and the
20 Federal unemployment insurance program
21 under titles III, IX, and XII of the Social
22 Security Act (42 U.S.C. 501 et seq., 1101 et
23 seq., and 1321 et seq.).

24 (2) *ADDITIONAL PARTNERS.*—

1 (A) *IN GENERAL.*—*In addition to the enti-*
2 *ties described in paragraph (1), other entities*
3 *that carry out human resource programs may*
4 *make available to participants through a one-*
5 *stop customer service center the services described*
6 *in section 315(c)(2) that are applicable to such*
7 *program, and participate in the operation of*
8 *such centers as a party to the agreement de-*
9 *scribed in subsection (c), if the local partnership*
10 *and chief elected official involved approve such*
11 *participation.*

12 (B) *PROGRAMS.*—*The programs referred to*
13 *in subparagraph (A) include—*

14 (i) *programs authorized under part A*
15 *of title IV of the Social Security Act;*

16 (ii) *programs authorized under section*
17 *6(d)(4) of the Food Stamp Act of 1977 (7*
18 *U.S.C. 2015(d)(4));*

19 (iii) *work programs authorized under*
20 *section 6(o) of the Food Stamp Act of 1997*
21 *(7 U.S.C. 2015 (o)); and*

22 (iv) *other appropriate Federal, State,*
23 *or local programs, including programs in*
24 *the private sector.*

25 (c) *OPERATING AGREEMENTS.*—

1 (1) *IN GENERAL.*—*The one-stop customer service*
2 *center operator selected pursuant to subsection (d) for*
3 *a one-stop customer service center shall enter into a*
4 *written agreement with the local partnership and one-*
5 *stop partners described in subsection (b) concerning*
6 *the operation of the center. Such agreement shall be*
7 *subject to the approval of the chief elected official and*
8 *the local partnership.*

9 (2) *CONTENTS.*—*The written agreement required*
10 *under paragraph (1) shall contain—*

11 (A) *provisions describing—*

12 (i) *the services to be provided through*
13 *the center;*

14 (ii) *how the costs of such services and*
15 *the operating costs of the system will be*
16 *funded,*

17 (iii) *methods for referral of individuals*
18 *between the one-stop customer service center*
19 *operators and the one-stop partners, for the*
20 *appropriate services and activities;*

21 (iv) *the monitoring and oversight of*
22 *activities carried out under the agreement;*
23 *and*

1 (v) *the duration of the agreement and*
2 *the procedures for amending the agreement*
3 *during the term of the agreement; and*

4 (B) *such other provisions, consistent with*
5 *the requirements of this title, as the parties to*
6 *the agreement determine to be appropriate.*

7 (d) *ONE-STOP CUSTOMER SERVICE CENTER OPERA-*
8 *TORS.—*

9 (1) *IN GENERAL.—To be eligible to receive funds*
10 *made available under this subtitle to operate a one-*
11 *stop customer service center, an entity shall—*

12 (A) *be designated or certified as a one-stop*
13 *customer service center operator, as described in*
14 *subsection (a); and*

15 (B) *be a public or private entity, or consor-*
16 *tium of entities, of demonstrated effectiveness lo-*
17 *cated in the local area, which entity or consor-*
18 *tium may include an institution of higher edu-*
19 *cation (as defined in section 481 of the Higher*
20 *Education Act of 1965 (20 U.S.C. 1088), a local*
21 *employment service office established under the*
22 *Wagner-Peyser Act (29 U.S.C. 49 et seq.), a local*
23 *government agency, a private for-profit entity, a*
24 *private nonprofit entity, or other interested en-*
25 *tity, of demonstrated effectiveness.*

1 (2) *EXCEPTION.*—*Elementary schools and sec-*
2 *ondary schools shall not be eligible for designation or*
3 *certification as one-stop customer service center oper-*
4 *ators, except that nontraditional secondary schools*
5 *and area vocational education schools shall be eligible*
6 *for such designation or certification.*

7 (e) *ESTABLISHED ONE-STOP CUSTOMER SERVICE*
8 *SYSTEMS.*—*For a local area in which a one-stop customer*
9 *service system has been established prior to the date of en-*
10 *actment of this Act, the local partnership, the chief elected*
11 *official, and the Governor may agree to appoint, designate,*
12 *or certify the one-stop partners and one-stop customer serv-*
13 *ice center operators of such system, for purposes of this sec-*
14 *tion.*

15 (f) *OVERSIGHT.*—*The local partnership shall conduct*
16 *oversight with respect to the one-stop customer service center*
17 *system and may terminate for cause the eligibility of such*
18 *a partner or operator to provide activities through or oper-*
19 *ate a one-stop customer service center.*

20 **SEC. 312. DETERMINATION AND IDENTIFICATION OF ELIGI-**
21 **BLE PROVIDERS OF TRAINING SERVICES BY**
22 **PROGRAM.**

23 (a) *GENERAL ELIGIBILITY REQUIREMENTS.*—

24 (1) *IN GENERAL.*—*Except as provided in sub-*
25 *section (e), to be eligible to receive funds made avail-*

1 *able under section 306 to provide training services de-*
 2 *scribed in section 315(c)(3) (referred to in this title*
 3 *as “training services”) and be identified as an eligible*
 4 *provider of such services, a provider of such services*
 5 *shall meet the requirements of this section.*

6 (2) *PROVIDERS.—To be eligible to receive the*
 7 *funds, the provider shall be—*

8 (A) *a postsecondary educational institution*
 9 *that—*

10 (i) *is eligible to receive Federal funds*
 11 *under title IV of the Higher Education Act*
 12 *of 1965 (20 U.S.C. 1070 et seq.); and*

13 (ii) *provides a program that leads to*
 14 *an associate degree, baccalaureate degree, or*
 15 *certificate; or*

16 (B) *another public or private provider of a*
 17 *program.*

18 (b) *INITIAL DETERMINATION AND IDENTIFICATION.—*

19 (1) *POSTSECONDARY EDUCATIONAL INSTITU-*
 20 *TIONS.—To be eligible to receive funds as described in*
 21 *subsection (a), an institution described in subsection*
 22 *(a)(2)(A) shall submit an application at such time,*
 23 *in such manner, and containing such information as*
 24 *the designated State agency described in subsection (f)*
 25 *may require, after consultation with the local part-*

1 *nerships in the State. On submission of the applica-*
2 *tion, the institution shall automatically be initially*
3 *eligible to receive such funds for the program de-*
4 *scribed in subsection (a)(2)(A).*

5 (2) *OTHER PROVIDERS.—*

6 (A) *PROCEDURE.—The Governor, in con-*
7 *sultation with the local partnerships in the*
8 *State, shall establish a procedure for determining*
9 *the initial eligibility of providers described in*
10 *subsection (a)(2)(B) to receive such funds for*
11 *specified programs. The procedure shall require a*
12 *provider of a program to meet minimum accept-*
13 *able levels of performance based on—*

14 (i) *performance criteria relating to the*
15 *rates, percentages, increases, and costs de-*
16 *scribed in subparagraph (C) for the pro-*
17 *gram, as demonstrated using verifiable pro-*
18 *gram-specific performance information de-*
19 *scribed in subparagraph (C) and submitted*
20 *to the designated State agency, as required*
21 *under subparagraph (C); and*

22 (ii) *performance criteria relating to*
23 *any characteristics for which local partner-*
24 *ships request the submission of information*
25 *under subparagraph (D) for the program,*

1 *as demonstrated using the information sub-*
2 *mitted.*

3 *(B) MINIMUM LEVELS.—The Governor*
4 *shall—*

5 *(i) consider, in determining such mini-*
6 *imum levels—*

7 *(I) criteria relating to the eco-*
8 *nomie, geographic, and demographic*
9 *factors in the local areas in which the*
10 *provider provides the program; and*

11 *(II) the characteristics of the pop-*
12 *ulation served by such provider*
13 *through the program; and*

14 *(ii) verify the minimum levels of per-*
15 *formance by using quarterly records de-*
16 *scribed in section 321.*

17 *(C) APPLICATION.—To be initially eligible*
18 *to receive funds as described in subsection (a), a*
19 *provider described in subsection (a)(2)(B) shall*
20 *submit an application at such time, in such*
21 *manner, and containing such information as the*
22 *designated State agency may require, including*
23 *performance information on—*

1 (i) program completion rates for par-
2 ticipants in the applicable program con-
3 ducted by the provider;

4 (ii) the percentage of the graduates of
5 the program placed in unsubsidized employ-
6 ment in an occupation related to the pro-
7 gram conducted;

8 (iii) retention rates of the graduates in
9 unsubsidized employment—

10 (I) 6 months after completion of
11 the program; and

12 (II) 12 months after completion of
13 the program;

14 (iv) the wages received by the grad-
15 uates placed in unsubsidized employment
16 after the completion of participation in the
17 program—

18 (I) on the first day of the employ-
19 ment;

20 (II) 6 months after the first day
21 of the employment; and

22 (III) 12 months after the first day
23 of the employment;

24 (v) where appropriate, the rates of li-
25 censure or certification of the graduates, at-

1 *tainment of academic degrees or equiva-*
2 *lents, or attainment of other measures of*
3 *skill; and*

4 *(vi) program cost per participant in*
5 *the program.*

6 *(D) ADDITIONAL INFORMATION.—*

7 *(i) IN GENERAL.—In addition to the*
8 *performance information described in sub-*
9 *paragraph (C), the local partnerships in the*
10 *State involved may require that a provider*
11 *submit, to the local partnerships and to the*
12 *designated State agency, other performance*
13 *information relating to the program to be*
14 *initially identified as an eligible provider of*
15 *training services, including information re-*
16 *garding the ability of the provider to pro-*
17 *vide continued counseling and support re-*
18 *garding the workplace to the graduates, for*
19 *not less than 12 months after the gradua-*
20 *tion involved.*

21 *(ii) HIGHER LEVELS OF PERFORMANCE*
22 *ELIGIBILITY.—The local partnership may*
23 *require higher levels of performance than*
24 *the minimum levels established under sub-*

1 *paragraph (A)(i) for initial eligibility to re-*
2 *ceive funds as described in subsection (a).*

3 (3) *LIST OF ELIGIBLE PROVIDERS BY PRO-*
4 *GRAM.—*

5 (A) *IN GENERAL.—The designated State*
6 *agency, after reviewing the performance informa-*
7 *tion described in paragraph (2)(C) and any in-*
8 *formation required to be submitted under para-*
9 *graph (2)(D) and using the procedure described*
10 *in paragraph (2)(B), shall—*

11 (i) *identify eligible providers of train-*
12 *ing services described in subparagraphs (A)*
13 *and (B) of subsection (a)(2), including*
14 *identifying the programs of the providers*
15 *through which the providers may offer the*
16 *training services; and*

17 (ii) *compile a list of the eligible pro-*
18 *viders, and the programs, accompanied by*
19 *the performance information described in*
20 *paragraph (2)(C) and any information re-*
21 *quired to be submitted under paragraph*
22 *(2)(D) for each such provider described in*
23 *subsection (a)(2)(B).*

24 (B) *LOCAL MODIFICATION.—The local part-*
25 *nership may modify such list by reducing the*

1 *number of eligible providers listed, to ensure that*
 2 *the eligible providers carry out programs that*
 3 *provide skills that enable participants to obtain*
 4 *local employment opportunities.*

5 *(c) SUBSEQUENT ELIGIBILITY.—*

6 *(1) INFORMATION AND CRITERIA.—To be eligible*
 7 *to continue to receive funds as described in subsection*
 8 *(a) for a program, a provider shall—*

9 *(A) submit the performance information de-*
 10 *scribed in subsection (b)(2)(C) and any informa-*
 11 *tion required to be submitted under subsection*
 12 *(b)(2)(D) annually to the designated State agen-*
 13 *cy at such time and in such manner as the des-*
 14 *ignated State agency may require for the pro-*
 15 *gram;*

16 *(B) annually meet the performance criteria*
 17 *described in subclause (I) and (if applicable)*
 18 *subclause (II) of subsection (b)(2)(B)(i) for the*
 19 *program; and*

20 *(C) annually meet local performance meas-*
 21 *ures, as demonstrated utilizing quarterly records*
 22 *described in section 321, for the program.*

23 *(2) LIST OF ELIGIBLE PROVIDERS BY PRO-*
 24 *GRAM.—*

1 (A) *IN GENERAL.*—*The designated State*
2 *agency, after reviewing the performance informa-*
3 *tion and any other information submitted under*
4 *paragraph (1) and using the procedure described*
5 *in subsection (b)(2)(A), shall identify eligible*
6 *providers and programs, and compile a list of*
7 *the providers and programs, as described in sub-*
8 *section (b)(3), accompanied by the performance*
9 *information and other information for each such*
10 *provider.*

11 (B) *LOCAL MODIFICATION.*—*The local part-*
12 *nership may modify such list by reducing the*
13 *number of eligible providers listed, to ensure that*
14 *the eligible providers carry out programs that*
15 *provide skills that enable participants to obtain*
16 *local employment opportunities.*

17 (3) *AVAILABILITY.*—*Such list and information*
18 *shall be made widely available to participants in em-*
19 *ployment and training activities funded under this*
20 *subtitle, and to others, through the one-stop customer*
21 *service system described in section 315(b).*

22 (d) *ENFORCEMENT.*—

23 (1) *ACCURACY OF INFORMATION.*—*If the des-*
24 *ignated State agency, after consultation with the local*
25 *partnership involved, determines that a provider or*

1 *individual supplying information on behalf of a pro-*
2 *vider intentionally supplies inaccurate information*
3 *under this section, the agency shall terminate the eli-*
4 *gibility of the provider to receive funds described in*
5 *subsection (a) for a period of time, but not less than*
6 *2 years.*

7 (2) *COMPLIANCE WITH CRITERIA OR REQUIRE-*
8 *MENTS.—If the designated State agency, after con-*
9 *sultation with the local partnership, determines that*
10 *an eligible provider or a program of training services*
11 *carried out by an eligible provider fails to meet the*
12 *required performance criteria and performance meas-*
13 *ures described in subparagraphs (B) and (C) of sub-*
14 *section (c)(1), or materially violates any provision of*
15 *this title, including the regulations promulgated to*
16 *implement this title, the agency may terminate the*
17 *eligibility of the provider to receive funds described in*
18 *subsection (a) for such program or take such other ac-*
19 *tion as the agency determines to be appropriate.*

20 (3) *REPAYMENT.—Any provider whose eligibility*
21 *is terminated under paragraph (1) or (2) for a pro-*
22 *gram shall be liable for repayment of funds described*
23 *in subsection (a) received for the program during any*
24 *period of noncompliance described in such paragraph.*

1 (4) *APPEAL.*—*The Governor shall establish a*
2 *procedure for an eligible provider to appeal a deter-*
3 *mination by the designated State agency that results*
4 *in termination of eligibility under this subsection.*
5 *Such procedure shall provide an opportunity for a*
6 *hearing and prescribe appropriate time limits to en-*
7 *sure prompt resolution of the appeal.*

8 (e) *ON-THE-JOB TRAINING EXCEPTION.*—

9 (1) *IN GENERAL.*—*Providers of on-the-job train-*
10 *ing shall not be subject to the requirements of sub-*
11 *sections (a) through (d).*

12 (2) *COLLECTION AND DISSEMINATION OF INFOR-*
13 *MATION.*—*A one-stop customer service center operator*
14 *in a local area shall collect such performance infor-*
15 *mation from on-the-job training providers as the Gov-*
16 *ernor may require, and disseminate such information*
17 *through the one-stop customer service system.*

18 (f) *ADMINISTRATION.*—*The Governor shall designate a*
19 *State agency to collect and disseminate the performance in-*
20 *formation described in subsection (b)(2)(C) and any infor-*
21 *mation required to be submitted under subsection (b)(2)(D)*
22 *and carry out other duties described in this section.*

1 **SEC. 313. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
2 **YOUTH ACTIVITIES.**

3 *The youth partnership is authorized to award grants*
4 *on a competitive basis, based on the criteria contained in*
5 *the State plan and local plan, to providers of youth activi-*
6 *ties, and conduct oversight with respect to such providers,*
7 *in the local area.*

8 **SEC. 314. STATEWIDE WORKFORCE INVESTMENT ACTIVI-**
9 **TIES.**

10 *(a) IN GENERAL.—Funds reserved by a Governor for*
11 *a State—*

12 *(1) under section 306(a)(2) shall be used to carry*
13 *out the statewide rapid response activities described*
14 *in subsection (b)(1); and*

15 *(2) under section 306(a)(1)—*

16 *(A) shall be used to carry out the statewide*
17 *workforce investment activities described in sub-*
18 *section (b)(2); and*

19 *(B) may be used to carry out any of the*
20 *statewide workforce investment activities de-*
21 *scribed in subsection (c),*

22 *regardless of whether the funds were allotted to the*
23 *State under paragraph (1), (2), or (3) of section*
24 *302(b).*

25 *(b) REQUIRED STATEWIDE WORKFORCE INVESTMENT*
26 *ACTIVITIES.—*

1 (1) *STATEWIDE RAPID RESPONSE ACTIVITIES.*—
2 *A State shall use funds reserved under section*
3 *306(a)(2) to carry out statewide rapid response ac-*
4 *tivities, which shall include—*

5 (A) *provision of rapid response activities,*
6 *carried out in local areas by the State, working*
7 *in conjunction with the local partnership and*
8 *the chief elected official in the local area; and*

9 (B) *provision of additional assistance to*
10 *local areas that experience disasters, mass layoffs*
11 *or plant closings, or other events that precipitate*
12 *substantial increases in the number of unem-*
13 *ployed individuals, carried out in the local areas*
14 *by the State, working in conjunction with the*
15 *local partnership and the chief elected official in*
16 *the local areas.*

17 (2) *OTHER REQUIRED STATEWIDE WORKFORCE*
18 *INVESTMENT ACTIVITIES.*—*A State shall use funds re-*
19 *served under section 306(a)(1) to carry out other*
20 *statewide workforce investment activities, which shall*
21 *include—*

22 (A) *disseminating the list of eligible provid-*
23 *ers of training services, including eligible provid-*
24 *ers of nontraditional training services, and the*
25 *performance information as described in sub-*

1 sections (b) and (c) of section 312, and a list of
 2 eligible providers of youth activities described in
 3 section 313;

4 (B) conducting evaluations, under section
 5 321(e), of activities authorized in this section,
 6 section 315, and section 316, in coordination
 7 with the activities carried out under section 368;

8 (C) providing incentive grants to local
 9 areas for regional cooperation among local part-
 10 nerships, for local coordination and nonduplica-
 11 tion of activities carried out under this Act, and
 12 for comparative performance by local areas on
 13 the local performance measures described in sec-
 14 tion 321(c);

15 (D) providing technical assistance to local
 16 areas that fail to meet local performance meas-
 17 ures;

18 (E) assisting in the establishment and oper-
 19 ation of a one-stop customer service system; and

20 (F) operating a fiscal and management ac-
 21 countability information system under section
 22 321(f).

23 (c) *ALLOWABLE STATEWIDE WORKFORCE INVESTMENT*
 24 *ACTIVITIES.*—

1 (1) *IN GENERAL.*—*A State may use funds re-*
2 *served under section 306(a)(1) to carry out additional*
3 *statewide workforce investment activities, which may*
4 *include—*

5 (A) *subject to paragraph (2), administra-*
6 *tion by the State of the workforce investment ac-*
7 *tivities carried out under this subtitle;*

8 (B) *identification and implementation of*
9 *incumbent worker training programs, which*
10 *may include the establishment and implementa-*
11 *tion of an employer loan program;*

12 (C) *carrying out other activities authorized*
13 *in section 315 that the State determines to be*
14 *necessary to assist local areas in carrying out*
15 *activities described in subsection (c) or (d) of sec-*
16 *tion 315 through the statewide workforce invest-*
17 *ment system; and*

18 (D) *carrying out, on a statewide basis, ac-*
19 *tivities described in section 316.*

20 (2) *LIMITATION.*—

21 (A) *IN GENERAL.*—*Of the funds allotted to*
22 *a State under section 302(b) and reserved under*
23 *section 306(a)(1) for a fiscal year—*

24 (i) *not more than 5 percent of the*
25 *amount allotted under section 302(b)(1);*

1 (ii) not more than 5 percent of the
2 amount allotted under section 302(b)(2);
3 and

4 (iii) not more than 5 percent of the
5 amount allotted under section 302(b)(3),
6 may be used by the State for the administration
7 of statewide workforce investment activities car-
8 ried out under this section.

9 (B) USE OF FUNDS.—Funds made available
10 for administrative costs under subparagraph (A)
11 may be used for the administrative cost of any
12 of the statewide workforce investment activities,
13 regardless of whether the funds were allotted to
14 the State under paragraph (1), (2), or (3) of sec-
15 tion 302(b).

16 **SEC. 315. LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.**

17 (a) IN GENERAL.—Funds received by a local area
18 under paragraph (3)(A) or (4)(A), as appropriate, of sec-
19 tion 306(b), and funds received by the local area under sec-
20 tion 306(b)(3)(B)—

21 (1) shall be used to carry out employment and
22 training activities described in subsection (c) for
23 adults or dislocated workers, as appropriate; and

1 (2) *may be used to carry out employment and*
2 *training activities described in subsection (d) for*
3 *adults or dislocated workers, as appropriate.*

4 **(b) ESTABLISHMENT OF ONE-STOP CUSTOMER SERV-**
5 **ICE SYSTEM.—**

6 (1) *IN GENERAL.—There shall be established in*
7 *a State that receives an allotment under section 302*
8 *a one-stop customer service system, which—*

9 (A) *shall provide the core services described*
10 *in subsection (c)(2);*

11 (B) *shall provide access to training services*
12 *as described in subsection (c)(3);*

13 (C) *shall provide access to the activities (if*
14 *any) carried out under subsection (d); and*

15 (D) *shall provide access to the information*
16 *described in section 15 of the Wagner-Peyser Act*
17 *and all job search, placement, recruitment, and*
18 *other labor exchange services authorized under*
19 *the Wagner-Peyser Act (29 U.S.C. 49 et seq.).*

20 (2) *ONE-STOP DELIVERY.—At a minimum, the*
21 *one-stop customer service system—*

22 (A) *shall make each of the services described*
23 *in paragraph (1) accessible at not less than 1*
24 *physical customer service center in each local*
25 *area of the State; and*

1 (B) may also make services described in
2 paragraph (1) available—

3 (i) through a network of customer serv-
4 ice centers that can provide 1 or more of the
5 services described in paragraph (1) to such
6 individuals; and

7 (ii) through a network of eligible one-
8 stop partners—

9 (I) in which each partner pro-
10 vides 1 or more of the services to such
11 individuals and is accessible at a cus-
12 tomer service center that consists of a
13 physical location or an electronically
14 or technologically linked access point;
15 and

16 (II) that assures individuals that
17 information on the availability of core
18 services will be available regardless of
19 where the individuals initially enter
20 the statewide workforce investment sys-
21 tem, including information made
22 available through an access point de-
23 scribed in subclause (I).

24 (c) *REQUIRED LOCAL ACTIVITIES.*—

1 (1) *IN GENERAL.*—Funds received by a local
2 area under paragraph (3)(A) or (4)(A), as appro-
3 priate, of section 306(b), and funds received by the
4 local area under section 306(b)(3)(B), shall be used—

5 (A) to establish a one-stop customer service
6 center described in subsection (b);

7 (B) to provide the core services described in
8 paragraph (2) to participants described in such
9 paragraph through the one-stop customer service
10 system; and

11 (C) to provide training services described in
12 paragraph (3) to participants described in such
13 paragraph.

14 (2) *CORE SERVICES.*—Funds received by a local
15 area as described in paragraph (1) shall be used to
16 provide core services, which shall be available to all
17 individuals seeking assistance through a one-stop cus-
18 tomer service system and shall, at a minimum, in-
19 clude—

20 (A) determinations of whether the individ-
21 uals are eligible to receive activities under this
22 subtitle;

23 (B) outreach, intake (which may include
24 worker profiling), and orientation to the infor-

1 *mation and other services available through the*
2 *one-stop customer service system;*

3 *(C) initial assessment of skill levels, apti-*
4 *tudes, abilities, and supportive service needs;*

5 *(D) case management assistance, as appro-*
6 *priate;*

7 *(E) job search and placement assistance;*

8 *(F) provision of information regarding—*

9 *(i) local, State, and, if appropriate, re-*
10 *gional or national, employment opportuni-*
11 *ties; and*

12 *(ii) job skills necessary to obtain the*
13 *employment opportunities;*

14 *(G) provision of performance information*
15 *on eligible providers of training services as de-*
16 *scribed in section 312, provided by program, and*
17 *eligible providers of youth activities as described*
18 *in section 313, eligible providers of adult edu-*
19 *cation as described in title II, eligible providers*
20 *of postsecondary vocational education activities*
21 *and vocational education activities available to*
22 *school dropouts as described in title I, and eligi-*
23 *ble providers of vocational rehabilitation pro-*
24 *gram activities as described in title I of the Re-*
25 *habilitation Act of 1973;*

1 (H) provision of performance information
2 on the activities carried out by one-stop part-
3 ners, as appropriate;

4 (I) provision of information regarding how
5 the local area is performing on the local perform-
6 ance measures described in section 321(c), and
7 any additional performance information pro-
8 vided to the one-stop customer service center by
9 the local partnership;

10 (J) provision of accurate information relat-
11 ing to the availability of supportive services, in-
12 cluding child care and transportation, available
13 in the local area, and referral to such services,
14 as appropriate;

15 (K) provision of information regarding fil-
16 ing claims for unemployment compensation;

17 (L) assistance in establishing eligibility
18 for—

19 (i) welfare-to-work activities authorized
20 under section 403(a)(5) of the Social Secu-
21 rity Act (as added by section 5001 of the
22 Balanced Budget Act of 1997) available in
23 the local area; and

24 (ii) programs of financial aid assist-
25 ance for training and education programs

1 that are not funded under this Act and are
2 available in the local area; and

3 (M) followup services, including counseling
4 regarding the workplace, for participants in
5 workforce investment activities who are placed in
6 unsubsidized employment, for not less than 12
7 months after the completion of such participa-
8 tion, as appropriate.

9 (3) *REQUIRED TRAINING SERVICES.*—

10 (A) *ELIGIBLE PARTICIPANTS.*—Funds re-
11 ceived by a local area as described in paragraph
12 (1) shall be used to provide training services to
13 individuals—

14 (i) who are adults (including dis-
15 located workers);

16 (ii) who seek the services;

17 (iii)(I) who are unable to obtain em-
18 ployment through the core services; or

19 (II) who are employed and who are de-
20 termined by a one-stop customer service
21 center operator to be in need of such train-
22 ing services in order to gain or retain em-
23 ployment that allows for self-sufficiency;

24 (iv) who after an interview, evaluation,
25 or assessment, and case management, have

1 *been determined by a one-stop customer*
2 *service center operator or one-stop partner,*
3 *as appropriate, to be in need of training*
4 *services and to have the skills and qualifica-*
5 *tions, to successfully participate in the se-*
6 *lected program of training services;*

7 *(v) who select programs of training*
8 *services that are directly linked to the em-*
9 *ployment opportunities in the local area in-*
10 *volved or in another area in which the*
11 *adults receiving such services are willing to*
12 *relocate;*

13 *(vi) who meet the requirements of sub-*
14 *paragraph (B); and*

15 *(vii) who are determined to be eligible*
16 *in accordance with the priority system, if*
17 *any, in effect under subparagraph (D).*

18 *(B) QUALIFICATION.—*

19 *(i) REQUIREMENT.—Except as pro-*
20 *vided in clause (ii), provision of such train-*
21 *ing services shall be limited to individuals*
22 *who—*

23 *(I) are unable to obtain other*
24 *grant assistance for such services, in-*
25 *cluding Federal Pell Grants established*

1 *under title IV of the Higher Education*
2 *Act of 1965 (20 U.S.C. 1070 et seq.); or*

3 *(II) require assistance beyond the*
4 *assistance made available under other*
5 *grant assistance programs, including*
6 *Federal Pell Grants.*

7 *(ii) REIMBURSEMENTS.—Training*
8 *services may be provided under this para-*
9 *graph to an individual who otherwise meets*
10 *the requirements of this paragraph while an*
11 *application for a Federal Pell Grant is*
12 *pending, except that if such individual is*
13 *subsequently awarded a Federal Pell Grant,*
14 *appropriate reimbursement shall be made to*
15 *the local area from such Federal Pell Grant.*

16 *(C) TRAINING SERVICES.—Training services*
17 *may include—*

18 *(i) employment skill training;*

19 *(ii) on-the-job training;*

20 *(iii) job readiness training; and*

21 *(iv) adult education services when pro-*
22 *vided in combination with services described*
23 *in clause (i), (ii), or (iii).*

24 *(D) PRIORITY.—In the event that funds are*
25 *limited within a local area for adult employment*

1 *and training activities, priority shall be given*
2 *to disadvantaged adults for receipt of training*
3 *services provided under this paragraph. The ap-*
4 *propriate local partnership and the Governor*
5 *shall direct the one-stop customer service center*
6 *operator in the local area with regard to making*
7 *determinations related to such priority.*

8 *(E) DELIVERY OF SERVICES.—Training*
9 *services provided under this paragraph shall be*
10 *provided—*

11 *(i) except as provided in section*
12 *312(e), through eligible providers of such*
13 *services identified in accordance with sec-*
14 *tion 312; and*

15 *(ii) in accordance with subparagraph*
16 *(F).*

17 *(F) CONSUMER CHOICE REQUIREMENTS.—*

18 *(i) IN GENERAL.—Training services*
19 *provided under this paragraph shall be pro-*
20 *vided in a manner that maximizes*
21 *consumer choice in the selection of an eligi-*
22 *ble provider of such services.*

23 *(ii) ELIGIBLE PROVIDERS.—Each local*
24 *partnership, through one-stop customer*
25 *service centers, shall make available—*

1 (I) the list of eligible providers re-
2 quired under subsection (b)(3) or (c)(2)
3 of section 312, with a description of the
4 programs through which the providers
5 may offer the training services, and a
6 list of the names of on-the-job training
7 providers; and

8 (II) the performance information
9 on eligible providers of training serv-
10 ices as described in section 312.

11 (iii) *EMPLOYMENT INFORMATION.*—
12 Each local partnership, through one-stop
13 customer service centers, shall make avail-
14 able—

15 (I) information regarding local,
16 State, and, if appropriate, regional or
17 national, employment opportunities;
18 and

19 (II) information regarding the job
20 skills necessary to obtain the employ-
21 ment opportunities.

22 (iv) *INDIVIDUAL TRAINING AC-*
23 *COUNTS.*—An individual who is eligible
24 pursuant to subparagraph (A) and seeks
25 training services may select, in consultation

1 with a case manager, an eligible provider of
2 training services from the lists of providers
3 described in clause (ii)(I). Upon such selec-
4 tion, the operator of the one-stop customer
5 service center shall, to the extent prac-
6 ticable, refer such individual to the eligible
7 provider of training services, and arrange
8 for payment for such services through an
9 individual training account.

10 (d) *PERMISSIBLE LOCAL ACTIVITIES.*—

11 (1) *DISCRETIONARY ONE-STOP DELIVERY ACTIVI-*
12 *TIES.*—Funds received by a local area under para-
13 graph (3)(A) or (4)(A), as appropriate, of section
14 306(b), and funds received by the local area under
15 section 306(b)(3)(B) may be used to provide, through
16 one-stop delivery described in subsection (b)(2)—

17 (A) *intensive employment-related services*
18 *for participants in training services;*

19 (B) *customized screening and referral of*
20 *qualified participants in training services to em-*
21 *ployment; and*

22 (C) *customized employment-related services*
23 *to employers.*

1 (2) *SUPPORTIVE SERVICES.*—*Funds received by*
2 *the local area as described in paragraph (1) may be*
3 *used to provide supportive services to participants—*

4 (A) *who are participating in activities de-*
5 *scribed in this section; and*

6 (B) *who are unable to obtain such support-*
7 *ive services through other programs providing*
8 *such services.*

9 (3) *NEEDS-RELATED PAYMENTS.*—

10 (A) *IN GENERAL.*—*Funds received by the*
11 *local area under section 306(b)(3)(B) may be*
12 *used to provide needs-related payments to dis-*
13 *located workers who do not qualify for, or have*
14 *exhausted, unemployment compensation, for the*
15 *purpose of enabling such individuals to partici-*
16 *pate in training services.*

17 (B) *ADDITIONAL ELIGIBILITY REQUIRE-*
18 *MENTS.*—*In addition to the requirements con-*
19 *tained in subparagraph (A), a dislocated worker*
20 *who has ceased to qualify for unemployment*
21 *compensation may be eligible to receive needs-re-*
22 *lated payments under this paragraph only if*
23 *such worker was enrolled in the training serv-*
24 *ices—*

1 (i) by the end of the 13th week of the
2 worker's unemployment compensation bene-
3 fits period for the most recent layoff that re-
4 sulted in a determination of the worker's
5 eligibility for employment and training ac-
6 tivities for dislocated workers under this
7 subtitle; or

8 (ii) if later, by the end of the 13th week
9 after the worker is informed that a short-
10 term layoff will exceed 6 months.

11 (C) *LEVEL OF PAYMENTS.*—The level of a
12 needs-related payment made to a dislocated
13 worker under this paragraph shall not exceed the
14 greater of—

15 (i) the applicable level of unemploy-
16 ment compensation; or

17 (ii) if such worker did not qualify for
18 unemployment compensation, an amount
19 equal to the poverty line, for an equivalent
20 period, which amount shall be adjusted to
21 reflect changes in total family income.

22 **SEC. 316. LOCAL YOUTH ACTIVITIES.**

23 (a) *PURPOSES.*—The purposes of this section are—

1 (1) to provide effective and comprehensive activi-
2 ties to youth seeking assistance in achieving academic
3 and employment success;

4 (2) to ensure continuous contact for youth with
5 committed adults;

6 (3) to provide opportunities for training to
7 youth;

8 (4) to provide continued support services for
9 youth;

10 (5) to provide incentives for recognition and
11 achievement to youth; and

12 (6) to provide opportunities for youth in activi-
13 ties related to leadership, development, decisionmak-
14 ing, citizenship, and community service.

15 (b) *REQUIRED ELEMENTS.*—Funds received by a local
16 area under paragraph (3)(C) or (4)(B) of section 306(b)
17 shall be used to carry out, for youth who seek the activities,
18 activities that—

19 (1) consist of the provision of—

20 (A) tutoring, study skills training, and in-
21 struction, leading to completion of secondary
22 school, including dropout prevention strategies;

23 (B) alternative secondary school services;

1 (C) summer employment opportunities and
2 other paid and unpaid work experiences, includ-
3 ing internships;

4 (D) employment skill training, as appro-
5 priate;

6 (E) community service and leadership de-
7 velopment opportunities;

8 (F) services described in section 315(c)(2);

9 (G) supportive services;

10 (H) adult mentoring for the period of par-
11 ticipation and a subsequent period, for a total of
12 not less than 12 months; and

13 (I) followup services for not less than 12
14 months after the completion of participation, as
15 appropriate;

16 (2) provide—

17 (A) preparation for postsecondary edu-
18 cational opportunities, in appropriate cases;

19 (B) strong linkages between academic and
20 occupational learning; and

21 (C) preparation for unsubsidized employ-
22 ment opportunities, in appropriate cases; and

23 (3) involve parents, participants, and other
24 members of the community with experience relating to

1 *youth in the design and implementation of the activi-*
 2 *ties.*

3 (c) *PRIORITY.*—*At a minimum, 50 percent of the funds*
 4 *described in subsection (b) shall be used to provide youth*
 5 *activities to out-of-school youth.*

6 (d) *PROHIBITIONS.*—

7 (1) *NO LOCAL EDUCATION CURRICULUM.*—*No*
 8 *funds described in subsection (b) shall be used to de-*
 9 *velop or implement local school system education cur-*
 10 *ricula.*

11 (2) *NONDUPLICATION.*—*No funds described in*
 12 *subsection (b) shall be used to carry out activities that*
 13 *duplicate federally funded activities available to*
 14 *youth in the local area.*

15 (3) *NONINTERFERENCE AND NONREPLACEMENT*
 16 *OF REGULAR ACADEMIC REQUIREMENTS.*—*No funds*
 17 *described in subsection (b) shall be used to provide an*
 18 *activity for youth who are not school dropouts if par-*
 19 *ticipation in the activity would interfere with or re-*
 20 *place the regular academic requirements of the youth.*

21 **CHAPTER 4—GENERAL PROVISIONS**

22 **SEC. 321. ACCOUNTABILITY.**

23 (a) *PURPOSE.*—*The purpose of this section is to pro-*
 24 *vide comprehensive performance measures to assess the*
 25 *progress of States and local areas (including eligible provid-*

1 *ers and programs of activities authorized under this subtitle*
2 *that are made available in the States and local areas), in*
3 *assisting both employers and jobseekers in meeting their em-*
4 *ployment needs, in order to ensure an adequate return on*
5 *the investment of Federal funds for the activities.*

6 *(b) STATE PERFORMANCE MEASURES.—*

7 *(1) IN GENERAL.—To be eligible to receive an al-*
8 *lotment under section 302, a State shall establish, and*
9 *identify in the State plan, State performance meas-*
10 *ures. Each State performance measure shall consist of*
11 *an indicator of performance, referred to in paragraph*
12 *(2) or (3), and a performance level, referred to in*
13 *paragraph (4).*

14 *(2) CORE INDICATORS OF PERFORMANCE.—The*
15 *State performance measures shall contain indicators*
16 *of performance, including, at a minimum—*

17 *(A) core indicators of performance for*
18 *adults, including dislocated workers, participat-*
19 *ing in activities that are training services, which*
20 *indicators consist of—*

21 *(i) placement in unsubsidized employ-*
22 *ment related to the training received*
23 *through the activities;*

1 (ii) retention in unsubsidized employ-
2 ment related to the training received
3 through the activities—

4 (I) 6 months after completion of
5 participation in the activities; and

6 (II) 12 months after completion of
7 participation;

8 (iii) wages received by such partici-
9 pants who are placed in unsubsidized em-
10 ployment related to the training received
11 through the activities after completion of
12 participation—

13 (I) on the first day of the employ-
14 ment;

15 (II) 6 months after the first day
16 of the employment; and

17 (III) 12 months after the first day
18 of the employment; and

19 (iv) percentage of wage replacement for
20 dislocated workers placed in unsubsidized
21 employment related to the training received
22 through the activities;

23 (B) core indicators of performance for
24 adults, including dislocated workers, participat-
25 ing in activities that are core services, which in-

1 *dicators consist of the indicators described in*
2 *clauses (i) through (iv) of subparagraph (A); and*
3 *(C) core indicators of performance for youth*
4 *participating in youth activities under section*
5 *316, that consist of—*

6 *(i) attainment of secondary school di-*
7 *plomas or their recognized equivalents;*

8 *(ii) attainment of job readiness and*
9 *employment skills;*

10 *(iii) placement in, retention in, and*
11 *completion of postsecondary education, ad-*
12 *vanced training, or an apprenticeship;*

13 *(iv) placement in unsubsidized employ-*
14 *ment related to the training received*
15 *through the activities;*

16 *(v) retention in unsubsidized employ-*
17 *ment related to the training received*
18 *through the activities—*

19 *(I) 6 months after completion of*
20 *participation in the activities; and*

21 *(II) 12 months after completion of*
22 *participation; and*

23 *(vi) wages received by such partici-*
24 *pants who are placed in unsubsidized em-*
25 *ployment related to the training received*

1 *through the activities, after completion of*
2 *participation—*

3 *(I) on the first day of the employ-*
4 *ment;*

5 *(II) 6 months after the first day*
6 *of the employment; and*

7 *(III) 12 months after the first day*
8 *of the employment.*

9 (3) *CUSTOMER SATISFACTION INDICATOR.—The*
10 *State performance measures shall contain an indica-*
11 *tor of performance with respect to customer satisfac-*
12 *tion of employers and participants, which may be*
13 *measured through surveys conducted after the conclu-*
14 *sion of participation in workforce investment activi-*
15 *ties.*

16 (4) *STATE LEVELS OF PERFORMANCE.—In order*
17 *to ensure an adequate return on the investment of*
18 *Federal funds in workforce investment activities, the*
19 *Secretary and each Governor shall reach agreement*
20 *on the levels of performance expected to be achieved by*
21 *the State, on the State performance measures estab-*
22 *lished pursuant to this subsection. In reaching the*
23 *agreement, the Secretary and Governor shall establish*
24 *a level of performance for each indicator of perform-*

1 *ance described in paragraph (2) or (3). Such agree-*
2 *ment shall take into account—*

3 *(A) how the levels compare with the levels*
4 *established by other States, taking into consider-*
5 *ation the specific circumstances, including eco-*
6 *nomical circumstances, of each State; and*

7 *(B) the extent to which such levels promote*
8 *continuous improvement in performance by such*
9 *State and ensure an adequate return on the in-*
10 *vestment of Federal funds.*

11 *(5) POPULATIONS.—In developing the State per-*
12 *formance measures, a State shall develop and identify*
13 *in the State plan State performance measures for*
14 *populations that include, at a minimum—*

15 *(A) disadvantaged adults;*

16 *(B) dislocated workers;*

17 *(C) out-of-school youth; and*

18 *(D) individuals with disabilities.*

19 *(c) LOCAL PERFORMANCE MEASURES.—*

20 *(1) IN GENERAL.—Each Governor shall negotiate*
21 *and reach agreement with the local partnership and*
22 *the chief elected official in each local area on local*
23 *performance measures. Each local performance meas-*
24 *ure shall consist of an indicator of performance re-*

1 ferred to in paragraph (2) or (3) of subsection (b),
2 and a performance level referred to in paragraph (2).

3 (2) *PERFORMANCE LEVELS.*—Based on the ex-
4 pected levels of performance established pursuant to
5 subsection (b)(4), the Governor shall negotiate and
6 reach agreement with the local partnership and the
7 chief elected official in each local area regarding the
8 levels of performance expected to be achieved for the
9 local area on the indicators of performance.

10 (3) *POPULATIONS.*—In negotiating and reaching
11 agreement on the local performance measures, the
12 Governor, local partnership, and chief elected official,
13 shall negotiate and reach agreement on local perform-
14 ance measures for populations that include, at a min-
15 imum, the populations described in subsection (b)(5).
16 The local partnership shall identify these local per-
17 formance measures in the local plan.

18 (d) *REPORT.*—

19 (1) *IN GENERAL.*—Each State that receives an
20 allotment under section 302 shall annually prepare
21 and submit to the Secretary a report on the progress
22 of the State in achieving State performance measures.
23 The annual report shall also include information re-
24 garding the progress of local areas in achieving local
25 performance measures. The report shall also include

1 *information on the status of State evaluations of*
2 *workforce investment activities described in subsection*
3 *(e).*

4 (2) *ADDITIONAL INFORMATION.—In preparing*
5 *such report, the State shall include, at a minimum,*
6 *information relating to—*

7 (A) *the performance of graduates of pro-*
8 *grams of training services as compared to former*
9 *enrollees in the programs, with respect to the*
10 *core indicators described in subsection (b)(2)(A);*

11 (B) *the educational attainment of such*
12 *graduates and former enrollees;*

13 (C) *the cost of the workforce investment ac-*
14 *tivities relative to the impact of the activities on*
15 *the performance of graduates on the core indica-*
16 *tors; and*

17 (D) *the performance of welfare recipients,*
18 *veterans, individuals with disabilities, and dis-*
19 *placed homemakers with respect to the core indi-*
20 *cators described in subparagraphs (A) and (B) of*
21 *subsection (b)(2).*

22 (3) *INFORMATION DISSEMINATION.—The Sec-*
23 *retary shall make the information contained in such*
24 *reports available to Congress, the Library of Congress,*
25 *and the public through publication and other appro-*

1 *appropriate methods, and shall disseminate State-by-State*
2 *comparisons of the information that take into consid-*
3 *eration the specific circumstances, including economic*
4 *circumstances, of the States.*

5 (4) *DEFINITION.—In this subsection, the term*
6 *“welfare recipient” means a person receiving pay-*
7 *ments described in section 2(24)(A).*

8 (e) *EVALUATION OF STATE PROGRAMS.—*

9 (1) *WORKFORCE INVESTMENT ACTIVITIES.—*
10 *Using funds reserved under section 306(a)(1), a State*
11 *shall conduct ongoing evaluations of workforce invest-*
12 *ment activities carried out in the State under this*
13 *subtitle.*

14 (2) *CRITERIA FOR LONGITUDINAL STUDIES.—*
15 *The evaluations shall include longitudinal studies of*
16 *the workforce investment activities. Evaluation cri-*
17 *teria for purposes of the longitudinal studies shall be*
18 *developed in conjunction with statewide partnerships*
19 *and local partnerships. The criteria shall measure the*
20 *relationship between the level of public funding for the*
21 *activities and the degree to which the activities pro-*
22 *mote employment and wage gains. Such longitudinal*
23 *studies shall be conducted by an evaluator who is un-*
24 *affiliated with the statewide partnership or the local*

1 *partnership and shall include measures that reflect*
2 *the State performance measures.*

3 (3) *ADDITIONAL STUDIES.—The State shall also*
4 *fund evaluation studies of the workforce investment*
5 *activities. The evaluation studies shall provide ongo-*
6 *ing analysis to statewide partnerships and local part-*
7 *nerships to promote efficiency and effectiveness in im-*
8 *proving employability outcomes for jobseekers and*
9 *competitiveness for employers. Such evaluation stud-*
10 *ies shall be designed in conjunction with statewide*
11 *partnerships and local partnerships, and shall in-*
12 *clude analysis of customer feedback, and outcome and*
13 *process measures.*

14 (f) *FISCAL AND MANAGEMENT ACCOUNTABILITY IN-*
15 *FORMATION SYSTEMS.—*

16 (1) *IN GENERAL.—Using funds reserved under*
17 *section 306(a)(1), the Governor shall operate a fiscal*
18 *and management accountability information system,*
19 *based on guidelines established by the Secretary in*
20 *consultation with the Governors and other appro-*
21 *priate parties. Such guidelines shall promote the effi-*
22 *cient collection and use of fiscal and management in-*
23 *formation for reporting and monitoring the use of*
24 *funds made available to the State under this subtitle*
25 *for workforce investment activities and for use by the*

1 *State in preparing the annual report described in*
2 *subsection (d). In measuring the progress of the State*
3 *on State and local performance measures, a State*
4 *shall utilize quarterly wage records available through*
5 *the unemployment insurance system.*

6 (2) *CONFIDENTIALITY.*—*In carrying out the re-*
7 *quirements of this Act, the State shall comply with*
8 *section 444 of the General Education Provisions Act*
9 *(20 U.S.C. 1232g) (as added by the Family Edu-*
10 *cational Rights and Privacy Act of 1974).*

11 (i) *SANCTIONS.*—

12 (1) *DETERMINATION.*—*If a State fails to meet 2*
13 *or more State performance measures described in this*
14 *section for each of the 3 years covered by a State*
15 *plan, the Secretary shall determine whether the fail-*
16 *ure is attributable to—*

17 (A) *adult employment and training activi-*
18 *ties;*

19 (B) *dislocated worker employment and*
20 *training activities; or*

21 (C) *youth activities.*

22 (2) *TECHNICAL ASSISTANCE OR REDUCTION OF*
23 *ALLOTMENTS.*—*The Secretary—*

1 (A) may provide technical assistance to the
2 State to improve the level of performance of the
3 State, in accordance with section 366(b); and

4 (B) shall, on finding that a State fails to
5 meet 2 or more State performance measures for
6 2 consecutive years, reduce, by not more than 5
7 percent, the allotment made under section 302
8 for the category of activities to which the failure
9 is attributable.

10 (3) FUNDS RESULTING FROM REDUCED ALLOT-
11 MENTS.—The Secretary may use an amount retained
12 as a result of a reduction in an allotment made under
13 paragraph (2)(B) to award an incentive grant under
14 section 365 or to provide technical assistance in ac-
15 cordance with section 366.

16 (h) INCENTIVE GRANTS.—The Secretary may make in-
17 centive grants under section 365 to States that exceed the
18 State performance measures.

19 (i) DEFINITIONS.—In this section:

20 (1) FORMER ENROLLEE.—The term “former en-
21 rollee” means an individual who has been selected for
22 and has enrolled in a program of workforce invest-
23 ment activities, but left the program before completing
24 the requirements of the program.

1 (2) *GRADUATE.*—*The term “graduate” means an*
2 *individual who has been selected for and has enrolled*
3 *in a program of workforce investment activities and*
4 *has completed the requirements of such program.*

5 (j) *OTHER TERMS.*—*The Secretary, in consultation*
6 *with the Governors, local partnerships, and other appro-*
7 *priate entities, shall issue regulations that identify and de-*
8 *fine other terms used in this title, in order to promote uni-*
9 *formity in the implementation of this Act.*

10 **SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

11 (a) *ADULT EMPLOYMENT AND TRAINING ACTIVI-*
12 *TIES.*—*There are authorized to be appropriated to carry out*
13 *the activities described in section 302(a)(1) under this sub-*
14 *title, such sums as may be necessary for each of fiscal years*
15 *1999 through 2004.*

16 (b) *DISLOCATED WORKER EMPLOYMENT AND TRAIN-*
17 *ING ACTIVITIES.*—*There are authorized to be appropriated*
18 *to carry out the activities described in section 302(a)(2)*
19 *under this subtitle, such sums as may be necessary for each*
20 *of fiscal years 1999 through 2004.*

21 (c) *YOUTH ACTIVITIES.*—*There are authorized to be*
22 *appropriated to carry out the activities described in section*
23 *302(a)(3) under this subtitle, such sums as may be nec-*
24 *essary for each of fiscal years 1999 through 2004.*

Subtitle B—Job Corps

SEC. 331. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist eligible youth who need and can benefit from an intensive program, operated in a group setting in residential and nonresidential centers, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of activities described in this subtitle; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 332. DEFINITIONS.

In this subtitle:

(1) APPLICABLE LOCAL PARTNERSHIP.—The term “applicable local partnership” means a local partnership—

1 (A) that provides information for a Job
2 Corps center on local employment opportunities
3 and the job skills needed to obtain the opportuni-
4 ties; and

5 (B) that serves communities in which the
6 graduates of the Job Corps center seek employ-
7 ment.

8 (2) *APPLICABLE ONE-STOP CUSTOMER SERVICE*
9 *CENTER.*—The term “applicable one-stop customer
10 service center” means a one-stop customer service cen-
11 ter that provides services, such as referral, intake, re-
12 cruitment, and placement, to a Job Corps center.

13 (3) *ENROLLEE.*—The term “enrollee” means an
14 individual who has voluntarily applied for, been se-
15 lected for, and enrolled in the Job Corps program,
16 and remains with the program, but has not yet be-
17 come a graduate.

18 (4) *FORMER ENROLLEE.*—The term “former en-
19 rollee” means an individual who has voluntarily ap-
20 plied for, been selected for, and enrolled in the Job
21 Corps program, but left the program before complet-
22 ing the requirements of a vocational training pro-
23 gram, or receiving a secondary school diploma or rec-
24 ognized equivalent, as a result of participation in the
25 Job Corps program.

1 (5) *GRADUATE.*—*The term “graduate” means an*
2 *individual who has voluntarily applied for, been se-*
3 *lected for, and enrolled in the Job Corps program and*
4 *has completed the requirements of a vocational train-*
5 *ing program, or received a secondary school diploma*
6 *or recognized equivalent, as a result of participation*
7 *in the Job Corps program.*

8 (6) *JOB CORPS.*—*The term “Job Corps” means*
9 *the Job Corps described in section 333.*

10 (7) *JOB CORPS CENTER.*—*The term “Job Corps*
11 *center” means a center described in section 333.*

12 (8) *OPERATOR.*—*The term “operator” means an*
13 *entity selected under this subtitle to operate a Job*
14 *Corps center.*

15 (9) *REGION.*—*The term “region” means an area*
16 *served by a regional office of the Employment and*
17 *Training Administration.*

18 (10) *SERVICE PROVIDER.*—*The term “service*
19 *provider” means an entity selected under this subtitle*
20 *to provide services described in this subtitle to a Job*
21 *Corps center.*

22 **SEC. 333. ESTABLISHMENT.**

23 *There shall be established in the Department of Labor*
24 *a Job Corps program, to carry out activities described in*

1 *this subtitle for individuals enrolled in a Job Corps and*
2 *assigned to a center.*

3 **SEC. 334. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.**

4 *To be eligible to become an enrollee, an individual*
5 *shall be—*

6 *(1) not less than age 16 and not more than age*
7 *21 on the date of enrollment, except that—*

8 *(A) not more than 20 percent of the indi-*
9 *viduals enrolled in the Job Corps may be not less*
10 *than age 22 and not more than age 24 on the*
11 *date of enrollment; and*

12 *(B) either such maximum age limitation*
13 *may be waived by the Secretary, in accordance*
14 *with regulations of the Secretary, in the case of*
15 *an individual with a disability;*

16 *(2) a low-income individual; and*

17 *(3) an individual who is 1 or more of the follow-*
18 *ing:*

19 *(A) Basic skills deficient.*

20 *(B) A school dropout.*

21 *(C) Homeless, a runaway, or a foster child.*

22 *(D) A parent.*

23 *(E) An individual who requires additional*
24 *education, vocational training, or intensive*
25 *counseling and related assistance, in order to*

1 *participate successfully in regular schoolwork or*
2 *to secure and hold employment.*

3 **SEC. 335. RECRUITMENT, SCREENING, SELECTION, AND AS-**
4 **SIGNMENT OF ENROLLEES.**

5 *(a) STANDARDS AND PROCEDURES.—*

6 *(1) IN GENERAL.—The Secretary shall prescribe*
7 *specific standards and procedures for the recruitment,*
8 *screening, and selection of eligible applicants for the*
9 *Job Corps, after considering recommendations from*
10 *the Governors, local partnerships, and other interested*
11 *parties.*

12 *(2) METHODS.—In prescribing standards and*
13 *procedures under paragraph (1), the Secretary, at a*
14 *minimum, shall—*

15 *(A) prescribe procedures for informing en-*
16 *rollees that drug tests will be administered to the*
17 *enrollees and the results received within 45 days*
18 *after the enrollees enroll in the Job Corps;*

19 *(B) establish standards for recruitment of*
20 *Job Corps applicants;*

21 *(C) establish standards and procedures*
22 *for—*

23 *(i) determining, for each applicant,*
24 *whether the educational and vocational*
25 *needs of the applicant can best be met*

1 *through the Job Corps program or an alter-*
2 *native program in the community in which*
3 *the applicant resides; and*

4 *(ii) obtaining from each applicant per-*
5 *tinent data relating to background, needs,*
6 *and interests for determining eligibility and*
7 *potential assignment;*

8 *(D) where appropriate, take measures to*
9 *improve the professional capability of the indi-*
10 *viduals conducting screening of the applicants;*
11 *and*

12 *(E) assure that an appropriate number of*
13 *enrollees are from rural areas.*

14 (3) *IMPLEMENTATION.—To the extent prac-*
15 *ticable, the standards and procedures shall be imple-*
16 *mented through arrangements with—*

17 *(A) applicable one-stop customer service*
18 *centers;*

19 *(B) community action agencies, business or-*
20 *ganizations, and labor organizations; and*

21 *(C) agencies and individuals that have con-*
22 *tact with youth over substantial periods of time*
23 *and are able to offer reliable information about*
24 *the needs and problems of youth.*

1 (4) *CONSULTATION.*—*The standards and proce-*
2 *dures shall provide for necessary consultation with in-*
3 *dividuals and organizations, including court, proba-*
4 *tion, parole, law enforcement, education, welfare, and*
5 *medical authorities and advisers.*

6 (5) *REIMBURSEMENT.*—*The Secretary is author-*
7 *ized to enter into contracts with and make payments*
8 *to individuals and organizations for the cost of con-*
9 *ducting recruitment, screening, and selection of eligi-*
10 *ble applicants for the Job Corps, as provided for in*
11 *this section. The Secretary shall make no payment to*
12 *any individual or organization solely as compensa-*
13 *tion for referring the names of applicants for the Job*
14 *Corps.*

15 (b) *SPECIAL LIMITATIONS ON SELECTION.*—

16 (1) *IN GENERAL.*—*No individual shall be selected*
17 *as an enrollee unless the individual or organization*
18 *implementing the standards and procedures deter-*
19 *mines that—*

20 (A) *there is a reasonable expectation that*
21 *the individual considered for selection can par-*
22 *ticipate successfully in group situations and ac-*
23 *tivities, and is not likely to engage in behavior*
24 *that would prevent other enrollees from receiving*
25 *the benefit of the Job Corps program or be in-*

1 *compatible with the maintenance of sound dis-*
2 *cipline and satisfactory relationships between the*
3 *Job Corps center to which the individual might*
4 *be assigned and communities surrounding the*
5 *Job Corps center;*

6 *(B) the individual manifests a basic under-*
7 *standing of both the rules to which the individ-*
8 *ual will be subject and of the consequences of*
9 *failure to observe the rules; and*

10 *(C) the individual has passed a background*
11 *check conducted in accordance with procedures*
12 *established by the Secretary.*

13 (2) *INDIVIDUALS ON PROBATION, PAROLE, OR SU-*
14 *PERVISED RELEASE.—An individual on probation,*
15 *parole, or supervised release may be selected as an en-*
16 *rollee only if release from the supervision of the pro-*
17 *bation or parole official involved is satisfactory to the*
18 *official and the Secretary and does not violate appli-*
19 *cable laws (including regulations). No individual*
20 *shall be denied a position in the Job Corps solely on*
21 *the basis of individual contact with the criminal jus-*
22 *tice system.*

23 (c) *ASSIGNMENT PLAN.—*

24 (1) *IN GENERAL.—Every 2 years, the Secretary*
25 *shall develop and implement an assignment plan for*

1 *assigning enrollees to Job Corps centers. In developing*
2 *the plan, the Secretary shall, based on the analysis*
3 *described in paragraph (2), establish targets, applica-*
4 *ble to each Job Corps center, for—*

5 *(A) the maximum attainable percentage of*
6 *enrollees at the Job Corps center that reside in*
7 *the State in which the center is located; and*

8 *(B) the maximum attainable percentage of*
9 *enrollees at the Job Corps center that reside in*
10 *the region in which the center is located, and in*
11 *surrounding regions.*

12 *(2) ANALYSIS.—In order to develop the plan de-*
13 *scribed in paragraph (1), the Secretary shall, every 2*
14 *years, analyze, for the Job Corps center—*

15 *(A) the size of the population of individuals*
16 *eligible to participate in Job Corps in the State*
17 *and region in which the Job Corps center is lo-*
18 *cated, and in surrounding regions;*

19 *(B) the relative demand for participation in*
20 *the Job Corps in the State and region, and in*
21 *surrounding regions; and*

22 *(C) the capacity and utilization of the Job*
23 *Corps center, including services provided through*
24 *the center.*

25 *(d) ASSIGNMENT OF INDIVIDUAL ENROLLEES.—*

1 (1) *IN GENERAL.*—After an individual has been
2 selected for the Job Corps in accordance with the
3 standards and procedures of the Secretary under sub-
4 section (a), the enrollee shall be assigned to the Job
5 Corps center that is closest to the home of the enrollee,
6 except that the Secretary may waive this requirement
7 if—

8 (A) the enrollee chooses a vocational train-
9 ing program, or requires an English as a second
10 language program, that is not available at such
11 center;

12 (B) the enrollee is an individual with a dis-
13 ability and may be better served at another cen-
14 ter;

15 (C) the enrollee would be unduly delayed in
16 participating in the Job Corps program because
17 the closest center is operating at full capacity; or

18 (D) the parent or guardian of the enrollee
19 requests assignment of the enrollee to another Job
20 Corps center due to circumstances in the commu-
21 nity of the enrollee that would impair prospects
22 for successful participation in the Job Corps pro-
23 gram.

24 (2) *ENROLLEES WHO ARE YOUNGER THAN 18.*—
25 An enrollee who is younger than 18 shall not be as-

1 *signed to a Job Corps center other than the center*
2 *closest to the home of the enrollee pursuant to para-*
3 *graph (1) if the parent or guardian of the enrollee ob-*
4 *jects to the assignment.*

5 **SEC. 336. ENROLLMENT.**

6 *(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILI-*
7 *TARY OBLIGATIONS.—Enrollment in the Job Corps shall*
8 *not relieve any individual of obligations under the Military*
9 *Selective Service Act (50 U.S.C. App. 451 et seq.).*

10 *(b) PERIOD OF ENROLLMENT.—No individual may be*
11 *enrolled in the Job Corps for more than 2 years, except—*

12 *(1) in a case in which completion of an ad-*
13 *vanced career training program under section 338(b)*
14 *would require an individual to participate in the Job*
15 *Corps for not more than 1 additional year; or*

16 *(2) as the Secretary may authorize in a special*
17 *case.*

18 **SEC. 337. JOB CORPS CENTERS.**

19 *(a) OPERATORS AND SERVICE PROVIDERS.—*

20 *(1) ELIGIBLE ENTITIES.—*

21 *(A) OPERATORS.—The Secretary shall enter*
22 *into an agreement with a Federal, State, or local*
23 *agency, such as individuals participating in a*
24 *statewide partnership or in a local partnership*
25 *or an agency that operates or wishes to develop*

1 *an area vocational education school facility or*
2 *residential vocational school, or with a private*
3 *organization, for the operation of each Job Corps*
4 *center.*

5 *(B) PROVIDERS.—The Secretary may enter*
6 *into an agreement with a local entity to provide*
7 *activities described in this subtitle to the Job*
8 *Corps center.*

9 *(2) SELECTION PROCESS.—*

10 *(A) COMPETITIVE BASIS.—Except as pro-*
11 *vided in subsections (c) and (d) of section 303 of*
12 *the Federal Property and Administrative Serv-*
13 *ices Act of 1949 (41 U.S.C. 253), the Secretary*
14 *shall select on a competitive basis an entity to*
15 *operate a Job Corps center and entities to pro-*
16 *vide activities described in this subtitle to the*
17 *Job Corps center. In developing a solicitation for*
18 *an operator or service provider, the Secretary*
19 *shall consult with the Governor of the State in*
20 *which the center is located, the industry council*
21 *for the Job Corps center (if established), and the*
22 *applicable local partnership regarding the con-*
23 *tents of such solicitation, including elements that*
24 *will promote the consistency of the activities car-*

1 *ried out through the center with the objectives set*
2 *forth in the State plan or in a local plan.*

3 (B) *RECOMMENDATIONS AND CONSIDER-*
4 *ATIONS.—*

5 (i) *OPERATORS.—In selecting an en-*
6 *tity to operate a Job Corps center, the Sec-*
7 *retary shall consider—*

8 (I) *the ability of the entity to co-*
9 *ordinate the activities carried out*
10 *through the Job Corps center with ac-*
11 *tivities carried out under the appro-*
12 *priate State plan and local plans;*

13 (II) *the degree to which the voca-*
14 *tional training that the entity proposes*
15 *for the center reflects local employment*
16 *opportunities in the local areas in*
17 *which enrollees at the center intend to*
18 *seek employment;*

19 (III) *the degree to which the en-*
20 *tity is familiar with the surrounding*
21 *communities, applicable one-stop cen-*
22 *ters, and the State and region in which*
23 *the center is located; and*

24 (IV) *the past performance of the*
25 *entity, if any, relating to operating or*

1 *providing activities described in this*
2 *subtitle to a Job Corps center.*

3 *(ii) PROVIDERS.—In selecting a service*
4 *provider for a Job Corps center, the Sec-*
5 *retary shall consider the factors described in*
6 *subclauses (I) through (IV) of clause (i), as*
7 *appropriate.*

8 *(b) CHARACTER AND ACTIVITIES.—Job Corps centers*
9 *may be residential or nonresidential in character, and shall*
10 *be designed and operated so as to provide enrollees, in a*
11 *well-supervised setting, with access to activities described*
12 *in this subtitle. In any year, no more than 20 percent of*
13 *the individuals enrolled in the Job Corps may be nonresi-*
14 *dential participants in the Job Corps.*

15 *(c) CIVILIAN CONSERVATION CENTERS.—*

16 *(1) IN GENERAL.—The Job Corps centers may*
17 *include Civilian Conservation Centers operated under*
18 *agreements with the Secretary of Agriculture or the*
19 *Secretary of the Interior, located primarily in rural*
20 *areas, which shall provide, in addition to other voca-*
21 *tional training and assistance, programs of work ex-*
22 *perience to conserve, develop, or manage public natu-*
23 *ral resources or public recreational areas or to develop*
24 *community projects in the public interest.*

1 (2) *SELECTION PROCESS.*—*The Secretary may*
2 *select an entity to operate a Civilian Conservation*
3 *Center on a competitive basis, as provided in sub-*
4 *section (a), if the center fails to meet such national*
5 *performance standards as the Secretary shall estab-*
6 *lish.*

7 (d) *INDIAN TRIBES.*—

8 (1) *GENERAL AUTHORITY.*—*The Secretary may*
9 *enter into agreements with Indian tribes to operate*
10 *Job Corps centers for Indians.*

11 (2) *DEFINITIONS.*—*In this subsection, the terms*
12 *“Indian” and “Indian tribe”, have the meanings*
13 *given such terms in subsections (d) and (e), respec-*
14 *tively, of section 4 of the Indian Self-Determination*
15 *and Education Assistance Act (25 U.S.C. 450b).*

16 **SEC. 338. PROGRAM ACTIVITIES.**

17 (a) *ACTIVITIES PROVIDED BY JOB CORPS CENTERS.*—

18 (1) *IN GENERAL.*—*Each Job Corps center shall*
19 *provide enrollees with an intensive, well organized,*
20 *and fully supervised program of education, vocational*
21 *training, work experience, recreational activities, and*
22 *counseling. Each Job Corps center shall provide en-*
23 *rollees assigned to the center with access to core serv-*
24 *ices described in subtitle A.*

25 (2) *RELATIONSHIP TO OPPORTUNITIES.*—

1 (A) *IN GENERAL.*—*The activities provided*
2 *under this subsection shall provide work-based*
3 *learning throughout the enrollment of the enroll-*
4 *ees and assist the enrollees in obtaining mean-*
5 *ingful unsubsidized employment, participating*
6 *in secondary education or postsecondary edu-*
7 *cation programs, enrolling in other suitable vo-*
8 *ccational training programs, or satisfying Armed*
9 *Forces requirements, on completion of their en-*
10 *rollment.*

11 (B) *LINK TO EMPLOYMENT OPPORTUNI-*
12 *TIES.*—*The vocational training provided shall be*
13 *linked to the employment opportunities in the*
14 *local area in which the enrollee intends to seek*
15 *employment after graduation.*

16 (b) *ADVANCED CAREER TRAINING PROGRAMS.*—

17 (1) *IN GENERAL.*—*The Secretary may arrange*
18 *for programs of advanced career training for selected*
19 *enrollees in which the enrollees may continue to par-*
20 *ticipate for a period of not to exceed 1 year in addi-*
21 *tion to the period of participation to which the enroll-*
22 *ees would otherwise be limited. The advanced career*
23 *training may be provided through the eligible provid-*
24 *ers of training services identified by the State in-*
25 *volved under section 312.*

1 (2) *BENEFITS.*—

2 (A) *IN GENERAL.*—*During the period of*
3 *participation in an advanced career training*
4 *program, an enrollee shall be eligible for full Job*
5 *Corps benefits, or a monthly stipend equal to the*
6 *average value of the residential support, food, al-*
7 *lowances, and other benefits provided to enrollees*
8 *assigned to residential Job Corps centers.*

9 (B) *CALCULATION.*—*The total amount for*
10 *which an enrollee shall be eligible under sub-*
11 *paragraph (A) shall be reduced by the amount of*
12 *any scholarship or other educational grant as-*
13 *sistance received by such enrollee for advanced*
14 *career training.*

15 (3) *DEMONSTRATION.*—*Each year, any operator*
16 *seeking to enroll additional enrollees in an advanced*
17 *career training program shall demonstrate that par-*
18 *ticipants in such program have achieved a reasonable*
19 *rate of completion and placement in training-related*
20 *jobs before the operator may carry out such addi-*
21 *tional enrollment.*

22 (c) *CONTINUED SERVICES.*—*The Secretary shall also*
23 *provide continued services to graduates, including provid-*
24 *ing counseling regarding the workplace for 12 months after*
25 *the date of graduation of the graduates. In selecting a pro-*

1 *vider for such services, the Secretary shall give priority to*
2 *one-stop partners.*

3 **SEC. 339. COUNSELING AND JOB PLACEMENT.**

4 (a) *COUNSELING AND TESTING.*—*The Secretary shall*
5 *arrange for counseling and testing for each enrollee at regu-*
6 *lar intervals to measure progress in the education and voca-*
7 *tional training programs carried out through the Job*
8 *Corps.*

9 (b) *PLACEMENT.*—*The Secretary shall arrange for*
10 *counseling and testing for enrollees prior to their scheduled*
11 *graduations to determine their capabilities and, based on*
12 *their capabilities, shall make every effort to arrange to place*
13 *the enrollees in jobs in the vocations for which the enrollees*
14 *are trained or to assist the enrollees in obtaining further*
15 *activities described in this subtitle. In arranging for the*
16 *placement of graduates in jobs, the Secretary shall utilize*
17 *the one-stop customer service system to the fullest extent pos-*
18 *sible.*

19 (c) *STATUS AND PROGRESS.*—*The Secretary shall de-*
20 *termine the status and progress of enrollees scheduled for*
21 *graduation and make every effort to assure that their needs*
22 *for further activities described in this subtitle are met.*

23 **SEC. 340. SUPPORT.**

24 (a) *PERSONAL ALLOWANCES.*—*The Secretary shall*
25 *provide enrollees assigned to Job Corps centers with such*

1 *personal allowances as the Secretary may determine to be*
2 *necessary or appropriate to meet the needs of the enrollees.*

3 (b) *READJUSTMENT ALLOWANCES.*—*The Secretary*
4 *shall arrange for a readjustment allowance to be paid to*
5 *eligible former enrollees and graduates. The Secretary shall*
6 *arrange for the allowance to be paid at the one-stop cus-*
7 *tomers service center nearest to the home of such a former*
8 *enrollee or graduate who is returning home, or at the one-*
9 *stop customer service center nearest to the location where*
10 *the former enrollee or graduate has indicated an intent to*
11 *seek employment. If the Secretary uses any organization,*
12 *in lieu of a one-stop customer service center, to provide*
13 *placement services under this Act, the Secretary shall ar-*
14 *range for that organization to pay the readjustment allow-*
15 *ance.*

16 **SEC. 341. OPERATING PLAN.**

17 (a) *IN GENERAL.*—*The provisions of the contract be-*
18 *tween the Secretary and an entity selected to operate a Job*
19 *Corps center shall, at a minimum, serve as an operating*
20 *plan for the Job Corps center.*

21 (b) *ADDITIONAL INFORMATION.*—*The Secretary may*
22 *require the operator, in order to remain eligible to operate*
23 *the Job Corps center, to submit such additional information*
24 *as the Secretary may require, which shall be considered*
25 *part of the operating plan.*

1 (c) *AVAILABILITY.*—*The Secretary shall make the oper-*
2 *ating plan described in subsections (a) and (b), excluding*
3 *any proprietary information, available to the public.*

4 **SEC. 342. STANDARDS OF CONDUCT.**

5 (a) *PROVISION AND ENFORCEMENT.*—*The Secretary*
6 *shall provide, and directors of Job Corps centers shall strin-*
7 *gently enforce, standards of conduct within the centers.*
8 *Such standards of conduct shall include provisions forbid-*
9 *ding the actions described in subsection (b)(2)(A).*

10 (b) *DISCIPLINARY MEASURES.*—

11 (1) *IN GENERAL.*—*To promote the proper moral*
12 *and disciplinary conditions in the Job Corps, the di-*
13 *rectors of Job Corps centers shall take appropriate*
14 *disciplinary measures against enrollees. If such a di-*
15 *rector determines that an enrollee has committed a*
16 *violation of the standards of conduct, the director*
17 *shall dismiss the enrollee from the Job Corps if the di-*
18 *rector determines that the retention of the enrollee in*
19 *the Job Corps will jeopardize the enforcement of such*
20 *standards or diminish the opportunities of other en-*
21 *rollees.*

22 (2) *ZERO TOLERANCE POLICY AND DRUG TEST-*
23 *ING.*—

24 (A) *GUIDELINES.*—*The Secretary shall*
25 *adopt guidelines establishing a zero tolerance*

1 *policy for an act of violence, for use, sale, or pos-*
2 *session of a controlled substance, for abuse of al-*
3 *cohol, or for other illegal or disruptive activity.*

4 *(B) DRUG TESTING.—The Secretary shall*
5 *require drug testing of all enrollees for controlled*
6 *substances in accordance with procedures pre-*
7 *scribed by the Secretary under section 335(a).*

8 *(C) DEFINITIONS.—In this paragraph:*

9 *(i) CONTROLLED SUBSTANCE.—The*
10 *term “controlled substance” has the mean-*
11 *ing given the term in section 102 of the*
12 *Controlled Substances Act (21 U.S.C. 802).*

13 *(ii) ZERO TOLERANCE POLICY.—The*
14 *term “zero tolerance policy” means a policy*
15 *under which an enrollee shall be automati-*
16 *cally dismissed from the Job Corps after a*
17 *determination by the director that the en-*
18 *rollee has carried out an action described in*
19 *subparagraph (A).*

20 *(c) APPEAL.—A disciplinary measure taken by a di-*
21 *rector under this section shall be subject to expeditious ap-*
22 *peal in accordance with procedures established by the Sec-*
23 *retary.*

1 **SEC. 343. COMMUNITY PARTICIPATION.**

2 (a) *BUSINESS AND COMMUNITY LIAISON.*—Each Job
3 Corps center shall have a Business and Community Liaison
4 (referred to in this Act as a “Liaison”), designated by the
5 director of the center.

6 (b) *RESPONSIBILITIES.*—The responsibilities of the Li-
7 aison shall include—

8 (1) *establishing and developing relationships and*
9 *networks with—*

10 (A) *local and (in the case of rural or remote*
11 *sites) distant employers; and*

12 (B) *applicable one-stop customer service*
13 *centers and applicable local partnerships,*
14 *for the purpose of providing job opportunities for Job*
15 *Corps graduates; and*

16 (2) *establishing and developing relationships*
17 *with members of the community in which the Job*
18 *Corps center is located, informing members of the*
19 *community about the projects of the Job Corps center*
20 *and changes in the rules, procedures, or activities of*
21 *the center that may affect the community, and plan-*
22 *ning events of mutual interest to the community and*
23 *the Job Corps center.*

24 (c) *NEW CENTERS.*—The Liaison for a Job Corps cen-
25 ter that is not yet operating shall establish and develop the
26 relationships and networks described in subsection (b) at

1 *least 3 months prior to the date on which the center accepts*
 2 *the first enrollee at the center.*

3 **SEC. 344. INDUSTRY COUNCILS.**

4 (a) *IN GENERAL.*—*Each Job Corps center shall have*
 5 *an industry council, appointed by the director of the center*
 6 *after consultation with the Liaison, in accordance with pro-*
 7 *cedures established by the Secretary.*

8 (b) *INDUSTRY COUNCIL COMPOSITION.*—

9 (1) *IN GENERAL.*—*An industry council shall be*
 10 *comprised of—*

11 (A) *a majority of members who shall be*
 12 *local and (in the case of rural or remote sites)*
 13 *distant owners of business concerns, chief execu-*
 14 *tives or chief operating officers of nongovern-*
 15 *mental employers, or other private sector em-*
 16 *ployers, who—*

17 (i) *have substantial management, hir-*
 18 *ing, or policy responsibility; and*

19 (ii) *represent businesses with employ-*
 20 *ment opportunities that reflect the employ-*
 21 *ment opportunities of the applicable local*
 22 *area; and*

23 (B) *representatives of labor organizations*
 24 *(where present) and representatives of employees.*

1 (2) *LOCAL PARTNERSHIP.*—*The industry council*
2 *may include members of the applicable local partner-*
3 *ships who meet the requirements described in para-*
4 *graph (1).*

5 (c) *RESPONSIBILITIES.*—*The responsibilities of the in-*
6 *dustry council shall be—*

7 (1) *to work closely with all applicable local part-*
8 *nerships in order to determine, and recommend to the*
9 *Secretary, appropriate vocational training for the*
10 *center;*

11 (2) *to review all the relevant labor market infor-*
12 *mation to—*

13 (A) *determine the employment opportunities*
14 *in the local areas in which the enrollees intend*
15 *to seek employment after graduation;*

16 (B) *determine the skills and education that*
17 *are necessary to obtain the employment opportu-*
18 *nities; and*

19 (C) *recommend to the Secretary the type of*
20 *vocational training that should be implemented*
21 *at the center to enable the enrollees to obtain the*
22 *employment opportunities; and*

23 (3) *to meet at least once every 6 months to re-*
24 *evaluate the labor market information, and other rel-*
25 *evant information, to determine, and recommend to*

1 *the Secretary, any necessary changes in the voca-*
2 *tional training provided at the center.*

3 *(d) NEW CENTERS.—The industry council for a Job*
4 *Corps center that is not yet operating shall carry out the*
5 *responsibilities described in subsection (c) at least 3 months*
6 *prior to the date on which the center accepts the first en-*
7 *rollee at the center.*

8 **SEC. 345. ADVISORY COMMITTEES.**

9 *The Secretary may establish and use advisory commit-*
10 *tees in connection with the operation of the Job Corps pro-*
11 *gram, and the operation of Job Corps centers, whenever the*
12 *Secretary determines that the availability of outside advice*
13 *and counsel on a regular basis would be of substantial bene-*
14 *fit in identifying and overcoming problems, in planning*
15 *program or center development, or in strengthening rela-*
16 *tionships between the Job Corps and agencies, institutions,*
17 *or groups engaged in related activities.*

18 **SEC. 346. EXPERIMENTAL, RESEARCH, AND DEMONSTRATION PROJECTS.**

19 *The Secretary may carry out experimental, research,*
20 *or demonstration projects relating to carrying out the Job*
21 *Corps program and may waive any provision of this sub-*
22 *title that the Secretary finds would prevent the Secretary*
23 *from carrying out the projects.*
24

1 **SEC. 347. APPLICATION OF PROVISIONS OF FEDERAL LAW.**

2 (a) *ENROLLEES NOT CONSIDERED TO BE FEDERAL*
3 *EMPLOYEES.*—

4 (1) *IN GENERAL.*—*Except as otherwise provided*
5 *in this subsection and in section 8143(a) of title 5,*
6 *United States Code, enrollees shall not be considered*
7 *to be Federal employees and shall not be subject to the*
8 *provisions of law relating to Federal employment, in-*
9 *cluding such provisions regarding hours of work, rates*
10 *of compensation, leave, unemployment compensation,*
11 *and Federal employee benefits.*

12 (2) *PROVISIONS RELATING TO TAXES AND SOCIAL*
13 *SECURITY BENEFITS.*—*For purposes of the Internal*
14 *Revenue Code of 1986 and title II of the Social Secu-*
15 *rity Act (42 U.S.C. 401 et seq.), enrollees shall be*
16 *deemed to be employees of the United States and any*
17 *service performed by an individual as an enrollee*
18 *shall be deemed to be performed in the employ of the*
19 *United States.*

20 (3) *PROVISIONS RELATING TO COMPENSATION TO*
21 *FEDERAL EMPLOYEES FOR WORK INJURIES.*—*For*
22 *purposes of subchapter I of chapter 81 of title 5, Unit-*
23 *ed States Code (relating to compensation to Federal*
24 *employees for work injuries), enrollees shall be deemed*
25 *to be civil employees of the Government of the United*
26 *States within the meaning of the term “employee” as*

1 *defined in section 8101 of title 5, United States Code,*
2 *and the provisions of such subchapter shall apply as*
3 *specified in section 8143(a) of title 5, United States*
4 *Code.*

5 (4) *FEDERAL TORT CLAIMS PROVISIONS.*—*For*
6 *purposes of the Federal tort claims provisions in title*
7 *28, United States Code, enrollees shall be considered*
8 *to be employees of the Government.*

9 (b) *ADJUSTMENTS AND SETTLEMENTS.*—*Whenever the*
10 *Secretary finds a claim for damages to a person or property*
11 *resulting from the operation of the Job Corps to be a proper*
12 *charge against the United States, and the claim is not cog-*
13 *nizable under section 2672 of title 28, United States Code,*
14 *the Secretary may adjust and settle the claim in an amount*
15 *not exceeding \$1,500.*

16 (c) *PERSONNEL OF THE UNIFORMED SERVICES.*—*Per-*
17 *sonnel of the uniformed services who are detailed or as-*
18 *signed to duty in the performance of agreements made by*
19 *the Secretary for the support of the Job Corps shall not be*
20 *counted in computing strength under any law limiting the*
21 *strength of such services or in computing the percentage au-*
22 *thorized by law for any grade in such services.*

1 **SEC. 348. SPECIAL PROVISIONS.**

2 (a) *ENROLLMENT.*—*The Secretary shall ensure that*
3 *women and men have an equal opportunity to participate*
4 *in the Job Corps program, consistent with section 335.*

5 (b) *STUDIES, EVALUATIONS, PROPOSALS, AND*
6 *DATA.*—*The Secretary shall assure that all studies, evalua-*
7 *tions, proposals, and data produced or developed with Fed-*
8 *eral funds in the course of carrying out the Job Corps pro-*
9 *gram shall become the property of the United States.*

10 (c) *TRANSFER OF PROPERTY.*—

11 (1) *IN GENERAL.*—*Notwithstanding title II of the*
12 *Federal Property and Administrative Services Act of*
13 *1949 (40 U.S.C. 481 et seq.) and any other provision*
14 *of law, the Secretary and the Secretary of Education*
15 *shall receive priority by the Secretary of Defense for*
16 *the direct transfer, on a nonreimbursable basis, of the*
17 *property described in paragraph (2) for use in carry-*
18 *ing out programs under this Act or under any other*
19 *Act.*

20 (2) *PROPERTY.*—*The property described in this*
21 *paragraph is real and personal property under the*
22 *control of the Department of Defense that is not used*
23 *by such Department, including property that the Sec-*
24 *retary of Defense determines is in excess of current*
25 *and projected requirements of such Department.*

1 (d) *GROSS RECEIPTS.*—*Transactions conducted by a*
2 *private for-profit or nonprofit entity that is an operator*
3 *or service provider for a Job Corps center shall not be con-*
4 *sidered to be generating gross receipts. Such an operator*
5 *or service provider shall not be liable, directly or indirectly,*
6 *to any State or subdivision of a State (nor to any person*
7 *acting on behalf of such a State or subdivision) for any*
8 *gross receipts taxes, business privilege taxes measured by*
9 *gross receipts, or any similar taxes imposed on, or meas-*
10 *ured by, gross receipts in connection with any payments*
11 *made to or by such entity for operating or providing serv-*
12 *ices to a Job Corps center. Such an operator or service pro-*
13 *vider shall not be liable to any State or subdivision of a*
14 *State to collect or pay any sales, excise, use, or similar tax*
15 *imposed on the sale to or use by such operator or service*
16 *provider of any property, service, or other item in connec-*
17 *tion with the operation of or provision of services to a Job*
18 *Corps center.*

19 (e) *MANAGEMENT FEE.*—*The Secretary shall provide*
20 *each operator and (in an appropriate case, as determined*
21 *by the Secretary) service provider with an equitable and*
22 *negotiated management fee of not less than 1 percent of the*
23 *amount of the funding provided under the appropriate*
24 *agreement specified in section 337.*

1 (f) *DONATIONS.*—*The Secretary may accept on behalf*
 2 *of the Job Corps or individual Job Corps centers charitable*
 3 *donations of cash or other assistance, including equipment*
 4 *and materials, if such donations are available for appro-*
 5 *priate use for the purposes set forth in this subtitle.*

6 (g) *SALE OF PROPERTY.*—*Notwithstanding any other*
 7 *provision of law, if the Administrator of General Services*
 8 *sells a Job Corps center facility, the Administrator shall*
 9 *transfer the proceeds from the sale to the Secretary, who*
 10 *shall use the proceeds to carry out the Job Corps program.*

11 **SEC. 349. MANAGEMENT INFORMATION.**

12 (a) *FINANCIAL MANAGEMENT INFORMATION SYS-*
 13 *TEM.*—

14 (1) *IN GENERAL.*—*The Secretary shall establish*
 15 *procedures to ensure that each operator, and each*
 16 *service provider, maintains a financial management*
 17 *information system that will provide—*

18 (A) *accurate, complete, and current disclo-*
 19 *sures of the costs of Job Corps operations; and*

20 (B) *sufficient data for the effective evalua-*
 21 *tion of activities carried out through the Job*
 22 *Corps program.*

23 (2) *ACCOUNTS.*—*Each operator and service pro-*
 24 *vider shall maintain funds received under this sub-*

1 *title in accounts in a manner that ensures timely and*
2 *accurate reporting as required by the Secretary.*

3 (3) *FISCAL RESPONSIBILITY.*—Operators shall
4 *remain fiscally responsible and control costs, regard-*
5 *less of whether the funds made available for Job Corps*
6 *centers are incrementally increased or decreased be-*
7 *tween fiscal years.*

8 (b) *AUDIT.*—

9 (1) *ACCESS.*—The Secretary, the Inspector Gen-
10 *eral of the Department of Labor, the Comptroller Gen-*
11 *eral of the United States, and any of their duly au-*
12 *thorized representatives, shall have access to any*
13 *books, documents, papers, and records of the operators*
14 *and service providers described in subsection (a) that*
15 *are pertinent to the Job Corps program, for purposes*
16 *of conducting surveys, audits, and evaluations of the*
17 *operators and service providers.*

18 (2) *SURVEYS, AUDITS, AND EVALUATIONS.*—The
19 *Secretary shall survey, audit, or evaluate, or arrange*
20 *for the survey, audit, or evaluation of, the operators*
21 *and service providers, using Federal auditors or inde-*
22 *pendent public accountants. The Secretary shall con-*
23 *duct such surveys, audits, or evaluations not less often*
24 *than once every 3 years.*

1 (c) *INFORMATION ON CORE PERFORMANCE MEAS-*
2 *URES.—*

3 (1) *ESTABLISHMENT.—The Secretary shall, with*
4 *continuity and consistency from year to year, estab-*
5 *lish core performance measures, and expected per-*
6 *formance levels on the performance measures, for Job*
7 *Corps centers and the Job Corps program, relating*
8 *to—*

9 (A) *the number of graduates and the rate of*
10 *such graduation, analyzed by type of vocational*
11 *training received through the Job Corps program*
12 *and by whether the vocational training was pro-*
13 *vided by a local or national service provider;*

14 (B) *the number of graduates who entered*
15 *unsubsidized employment related to the voca-*
16 *tional training received through the Job Corps*
17 *program and the number who entered*
18 *unsubsidized employment not related to the voca-*
19 *tional training received, analyzed by whether the*
20 *vocational training was provided by a local or*
21 *national service provider and by whether the*
22 *placement in the employment was conducted by*
23 *a local or national service provider;*

24 (C) *the average wage received by graduates*
25 *who entered unsubsidized employment related to*

1 *the vocational training received through the Job*
2 *Corps program and the average wage received by*
3 *graduates who entered unsubsidized employment*
4 *unrelated to the vocational training received;*

5 *(D) the average wage received by graduates*
6 *placed in unsubsidized employment after comple-*
7 *tion of the Job Corps program—*

8 *(i) on the first day of the employment;*

9 *(ii) 6 months after the first day of the*
10 *employment; and*

11 *(iii) 12 months after the first day of*
12 *the employment,*

13 *analyzed by type of vocational training received*
14 *through the Job Corps program;*

15 *(E) the number of graduates who entered*
16 *unsubsidized employment and were retained in*
17 *the unsubsidized employment—*

18 *(i) 6 months after completion of the*
19 *Job Corps program; and*

20 *(ii) 12 months after completion of the*
21 *Job Corps program;*

22 *(F) the number of graduates who entered*
23 *unsubsidized employment—*

24 *(i) for 32 hours per week or more;*

1 (ii) for not less than 20 but less than
2 32 hours per week; and

3 (iii) for less than 20 hours per week;

4 (G) the number of graduates who entered
5 postsecondary education or advanced training
6 programs, including registered apprenticeship
7 programs, as appropriate; and

8 (H) the number of graduates who attained
9 job readiness and employment skills.

10 (2) *PERFORMANCE OF RECRUITERS.*—The Sec-
11 retary shall also establish performance measures, and
12 expected performance levels on the performance meas-
13 ures, for local and national recruitment service pro-
14 viders serving the Job Corps program. The perform-
15 ance measures shall relate to the number of enrollees
16 retained in the Job Corps program for 30 days and
17 for 60 days after initial placement in the program.

18 (3) *REPORT.*—The Secretary shall collect, and
19 annually submit a report to the appropriate commit-
20 tees of Congress containing, information on the per-
21 formance of each Job Corps center, and the Job Corps
22 program, on the core performance measures, as com-
23 pared to the expected performance level for each per-
24 formance measure. The report shall also contain in-
25 formation on the performance of the service providers

1 *described in paragraph (2) on the performance meas-*
2 *ures established under such paragraph, as compared*
3 *to the expected performance levels for the performance*
4 *measures.*

5 *(d) ADDITIONAL INFORMATION.—The Secretary shall*
6 *also collect, and submit in the report described in subsection*
7 *(c), information on the performance of each Job Corps cen-*
8 *ter, and the Job Corps program, regarding—*

9 *(1) the number of enrollees served;*

10 *(2) the average level of learning gains for grad-*
11 *uates and former enrollees;*

12 *(3) the number of former enrollees and graduates*
13 *who entered the Armed Forces;*

14 *(4) the number of former enrollees who entered*
15 *postsecondary education;*

16 *(5) the number of former enrollees who entered*
17 *unsubsidized employment related to the vocational*
18 *training received through the Job Corps program and*
19 *the number who entered unsubsidized employment not*
20 *related to the vocational training received;*

21 *(6) the number of former enrollees and graduates*
22 *who obtained a secondary school diploma or its recog-*
23 *nized equivalent;*

24 *(7) the number and percentage of dropouts from*
25 *the Job Corps program including the number dis-*

1 *missed under the zero tolerance policy described in*
2 *section 342(b); and*

3 *(8) any additional information required by the*
4 *Secretary.*

5 *(e) METHODS.—The Secretary may, to collect the in-*
6 *formation described in subsections (c) and (d), use methods*
7 *described in subtitle A.*

8 *(f) PERFORMANCE ASSESSMENTS AND IMPROVE-*
9 *MENTS.—*

10 *(1) ASSESSMENTS.—The Secretary shall conduct*
11 *an annual assessment of the performance of each Job*
12 *Corps center. Based on the assessment, the Secretary*
13 *shall take measures to continuously improve the per-*
14 *formance of the Job Corps program.*

15 *(2) PERFORMANCE IMPROVEMENT PLANS.—With*
16 *respect to a Job Corps center that fails to meet the*
17 *expected levels of performance relating to the core per-*
18 *formance measures specified in subsection (c), the Sec-*
19 *retary shall develop and implement a performance*
20 *improvement plan. Such a plan shall require action*
21 *including—*

22 *(A) providing technical assistance to the*
23 *center;*

24 *(B) changing the vocational training offered*
25 *at the center;*

1 (C) changing the management staff of the
2 center;

3 (D) replacing the operator of the center;

4 (E) reducing the capacity of the center;

5 (F) relocating the center; or

6 (G) closing the center.

7 (3) *ADDITIONAL PERFORMANCE IMPROVEMENT*
8 *PLANS.*—*In addition to the performance improvement*
9 *plans required under paragraph (2), the Secretary*
10 *may develop and implement additional performance*
11 *improvement plans. Such a plan shall require im-*
12 *provements, including the actions described in para-*
13 *graph (2), for a Job Corps center that fails to meet*
14 *criteria established by the Secretary other than the ex-*
15 *pected levels of performance described in paragraph*
16 *(2).*

17 **SEC. 350. GENERAL PROVISIONS.**

18 *The Secretary is authorized to—*

19 (1) *disseminate, with regard to the provisions of*
20 *section 3204 of title 39, United States Code, data and*
21 *information in such forms as the Secretary shall de-*
22 *termine to be appropriate, to public agencies, private*
23 *organizations, and the general public;*

24 (2) *subject to section 347(b), collect or com-*
25 *promise all obligations to or held by the Secretary*

1 *and exercise all legal or equitable rights accruing to*
2 *the Secretary in connection with the payment of obli-*
3 *gations until such time as such obligations may be re-*
4 *ferred to the Attorney General for suit or collection;*
5 *and*

6 *(3) expend funds made available for purposes of*
7 *this subtitle—*

8 *(A) for printing and binding, in accordance*
9 *with applicable law (including regulation); and*

10 *(B) without regard to any other law (in-*
11 *cluding regulation), for rent of buildings and*
12 *space in buildings and for repair, alteration,*
13 *and improvement of buildings and space in*
14 *buildings rented by the Secretary, except that the*
15 *Secretary shall not expend funds under the au-*
16 *thority of this subparagraph—*

17 *(i) except when necessary to obtain an*
18 *item, service, or facility, that is required in*
19 *the proper administration of this subtitle,*
20 *and that otherwise could not be obtained, or*
21 *could not be obtained in the quantity or*
22 *quality needed, or at the time, in the form,*
23 *or under the conditions in which the item,*
24 *service, or facility is needed; and*

1 (ii) prior to having given written noti-
 2 fication to the Administrator of General
 3 Services (if the expenditure would affect an
 4 activity that otherwise would be under the
 5 jurisdiction of the General Services Admin-
 6 istration) of the intention of the Secretary
 7 to make the expenditure, and the reasons
 8 and justifications for the expenditure.

9 **SEC. 351. AUTHORIZATION OF APPROPRIATIONS.**

10 There are authorized to be appropriated to carry out
 11 this subtitle such sums as may be necessary for each of the
 12 fiscal years 1999 through 2004.

13 **Subtitle C—National Programs**

14 **SEC. 361. NATIVE AMERICAN PROGRAMS.**

15 (a) *PURPOSE AND POLICY.*—

16 (1) *PURPOSE.*—The purpose of this section is to
 17 support workforce investment activities and supple-
 18 mental services for Indian and Native Hawaiian in-
 19 dividuals in order—

20 (A) to develop more fully the academic, oc-
 21 cupational, and literacy skills of such individ-
 22 uals;

23 (B) to make such individuals more competi-
 24 tive in the workforce; and

1 (C) to promote the economic and social de-
2 velopment of Indian and Native Hawaiian com-
3 munities in accordance with the goals and values
4 of such communities.

5 (2) *INDIAN POLICY.*—All programs assisted
6 under this section shall be administered in a manner
7 consistent with the principles of the Indian Self-De-
8 termination and Education Assistance Act (25 U.S.C.
9 450 et seq.) and the government-to-government rela-
10 tionship between the Federal Government and Indian
11 tribal governments.

12 (b) *DEFINITIONS.*—In this section:

13 (1) *INDIAN, INDIAN TRIBE, AND TRIBAL ORGANI-*
14 *ZATION.*—The terms “Indian”, “Indian tribe”, and
15 “tribal organization” have the meanings given such
16 terms in subsections (d), (e), and (l), respectively, of
17 section 4 of the Indian Self-Determination and Edu-
18 cation Assistance Act (25 U.S.C. 450b).

19 (2) *NATIVE HAWAIIAN AND NATIVE HAWAIIAN OR-*
20 *GANIZATION.*—The terms “Native Hawaiian” and
21 “Native Hawaiian organization” have the meanings
22 given such terms in paragraphs (1) and (3), respec-
23 tively, of section 9212 of the Native Hawaiian Edu-
24 cation Act (20 U.S.C. 7912).

1 (c) *PROGRAMS AUTHORIZED.*—*The Secretary shall*
2 *make grants to, or enter into contracts or cooperative agree-*
3 *ments with, Indian tribes, tribal organizations, Indian-con-*
4 *trolled organizations serving Indians, or Native Hawaiian*
5 *organizations to carry out the authorized activities de-*
6 *scribed in subsection (d).*

7 (d) *AUTHORIZED ACTIVITIES.*—

8 (1) *IN GENERAL.*—*Funds made available under*
9 *this section shall be used to carry out the activities*
10 *described in paragraph (2) that—*

11 (A) *are consistent with this section; and*

12 (B) *are necessary to meet the needs of Indi-*
13 *ans or Native Hawaiians preparing to enter, re-*
14 *enter, or retain unsubsidized employment.*

15 (2) *WORKFORCE INVESTMENT ACTIVITIES AND*
16 *SUPPLEMENTAL SERVICES.*—

17 (A) *IN GENERAL.*—*Funds made available*
18 *under this section shall be used for—*

19 (i) *building a comprehensive facility to*
20 *be utilized by American Samoans residing*
21 *in Hawaii for the co-location of federally*
22 *funded and State funded workforce invest-*
23 *ment activities;*

1 (ii) *comprehensive workforce invest-*
2 *ment activities for Indians or Native Ha-*
3 *waiians; or*

4 (iii) *supplemental services for Indian*
5 *or Native Hawaiian youth on or near In-*
6 *Indian reservations and in Oklahoma, Alaska,*
7 *or Hawaii.*

8 (B) *SPECIAL RULE.—Notwithstanding any*
9 *other provision of this section, individuals who*
10 *were eligible to participate in programs under*
11 *section 401 of the Job Training Partnership Act*
12 *(29 U.S.C. 1671) (as such section was in effect*
13 *on the day before the date of enactment of this*
14 *Act) shall be eligible to participate in an activ-*
15 *ity assisted under subparagraph (A)(i).*

16 (e) *PROGRAM PLAN.—In order to receive a grant or*
17 *enter into a contract or cooperative agreement under this*
18 *section an entity described in subsection (c) shall submit*
19 *to the Secretary a plan that describes a 2-year strategy for*
20 *meeting the needs of Indian or Native Hawaiian individ-*
21 *uals, as appropriate, in the area served by such entity. Such*
22 *plan shall—*

23 (1) *be consistent with the purpose of this section;*
24 (2) *identify the population to be served;*

1 (3) *identify the education and employment needs*
2 *of the population to be served and the manner in*
3 *which the activities to be provided will strengthen the*
4 *ability of the individuals served to obtain or retain*
5 *unsubsidized employment;*

6 (4) *describe the activities to be provided and the*
7 *manner in which such activities are to be integrated*
8 *with other appropriate activities; and*

9 (5) *describe, after the entity submitting the plan*
10 *consults with the Secretary, the performance measures*
11 *to be used to assess the performance of entities in car-*
12 *rying out the activities assisted under this section.*

13 (f) *CONSOLIDATION OF FUNDS.—Each entity receiving*
14 *assistance under this section may consolidate such assist-*
15 *ance with assistance received from related programs in ac-*
16 *cordance with the provisions of the Indian Employment,*
17 *Training and Related Services Demonstration Act of 1992*
18 *(25 U.S.C. 3401 et seq.).*

19 (g) *NONDUPLICATIVE AND NONEXCLUSIVE SERV-*
20 *ICES.—Nothing in this section shall be construed—*

21 (1) *to limit the eligibility of any entity described*
22 *in subsection (c) to participate in any activity offered*
23 *by a State or local entity under this Act; or*

24 (2) *to preclude or discourage any agreement, be-*
25 *tween any entity described in subsection (c) and any*

1 *State or local entity, to facilitate the provision of*
2 *services by such entity or to the population served by*
3 *such entity.*

4 *(h) ADMINISTRATIVE PROVISIONS.—*

5 *(1) ORGANIZATIONAL UNIT ESTABLISHED.—The*
6 *Secretary shall designate a single organizational unit*
7 *within the Department of Labor that shall have pri-*
8 *mary responsibility for the administration of the ac-*
9 *tivities authorized under this section.*

10 *(2) REGULATIONS.—The Secretary shall consult*
11 *with the entities described in subsection (c) in—*

12 *(A) establishing regulations to carry out*
13 *this section, including performance measures for*
14 *entities receiving assistance under such sub-*
15 *section, taking into account the economic cir-*
16 *cumstances of such entities; and*

17 *(B) developing a funding distribution plan*
18 *that takes into consideration previous levels of*
19 *funding (prior to the date of enactment of this*
20 *Act) to such entities.*

21 *(3) WAIVERS.—*

22 *(A) IN GENERAL.—With respect to an entity*
23 *described in subsection (c), the Secretary, not-*
24 *withstanding any other provision of law, may,*
25 *pursuant to a request submitted by such entity*

1 *that meets the requirements established under*
2 *paragraph (2), waive any of the statutory or reg-*
3 *ulatory requirements of this title that are incon-*
4 *sistent with the specific needs of the entities de-*
5 *scribed in such subsection, except that the Sec-*
6 *retary may not waive requirements relating to*
7 *wage and labor standards, worker rights, partici-*
8 *pation and protection of participants, grievance*
9 *procedures, and judicial review.*

10 *(B) REQUEST AND APPROVAL.—An entity*
11 *described in subsection (c) that requests a waiver*
12 *under subparagraph (A) shall submit a plan to*
13 *the Secretary to improve the program of*
14 *workforce investment activities carried out by the*
15 *entity, which plan shall meet the requirements*
16 *established by the Secretary and shall be gen-*
17 *erally consistent with the requirements of section*
18 *379(i)(3).*

19 *(4) ADVISORY COUNCIL.—*

20 *(A) IN GENERAL.—The Secretary shall es-*
21 *tablish a Native American Employment and*
22 *Training Council to facilitate the consultation*
23 *described in paragraph (2).*

24 *(B) COMPOSITION.—The Council shall be*
25 *composed of individuals, appointed by the Sec-*

1 *retary, who are representatives of the entities de-*
2 *scribed in subsection (c).*

3 *(C) DUTIES.—The Council shall advise the*
4 *Secretary on all aspects of the operation and ad-*
5 *ministration of the programs assisted under this*
6 *section, including the selection of the individual*
7 *appointed as the head of the unit established*
8 *under paragraph (1).*

9 *(D) PERSONNEL MATTERS.—*

10 *(i) COMPENSATION OF MEMBERS.—*
11 *Members of the Council shall serve without*
12 *compensation.*

13 *(ii) TRAVEL EXPENSES.—The members*
14 *of the Council shall be allowed travel ex-*
15 *penditures, including per diem in lieu of sub-*
16 *sistence, at rates authorized for employees of*
17 *agencies under subchapter I of chapter 57 of*
18 *title 5, United States Code, while away*
19 *from their homes or regular places of busi-*
20 *ness in the performance of services for the*
21 *Council.*

22 *(iii) ADMINISTRATIVE SUPPORT.—The*
23 *Secretary shall provide the Council with*
24 *such administrative support as may be nec-*

1 *essary to perform the functions of the Coun-*
2 *cil.*

3 *(E) CHAIRPERSON.—The Council shall se-*
4 *lect a chairperson from among its members.*

5 *(F) MEETINGS.—The Council shall meet not*
6 *less than twice each year.*

7 *(G) APPLICATION.—Section 14 of the Fed-*
8 *eral Advisory Committee Act (5 U.S.C. App.)*
9 *shall not apply to the Council.*

10 *(5) TECHNICAL ASSISTANCE.—The Secretary,*
11 *acting through the unit established under paragraph*
12 *(1), is authorized to provide technical assistance to*
13 *entities described in subsection (c) that receive assist-*
14 *ance under this section to enable such entities to im-*
15 *prove the activities authorized under this section that*
16 *are provided by such entities.*

17 **SEC. 362. MIGRANT AND SEASONAL FARMWORKER PRO-**
18 **GRAMS.**

19 *(a) IN GENERAL.—Every 2 years, the Secretary shall,*
20 *on a competitive basis, make grants to, or enter into con-*
21 *tracts with, eligible entities to carry out the activities de-*
22 *scribed in subsection (d).*

23 *(b) ELIGIBLE ENTITIES.—To be eligible to receive a*
24 *grant or enter into a contract under this section, an entity*
25 *shall have an understanding of the problems of eligible mi-*

1 *grant and seasonal farmworkers (including dependents), a*
2 *familiarity with the area to be served, and the ability to*
3 *demonstrate a capacity to administer effectively a diversi-*
4 *fied program of workforce investment activities (including*
5 *youth activities) and related assistance for eligible migrant*
6 *and seasonal farmworkers.*

7 *(c) PROGRAM PLAN.—*

8 *(1) IN GENERAL.—To be eligible to receive a*
9 *grant or enter into a contract under this section, an*
10 *entity described in subsection (b) shall submit to the*
11 *Secretary a plan that describes a 2-year strategy for*
12 *meeting the needs of eligible migrant and seasonal*
13 *farmworkers in the area to be served by such entity.*

14 *(2) ADMINISTRATION.—Grants and contracts*
15 *awarded under this section shall be centrally admin-*
16 *istered by the Department of Labor and competitively*
17 *awarded by the Secretary using procedures consistent*
18 *with standard Federal Government competitive pro-*
19 *curement policies.*

20 *(3) COMPETITION.—*

21 *(A) IN GENERAL.—The competition for*
22 *grants made and contracts entered into under*
23 *this section shall be conducted every 2 years.*

24 *(B) EXCEPTION.—Notwithstanding sub-*
25 *paragraph (A), if a recipient of such a grant or*

1 *contract has performed satisfactorily under the*
2 *terms of the grant agreement or contract, the*
3 *Secretary may waive the requirement for such*
4 *competition for such recipient upon receipt from*
5 *the recipient of a satisfactory 2-year plan de-*
6 *scribed in paragraph (1) for the succeeding 2-*
7 *year grant or contract period.*

8 (4) *CONTENTS.—Such plan shall—*

9 (A) *identify the education and employment*
10 *needs of the eligible migrant and seasonal farm-*
11 *workers to be served and the manner in which*
12 *the workforce investment activities (including*
13 *youth activities) to be carried out will strengthen*
14 *the ability of the eligible migrant and seasonal*
15 *farmworkers to obtain or retain unsubsidized*
16 *employment or stabilize their unsubsidized em-*
17 *ployment;*

18 (B) *describe the related assistance, includ-*
19 *ing supportive services, to be provided and the*
20 *manner in which such assistance and services*
21 *are to be integrated and coordinated with other*
22 *appropriate services; and*

23 (C) *describe, after consultation with the*
24 *Secretary, the performance measures to be used*

1 to assess the performance of such entity in carry-
2 ing out the activities assisted under this section.

3 (d) *AUTHORIZED ACTIVITIES.*—Funds made available
4 under this section shall be used to carry out workforce in-
5 vestment activities (including youth activities) and provide
6 related assistance for eligible migrant and seasonal farm-
7 workers, which may include employment, training, edu-
8 cational assistance, literacy assistance, an English lan-
9 guage program, worker safety training, supportive services,
10 dropout prevention activities, follow-up services for those
11 individuals placed in employment, self-employment and re-
12 lated business enterprise development education as needed
13 by eligible migrant and seasonal farmworkers and identi-
14 fied pursuant to the plan required by subsection (c), and
15 technical assistance relating to capacity enhancement in
16 such areas as management information technology.

17 (e) *CONSULTATION WITH GOVERNORS AND LOCAL*
18 *PARTNERSHIPS.*—In making grants and entering into con-
19 tracts under this section, the Secretary shall consult with
20 the Governors and local partnerships of the States in which
21 the eligible entities will carry out the activities described
22 in subsection (d).

23 (f) *REGULATIONS.*—The Secretary shall consult with
24 eligible migrant and seasonal farmworkers groups and
25 States in establishing regulations to carry out this section,

1 *including performance measures for eligible entities that*
 2 *take into account the economic circumstances and demo-*
 3 *graphics of eligible migrant and seasonal farmworkers.*

4 *(g) DEFINITIONS.—In this section:*

5 *(1) DISADVANTAGED.—The term “disadvan-*
 6 *taged”, used with respect to a farmworker, means a*
 7 *farmworker whose income, for 12 consecutive months*
 8 *out of the 24 months prior to application for the pro-*
 9 *gram involved, does not exceed the higher of—*

10 *(A) the poverty line (as defined in section*
 11 *334(a)(2)(B)) for an equivalent period; or*

12 *(B) 70 percent of the lower living standard*
 13 *income level, for an equivalent period.*

14 *(2) ELIGIBLE MIGRANT AND SEASONAL FARM-*
 15 *WORKERS.—The term “eligible migrant and seasonal*
 16 *farmworkers” means individuals who are eligible mi-*
 17 *grant farmworkers or are eligible seasonal farm-*
 18 *workers.*

19 *(3) ELIGIBLE MIGRANT FARMWORKER.—The*
 20 *term “eligible migrant farmworker” means—*

21 *(A) an eligible seasonal farmworker de-*
 22 *scribed in paragraph (4)(A) whose agricultural*
 23 *labor requires travel to a job site such that the*
 24 *farmworker is unable to return to a permanent*
 25 *place of residence within the same day; and*

1 (B) a dependent of the farmworker described
2 in subparagraph (A).

3 (4) *ELIGIBLE SEASONAL FARMWORKER.*—The
4 term “eligible seasonal farmworker” means—

5 (A) a disadvantaged person who, for 12
6 consecutive months out of the 24 months prior to
7 application for the program involved, has been
8 primarily employed in agricultural labor that is
9 characterized by chronic unemployment or
10 underemployment; and

11 (B) a dependent of the person described in
12 subparagraph (A).

13 **SEC. 363. VETERANS’ WORKFORCE INVESTMENT PRO-**
14 **GRAMS.**

15 (a) *AUTHORIZATION.*—

16 (1) *IN GENERAL.*—The Secretary shall conduct,
17 directly or through grants or contracts, programs to
18 meet the needs for workforce investment activities of
19 service-connected disabled veterans, Vietnam era vet-
20 erans, and recently separated veterans.

21 (2) *CONDUCT OF PROGRAMS.*—Programs sup-
22 ported under this section may be conducted through
23 grants and contracts with public agencies and private
24 nonprofit organizations, including recipients of Fed-
25 eral assistance under other provisions of this title,

1 *that the Secretary determines have an understanding*
2 *of the unemployment problems of veterans described*
3 *in paragraph (1), familiarity with the area to be*
4 *served, and the capability to administer effectively a*
5 *program of workforce investment activities for such*
6 *veterans.*

7 *(3) REQUIRED ACTIVITIES.—Programs supported*
8 *under this section shall include—*

9 *(A) activities to enhance services provided*
10 *to veterans by other providers of workforce in-*
11 *vestment activities funded by Federal, State, or*
12 *local government;*

13 *(B) activities to provide workforce invest-*
14 *ment activities to such veterans that are not ade-*
15 *quately provided by other public providers of*
16 *workforce investment activities; and*

17 *(C) outreach and public information activi-*
18 *ties to develop and promote maximum job and*
19 *job training opportunities for such veterans and*
20 *to inform such veterans about employment, job*
21 *training, on-the-job training and educational op-*
22 *portunities under this title, under title 38, Unit-*
23 *ed States Code, and under other provisions of*
24 *law, which activities shall be coordinated with*

1 *activities provided through the one-stop customer*
2 *service centers.*

3 **(b) ADMINISTRATION OF PROGRAMS.—**

4 **(1) IN GENERAL.—***The Secretary shall admin-*
5 *ister programs supported under this section through*
6 *the Assistant Secretary for Veterans' Employment*
7 *and Training.*

8 **(2) ADDITIONAL RESPONSIBILITIES.—***In carry-*
9 *ing out responsibilities under this section, the Assist-*
10 *ant Secretary for Veterans' Employment and Train-*
11 *ing shall—*

12 **(A)** *be responsible for the awarding of*
13 *grants and contracts and the distribution of*
14 *funds under this section and for the establish-*
15 *ment of appropriate fiscal controls, accountabil-*
16 *ity, and program performance measures for re-*
17 *cipients of grants and contracts under this sec-*
18 *tion; and*

19 **(B)** *consult with the Secretary of Veterans*
20 *Affairs and take steps to ensure that programs*
21 *supported under this section are coordinated, to*
22 *the maximum extent feasible, with related pro-*
23 *grams and activities conducted under title 38,*
24 *United States Code, including programs and ac-*
25 *tivities conducted under subchapter II of chapter*

1 77 of such title, chapters 30, 31, 32, and 34 of
2 such title, and sections 1712A, 1720A, 3687, and
3 4103A of such title.

4 **SEC. 364. YOUTH OPPORTUNITY GRANTS.**

5 (a) *GRANTS.*—

6 (1) *IN GENERAL.*—Using funds made available
7 under section 302(b)(3)(A), the Secretary shall make
8 grants to eligible local partnerships to provide activi-
9 ties described in subsection (b) for youth to increase
10 the long-term employment of eligible youth who live
11 in empowerment zones, enterprise communities, and
12 high poverty areas and who seek assistance.

13 (2) *GRANT PERIOD.*—The Secretary may make a
14 grant under this section for a 1-year period, and may
15 renew the grant for each of the 4 succeeding years.

16 (3) *GRANT AWARDS.*—The minimum amount
17 that may be made available to a grant recipient for
18 the first year of a grant made under this section shall
19 be \$10,000,000.

20 (b) *USE OF FUNDS.*—

21 (1) *IN GENERAL.*—A local partnership that re-
22 ceives a grant under this section shall use the funds
23 made available through the grant to provide activities
24 that meet the requirements of section 316, except as
25 provided in paragraph (2), as well as youth develop-

1 *ment activities such as activities relating to leader-*
 2 *ship development, citizenship, and community service,*
 3 *and recreation activities.*

4 (2) *INTENSIVE PLACEMENT AND FOLLOWUP*
 5 *SERVICES.—In providing activities under this section,*
 6 *a local partnership 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 (1) *shall serve a community that—*

15 (A) *has a population of at least 50,000; and*

16 (B) *has been designated as an empowerment*
 17 *zone or an enterprise community under section*
 18 *1391 of the Internal Revenue Code of 1986; or*

19 (2) *in a State without a zone or community de-*
 20 *scribed in paragraph (1)(B), shall serve a community*
 21 *that has been designated as a high poverty area by*
 22 *the Governor of the State.*

23 (d) *APPLICATION.—To be eligible to receive a grant*
 24 *under this section, a local partnership shall submit an ap-*
 25 *plication to the Secretary at such time, in such manner,*

1 *and containing such information as the Secretary may re-*
2 *quire, including—*

3 (1) *a description of the activities that the local*
4 *partnership will provide under this section to youth*
5 *in the community described in subsection (c);*

6 (2) *a description of the performance measures*
7 *negotiated under subsection (e), and the manner in*
8 *which the local partnerships will carry out the activi-*
9 *ties to meet the performance measures;*

10 (3) *a description of the manner in which the ac-*
11 *tivities will be linked to activities described in section*
12 *316; and*

13 (4) *a description of the community support, in-*
14 *cluding financial support through leveraging addi-*
15 *tional public and private resources, for the activities.*

16 *(e) PERFORMANCE MEASURES.—*

17 (1) *IN GENERAL.—The Secretary shall negotiate*
18 *and reach agreement with the local partnership on*
19 *performance measures that will be used to evaluate*
20 *the performance of the local partnership in carrying*
21 *out the activities described in subsection (b). Each*
22 *local performance measure shall consist of an indica-*
23 *tor of performance referred to in paragraph (2) or (3)*
24 *of section 321(b), and a performance level referred to*
25 *in paragraph (2).*

1 (2) *PERFORMANCE LEVELS.*—*The Secretary shall*
2 *negotiate and reach agreement with the local partner-*
3 *ship regarding the levels of performance expected to be*
4 *achieved by the local partnership on the indicators of*
5 *performance.*

6 **SEC. 365. INCENTIVE GRANTS.**

7 (a) *IN GENERAL.*—*The Secretary may make grants to*
8 *States that exceed—*

9 (1) *the State performance measures established*
10 *by the Secretary of Education under this Act; and*

11 (2) *the State performance measures established*
12 *under this title.*

13 (b) *PRIORITY.*—*In awarding incentive grants under*
14 *this section, the Secretary shall give priority to those States*
15 *submitting a State unified plan as described in section 501*
16 *that is approved by the appropriate Secretaries as described*
17 *in such section.*

18 (c) *USE OF FUNDS.*—*A State that receives an incen-*
19 *tive grant under this section shall use the funds made avail-*
20 *able through the grant to carry out innovative programs*
21 *as determined by the State.*

22 **SEC. 366. TECHNICAL ASSISTANCE.**

23 (a) *TRANSITION ASSISTANCE.*—*The Secretary shall*
24 *provide technical assistance to assist States in making tran-*
25 *sitions from carrying out activities under provisions de-*

1 *scribed in section 391 to carrying out activities under this*
2 *title.*

3 *(b) PERFORMANCE IMPROVEMENT.—*

4 *(1) GENERAL ASSISTANCE.—*

5 *(A) AUTHORITY.—The Secretary—*

6 *(i) shall provide technical assistance to*
7 *States that do not meet a State performance*
8 *measure described in section 321(b) for a*
9 *program year; and*

10 *(ii) may provide technical assistance*
11 *to other States, local areas, and grant re-*
12 *cipients under sections 361 and 362 to pro-*
13 *mote the continuous improvement of the*
14 *programs and activities authorized under*
15 *this title.*

16 *(B) FORM OF ASSISTANCE.—In carrying*
17 *out this paragraph on behalf of a State, or grant*
18 *recipient under section 361 or 362, the Sec-*
19 *retary, after consultation with the State or grant*
20 *recipient, may award grants and enter into con-*
21 *tracts and cooperative agreements.*

22 *(C) LIMITATION.—Grants or contracts*
23 *awarded under this paragraph that are for*
24 *amounts in excess of \$50,000 shall only be*
25 *awarded on a competitive basis.*

1 (2) *DISLOCATED WORKER TECHNICAL ASSIST-*
2 *ANCE.*—

3 (A) *AUTHORITY.*—*Of the amounts available*
4 *pursuant to section 302(a)(2), the Secretary shall*
5 *reserve not more than 5 percent of such amounts*
6 *to provide technical assistance to States that do*
7 *not meet the State performance measures de-*
8 *scribed in section 321(b) with respect to employ-*
9 *ment and training activities for dislocated work-*
10 *ers. Using such reserved funds, the Secretary*
11 *may provide such assistance to other States,*
12 *local areas, business and labor organizations,*
13 *and other entities involved in providing assist-*
14 *ance to dislocated workers, to promote the con-*
15 *tinuous improvement of assistance provided to*
16 *dislocated workers, under this title.*

17 (B) *TRAINING.*—*Amounts reserved under*
18 *this paragraph may be used to provide for the*
19 *training of staff, including specialists, who pro-*
20 *vide rapid response services. Such training shall*
21 *include instruction in proven methods of promot-*
22 *ing, establishing, and assisting labor-manage-*
23 *ment committees. Such projects shall be adminis-*
24 *tered through the dislocated worker office de-*
25 *scribed in section 369(b).*

1 **SEC. 367. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
2 **SEARCH, AND MULTISTATE PROJECTS.**

3 (a) *STRATEGIC PLAN.*—

4 (1) *IN GENERAL.*—*After consultation with*
5 *States, localities, and other interested parties, the Sec-*
6 *retary shall, every 2 years, publish in the Federal*
7 *Register, a plan that describes the demonstration and*
8 *pilot (including dislocated worker demonstration and*
9 *pilot), multiservice, research, and multistate project*
10 *priorities of the Department of Labor concerning em-*
11 *ployment and training for the 5-year period following*
12 *the submission of the plan. Copies of the plan shall*
13 *be transmitted to the appropriate committees of Con-*
14 *gress.*

15 (2) *LIMITATION.*—*With respect to a plan pub-*
16 *lished under paragraph (1), the Secretary shall ensure*
17 *that research projects (referred to in subsection (d))*
18 *are considered for incorporation into the plan only*
19 *after projects referred to in subsections (b), (c), and*
20 *(e) have been considered and incorporated into the*
21 *plan, and are funded only as funds remain to permit*
22 *the funding of such research projects.*

23 (3) *FACTORS.*—*The plan published under para-*
24 *graph (1) shall contain strategies to address national*
25 *employment and training problems and take into ac-*
26 *count factors such as—*

1 (A) the availability of existing research (as
2 of the date of the publication);

3 (B) the need to ensure results that have
4 interstate validity;

5 (C) the benefits of economies of scale and the
6 efficiency of proposed projects; and

7 (D) the likelihood that the results of the
8 projects will be useful to policymakers and stake-
9 holders in addressing employment and training
10 problems.

11 (b) *DEMONSTRATION AND PILOT PROJECTS.*—

12 (1) *IN GENERAL.*—Under a plan published under
13 subsection (a), the Secretary shall, through grants or
14 contracts, carry out demonstration and pilot projects
15 for the purpose of developing and implementing tech-
16 niques and approaches, and demonstrating the effec-
17 tiveness of specialized methods, in addressing employ-
18 ment and training needs. Such projects shall include
19 the provision of direct services to individuals to en-
20 hance employment opportunities and an evaluation
21 component.

22 (2) *LIMITATIONS.*—

23 (A) *COMPETITIVE AWARDS.*—Grants or con-
24 tracts awarded for carrying out demonstration
25 and pilot projects under this subsection shall be

1 *awarded only on a competitive basis, except that*
2 *a noncompetitive award may be made in the*
3 *case of a project that is funded jointly with other*
4 *public or private sector entities that provide a*
5 *substantial portion of the funding for the project.*

6 *(B) ELIGIBLE ENTITIES.—Grants or con-*
7 *tracts may be awarded under this subsection*
8 *only to—*

9 *(i) entities with recognized expertise*
10 *in—*

11 *(I) conducting national dem-*
12 *onstration projects;*

13 *(II) utilizing state-of-the-art dem-*
14 *onstration methods; and*

15 *(III) conducting evaluations of*
16 *employment and training projects; or*

17 *(ii) State and local entities with exper-*
18 *tise in operating or overseeing employment*
19 *and training programs.*

20 *(C) TIME LIMITS.—The Secretary shall es-*
21 *tablish appropriate time limits for carrying out*
22 *demonstration and pilot projects under this sub-*
23 *section.*

24 *(c) MULTISERVICE PROJECTS.—*

1 (1) *IN GENERAL.*—Under a plan published under
2 subsection (a), the Secretary shall, through grants or
3 contracts, carry out multiservice projects—

4 (A) that will test an array of approaches to
5 the provision of employment and training serv-
6 ices to a variety of targeted populations;

7 (B) in which the entity carrying out the
8 project, in conjunction with employers, organized
9 labor, and other groups such as the disability
10 community, will design, develop, and test var-
11 ious training approaches in order to determine
12 effective practices; and

13 (C) that will assist in the development and
14 replication of effective service delivery strategies
15 for targeted populations for the national employ-
16 ment and training system as a whole.

17 (2) *LIMITATIONS.*—

18 (A) *COMPETITIVE AWARDS.*—Grants or con-
19 tracts awarded for carrying out multiservice
20 projects under this subsection shall be awarded
21 only on a competitive basis.

22 (B) *TIME LIMITS.*—A grant or contract
23 shall not be awarded under this subsection to the
24 same organization for more than 3 consecutive

1 *years unless such grant or contract is competi-*
2 *tively reevaluated within such period.*

3 *(d) RESEARCH.—*

4 *(1) IN GENERAL.—Under a plan published under*
5 *subsection (a), the Secretary shall, through grants or*
6 *contracts, carry out research projects that will con-*
7 *tribute to the solution of employment and training*
8 *problems in the United States.*

9 *(2) LIMITATIONS.—*

10 *(A) COMPETITIVE AWARDS.—Grants or con-*
11 *tracts awarded for carrying out research projects*
12 *under this subsection in amounts that exceed*
13 *\$50,000 shall be awarded only on a competitive*
14 *basis, except that a noncompetitive award may*
15 *be made in the case of a project that is funded*
16 *jointly with other public or private sector enti-*
17 *ties that provide a substantial portion of the*
18 *funding for the project.*

19 *(B) ELIGIBLE ENTITIES.—Grants or con-*
20 *tracts shall be awarded under this subsection*
21 *only to entities with nationally recognized exper-*
22 *tise in the methods, techniques, and knowledge of*
23 *the social sciences.*

1 (C) *TIME LIMITS.*—*The Secretary shall es-*
2 *tablish appropriate time limits for the duration*
3 *of research projects funded under this subsection.*

4 (e) *MULTISTATE PROJECTS.*—

5 (1) *IN GENERAL.*—

6 (A) *AUTHORITY.*—*Under a plan published*
7 *under subsection (a), the Secretary may, through*
8 *grants or contracts, carry out multistate projects*
9 *that require demonstrated expertise that is avail-*
10 *able at the national level to effectively dissemi-*
11 *nate best practices and models for implementing*
12 *employment and training services, address the*
13 *specialized employment and training needs of*
14 *particular service populations, or address indus-*
15 *trywide skill shortages.*

16 (B) *DESIGN OF GRANTS.*—*Grants or con-*
17 *tracts awarded under this subsection shall be de-*
18 *signed to obtain information relating to the pro-*
19 *vision of services under different economic condi-*
20 *tions or to various demographic groups in order*
21 *to provide guidance at the national and State*
22 *levels about how best to administer specific em-*
23 *ployment and training services.*

24 (2) *LIMITATIONS.*—

1 (A) *COMPETITIVE AWARDS.*—*Grants or con-*
2 *tracts awarded for carrying out multistate*
3 *projects under this subsection shall be awarded*
4 *only on a competitive basis.*

5 (B) *TIME LIMITS.*—*A grant or contract*
6 *shall not be awarded under this subsection to the*
7 *same organization for more than 3 consecutive*
8 *years unless such grant or contract is competi-*
9 *tively reevaluated within such period.*

10 (f) *DISLOCATED WORKER PROJECTS.*—*Of the amount*
11 *made available pursuant to section 302(a)(2)(A) for any*
12 *program year, the Secretary shall use not more than 5 per-*
13 *cent of such amount to carry out demonstration and pilot*
14 *projects, multiservice projects, and multistate projects, re-*
15 *lating to the employment and training needs of dislocated*
16 *workers. Of the requirements of this section, such projects*
17 *shall be subject only to the provisions relating to review and*
18 *evaluation of applications under subsection (g). Such*
19 *projects may include demonstration and pilot projects relat-*
20 *ing to promoting self-employment, promoting job creation,*
21 *averting dislocations, assisting dislocated farmers, assisting*
22 *dislocated fishermen, and promoting public works. Such*
23 *projects shall be administered through the dislocated worker*
24 *office described in section 369(b).*

1 (g) *PEER REVIEW.*—*The Secretary shall utilize a peer*
2 *review process to—*

3 (1) *review and evaluate all applications for*
4 *grants and contracts in amounts that exceed \$100,000*
5 *that are submitted under this section; and*

6 (2) *review and designate exemplary and promis-*
7 *ing programs under this section.*

8 **SEC. 368. EVALUATIONS.**

9 (a) *PROGRAMS AND ACTIVITIES CARRIED OUT UNDER*
10 *THIS TITLE.*—*For the purpose of improving the manage-*
11 *ment and effectiveness of programs and activities carried*
12 *out under this title, the Secretary shall provide for the con-*
13 *tinuing evaluation of the programs and activities. Such*
14 *evaluations shall address—*

15 (1) *the general effectiveness of such programs*
16 *and activities in relation to their cost;*

17 (2) *the effectiveness of the performance measures*
18 *relating to such programs and activities;*

19 (3) *the effectiveness of the structure and mecha-*
20 *nisms for delivery of services through such programs*
21 *and activities;*

22 (4) *the impact of the programs and activities on*
23 *the community and participants involved;*

24 (5) *the impact of such programs and activities*
25 *on related programs and activities;*

1 (6) *the extent to which such programs and ac-*
2 *tivities meet the needs of various demographic groups;*
3 *and*

4 (7) *such other factors as may be appropriate.*

5 (b) *OTHER PROGRAMS AND ACTIVITIES.—The Sec-*
6 *retary may conduct evaluations of other federally funded*
7 *employment-related programs and activities, including pro-*
8 *grams and activities administered under—*

9 (1) *the Wagner-Peyser Act (29 U.S.C. 49 et seq.);*

10 (2) *the Act of August 16, 1937 (commonly known*
11 *as the “National Apprenticeship Act”; 50 Stat. 664,*
12 *chapter 663; 29 U.S.C. 50 et seq.);*

13 (3) *the Older Americans Act of 1965 (42 U.S.C.*
14 *3001 et seq.);*

15 (4) *chapter 2 of title II of the Trade Act of 1974*
16 *(19 U.S.C. 2271 et seq.); and*

17 (5) *the Federal unemployment insurance pro-*
18 *gram under titles III, IX, and XII of the Social Secu-*
19 *rity Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321*
20 *et seq.).*

21 (c) *TECHNIQUES.—Evaluations conducted under this*
22 *section shall utilize appropriate methodology and research*
23 *designs, which may include the use of control groups chosen*
24 *by scientific random assignment methodologies. Such an*
25 *evaluation shall be conducted by a person not immediately*

1 *involved in the administration of the program or activity*
2 *being evaluated.*

3 (d) *REPORTS.*—*The entity carrying out an evaluation*
4 *described in subsection (a), (b), or (c) shall prepare and*
5 *submit to the Secretary a draft report and a final report*
6 *containing the results of the evaluation.*

7 (e) *REPORTS TO CONGRESS.*—*Not later than 30 days*
8 *after the completion of such a draft report, the Secretary*
9 *shall transmit the draft report to the appropriate commit-*
10 *tees of Congress. Not later than 60 days after the completion*
11 *of such a final report, the Secretary shall transmit the final*
12 *report to the appropriate committees of Congress.*

13 **SEC. 369. NATIONAL EMERGENCY GRANTS.**

14 (a) *IN GENERAL.*—*The Secretary is authorized to*
15 *award national emergency grants in a timely manner—*

16 (1) *to an entity described in subsection (c) to*
17 *provide employment and training assistance to work-*
18 *ers affected by major economic dislocations, such as*
19 *plant closures, mass layoffs, or closures and realign-*
20 *ments of military installations;*

21 (2) *to provide assistance to the Governor of any*
22 *State within the boundaries of which is an area that*
23 *has suffered an emergency or a major disaster as de-*
24 *finied in paragraphs (1) and (2), respectively, of sec-*
25 *tion 102 of The Robert T. Stafford Disaster Relief*

1 *and Emergency Assistance Act (42 U.S.C. 5122 (1)*
2 *and (2)) (referred to in this section as the “disaster*
3 *area”)* to provide disaster relief employment in the
4 *area; and*

5 *(3) to provide additional assistance to a State or*
6 *local partnership for eligible dislocated workers in a*
7 *case in which the State or local partnership has ex-*
8 *pended the funds provided under this section to carry*
9 *out activities described in paragraphs (1) and (2)*
10 *and can demonstrate the need for additional funds to*
11 *provide appropriate services for such workers, in ac-*
12 *cordance with requirements prescribed by the Sec-*
13 *retary.*

14 *(b) ADMINISTRATION.—The Secretary shall designate*
15 *a dislocated worker office to coordinate the functions of the*
16 *Secretary under this title relating to national emergency*
17 *grants.*

18 *(c) EMPLOYMENT AND TRAINING ASSISTANCE RE-*
19 *QUIREMENTS.—*

20 *(1) APPLICATION.—To be eligible to receive a*
21 *grant under subsection (a)(1), an entity shall submit*
22 *an application to the Secretary at such time, in such*
23 *manner, and containing such information as the Sec-*
24 *retary may require.*

1 (2) *ELIGIBLE ENTITY.*—*In this subsection, the*
2 *term “entity” means a State, a local partnership, an*
3 *entity described in section 361(c), an employer or em-*
4 *ployer association, a labor organization, and an en-*
5 *tity determined to be eligible by the Governor of the*
6 *State involved.*

7 (4) *DISASTER RELIEF EMPLOYMENT ASSISTANCE RE-*
8 *QUIREMENTS.*—

9 (1) *IN GENERAL.*—*Funds made available under*
10 *subsection (a)(2)—*

11 (A) *shall be used to provide disaster relief*
12 *employment on projects that provide food, cloth-*
13 *ing, shelter, and other humanitarian assistance*
14 *for disaster victims, and projects regarding dem-*
15 *olition, cleaning, repair, renovation, and recon-*
16 *struction of damaged and destroyed structures,*
17 *facilities, and lands located within the disaster*
18 *area;*

19 (B) *may be expended through public and*
20 *private agencies and organizations engaged in*
21 *such projects; and*

22 (C) *may be expended to provide the services*
23 *authorized under section 315(c).*

24 (2) *ELIGIBILITY.*—*An individual shall be eligible*
25 *to be offered disaster relief employment under sub-*

1 *section (a)(2) if such individual is a dislocated work-*
 2 *er, is a long-term unemployed individual, or is tem-*
 3 *porarily or permanently laid off as a consequence of*
 4 *the disaster.*

5 *(3) LIMITATIONS ON DISASTER RELIEF EMPLOY-*
 6 *MENT.—No individual shall be employed under sub-*
 7 *section (a)(2) for more than 6 months for work relat-*
 8 *ed to recovery from a single natural disaster.*

9 **SEC. 370. AUTHORIZATION OF APPROPRIATIONS.**

10 *(a) IN GENERAL.—*

11 *(1) NATIVE AMERICAN PROGRAMS; MIGRANT AND*
 12 *SEASONAL FARMWORKER PROGRAMS; VETERANS' EM-*
 13 *PLOYMENT PROGRAMS.—Subject to subsection (b)(1),*
 14 *there are authorized to be appropriated to carry out*
 15 *sections 361 through 363 such sums as may be nec-*
 16 *essary for each of the fiscal years 1999 through 2004.*

17 *(2) INCENTIVE GRANTS; TECHNICAL ASSISTANCE;*
 18 *DEMONSTRATION AND PILOT PROJECTS; EVALUA-*
 19 *TIONS.—Subject to subsection (b)(2), there are author-*
 20 *ized to be appropriated to carry out sections 365*
 21 *through 368, such sums as may be necessary for each*
 22 *of fiscal years 1999 through 2004.*

23 *(b) RESERVATIONS.—*

24 *(1) NATIVE AMERICAN PROGRAMS; MIGRANT AND*
 25 *SEASONAL FARMWORKER PROGRAMS; VETERANS' EM-*

1 *PLOYMENT PROGRAMS.—Of the amount appropriated*
 2 *under subsection (a)(1) for a fiscal year, the Sec-*
 3 *retary shall—*

4 (A) *reserve not less than \$55,000,000 for*
 5 *carrying out section 361;*

6 (B) *reserve not less than \$70,000,000 for*
 7 *carrying out section 362; and*

8 (C) *reserve not less than \$7,300,000 for car-*
 9 *rying out section 363.*

10 (2) *INCENTIVE GRANTS; TECHNICAL ASSISTANCE;*
 11 *DEMONSTRATION AND PILOT PROJECTS; EVALUA-*
 12 *TIONS.—Of the amount appropriated under sub-*
 13 *section (a)(2) for a fiscal year, the Secretary shall—*

14 (A) *reserve 36.8 percent for carrying out*
 15 *section 365;*

16 (B) *reserve 25 percent for carrying out sec-*
 17 *tion 366 (other than section 366(b)(2));*

18 (C) *reserve 24.2 percent of a carrying out*
 19 *section 367 (other than 367(f)); and*

20 (D) *reserve 14 percent for carrying out sec-*
 21 *tion 368.*

22 ***Subtitle D—Administration***

23 ***SEC. 371. REQUIREMENTS AND RESTRICTIONS.***

24 (a) *BENEFITS.—*

25 (1) *WAGES.—*

1 (A) *IN GENERAL.*—*Individuals in on-the-job*
2 *training or individuals employed in programs*
3 *and activities carried out under this title shall*
4 *be compensated at the same rates, including*
5 *periodic increases, as trainees or employees who*
6 *are similarly situated in similar occupations by*
7 *the same employer and who have similar skills.*
8 *Such rates shall be in accordance with applicable*
9 *law, but in no event less than the higher of the*
10 *rate specified in section 6(a)(1) of the Fair*
11 *Labor Standards Act of 1938 (29 U.S.C.*
12 *206(a)(1)) or the applicable State or local mini-*
13 *imum wage law.*

14 (B) *CONSTRUCTION.*—*The reference in sub-*
15 *paragraph (A) to section 6(a)(1) of the Fair*
16 *Labor Standards Act of 1938—*

17 (i) *shall be deemed to be a reference to*
18 *section 6(c) of that Act (29 U.S.C. 206(c))*
19 *for individuals in the Commonwealth of*
20 *Puerto Rico;*

21 (ii) *shall be deemed to be a reference to*
22 *section 6(a)(3) (29 U.S.C. 206(a)(3)) of that*
23 *Act for individuals in American Samoa;*
24 *and*

1 (iii) shall not be applicable for indi-
2 viduals in other territorial jurisdictions in
3 which section 6 of the Fair Labor Stand-
4 ards Act of 1938 (29 U.S.C. 206) does not
5 apply.

6 (2) *TREATMENT OF ALLOWANCES, EARNINGS,*
7 *AND PAYMENTS.*—Allowances, earnings, and pay-
8 ments to individuals participating in programs and
9 activities carried out under this title shall not be con-
10 sidered to be income for the purposes of determining
11 eligibility for, and the amount of income transfer and
12 in-kind aid furnished under, any Federal or federally
13 assisted program based on need, other than as pro-
14 vided under the Social Security Act (42 U.S.C. 301
15 et seq.).

16 (b) *LABOR STANDARDS.*—

17 (1) *DISPLACEMENT.*—

18 (A) *PROHIBITION.*—A participant in a pro-
19 gram or activity authorized under this title (re-
20 ferred to in this subsection as a “specified activ-
21 ity”) shall not displace (including a partial dis-
22 placement, such as a reduction in the hours of
23 nonovertime work, wages, or employment bene-
24 fits) any currently employed employee (as of the
25 date of the participation).

1 (B) *PROHIBITION ON IMPAIRMENT OF CON-*
2 *TRACTS.—A specified activity shall not impair*
3 *an existing contract for services or collective bar-*
4 *gaining agreement, and no such activity that*
5 *would be inconsistent with the terms of a collec-*
6 *tive bargaining agreement shall be undertaken*
7 *without the written concurrence of the labor or-*
8 *ganization and employer concerned.*

9 (2) *OTHER PROHIBITIONS.—A participant in a*
10 *specified activity shall not be employed in a job—*

11 (A) *when any other individual is on layoff*
12 *from the same or any substantially equivalent*
13 *job with the participating employer;*

14 (B) *when the employer has terminated the*
15 *employment of any regular employee or other-*
16 *wise reduced the workforce of the employer with*
17 *the intention of filling the vacancy so created*
18 *with the participant; or*

19 (C) *that is created in a promotional line*
20 *that will infringe in any way on the pro-*
21 *motional opportunities of currently employed in-*
22 *dividuals (as of the date of the participation).*

23 (3) *HEALTH AND SAFETY.—Health and safety*
24 *standards established under Federal and State law*
25 *otherwise applicable to working conditions of employ-*

1 ees shall be equally applicable to working conditions
2 of participants engaged in specified activities. To the
3 extent that a State workers' compensation law ap-
4 plies, workers' compensation shall be provided to par-
5 ticipants on the same basis as the compensation is
6 provided to other individuals in the State in similar
7 employment.

8 (4) *EMPLOYMENT CONDITIONS.*—Individuals in
9 on-the-job training or individuals employed in pro-
10 grams and activities carried out under this title, shall
11 be provided benefits and working conditions at the
12 same level and to the same extent as other trainees or
13 employees working a similar length of time and doing
14 the same type of work.

15 (5) *OPPORTUNITY TO SUBMIT COMMENTS.*—Con-
16 sistent with sections 303(d)(2) and 309(c), interested
17 members of the public shall be provided an oppor-
18 tunity to submit comments with respect to programs
19 and activities proposed to be funded under subtitle A.
20 (c) *GRIEVANCE PROCEDURE.*—

21 (1) *IN GENERAL.*—Each State receiving an allot-
22 ment under section 302 and each grant recipient
23 under section 361 or 362 shall establish and maintain
24 a procedure for grievances or complaints alleging vio-
25 lations of the requirements of this title from partici-

1 *pants and other interested or affected parties. Such*
2 *procedure shall include an opportunity for a hearing*
3 *and be completed within 60 days after the date of the*
4 *filing of the grievance or complaint.*

5 (2) *INVESTIGATION.—*

6 (A) *IN GENERAL.—The Secretary shall in-*
7 *vestigate an allegation of a violation described in*
8 *paragraph (1) if—*

9 (i) *a decision relating to such violation*
10 *has not been reached within 60 days after*
11 *the date of the filing of the grievance or*
12 *complaint and either party appeals the de-*
13 *cision to the Secretary; or*

14 (ii) *a decision relating to such viola-*
15 *tion has been reached within 60 days after*
16 *the date of the filing and the party to which*
17 *such decision is adverse appeals the decision*
18 *to the Secretary.*

19 (B) *ADDITIONAL REQUIREMENT.—The Sec-*
20 *retary shall make a final determination relating*
21 *to an appeal made under subparagraph (A) no*
22 *later than 120 days after the date of such appeal.*

23 (3) *REMEDIES.—Remedies that may be imposed*
24 *under this subsection for a violation of any require-*
25 *ment of this title shall be limited—*

1 (A) to suspension or termination of pay-
2 ments under this title to a person that has vio-
3 lated any requirement of this title;

4 (B) to prohibition of placement of a partici-
5 pant with an employer that has violated any re-
6 quirement of this title;

7 (C) where applicable, to reinstatement of an
8 employee, payment of lost wages and benefits,
9 and reestablishment of other relevant terms, con-
10 ditions, and privileges of employment; and

11 (D) where appropriate, to other equitable
12 relief.

13 (4) CONSTRUCTION.—Nothing in paragraph (3)
14 shall be construed to prohibit a grievant or complain-
15 ant from pursuing a remedy authorized under an-
16 other Federal, State, or local law for a violation of
17 this title.

18 (d) RELOCATION.—

19 (1) PROHIBITION ON USE OF FUNDS TO ENCOUR-
20 AGE OR INDUCE RELOCATION.—No funds provided
21 under this title shall be used, or proposed for use, to
22 encourage or induce the relocation of a business or
23 part of a business if such relocation would result in
24 a loss of employment for any employee of such busi-

1 *ness at the original location and such original loca-*
2 *tion is within the United States.*

3 (2) *PROHIBITION ON USE OF FUNDS FOR CUS-*
4 *TOMIZED OR SKILL TRAINING AND RELATED ACTIVI-*
5 *TIES AFTER RELOCATION.*—*No funds provided under*
6 *this title for an employment and training activity*
7 *shall be used for customized or skill training, on-the-*
8 *job training, or company-specific assessments of job*
9 *applicants or employees, for any business or part of*
10 *a business that has relocated, until the date that is*
11 *120 days after the date on which such business com-*
12 *mences operations at the new location, if the reloca-*
13 *tion of such business or part of a business results in*
14 *a loss of employment for any employee of such busi-*
15 *ness at the original location and such original loca-*
16 *tion is within the United States.*

17 (3) *REPAYMENT.*—*If the Secretary determines*
18 *that a violation of paragraph (1) or (2) has occurred,*
19 *the Secretary shall require the State that has violated*
20 *such paragraph to repay to the United States an*
21 *amount equal to the amount expended in violation of*
22 *such paragraph.*

23 (e) *LIMITATION ON USE OF FUNDS.*—*No funds avail-*
24 *able under this title shall be used for employment generat-*
25 *ing activities, economic development activities, activities for*

1 *the capitalization of businesses, investment in contract bid-*
2 *ding resource centers, or similar activities. No funds avail-*
3 *able under subtitle A shall be used for foreign travel.*

4 **SEC. 372. PROMPT ALLOCATION OF FUNDS.**

5 (a) *ALLOTMENTS AND ALLOCATIONS BASED ON LAT-*
6 *EST AVAILABLE DATA.*—*All allotments and allocations*
7 *under section 302, 306, or 366 shall be based on the latest*
8 *available data and estimates satisfactory to the Secretary.*
9 *All data relating to disadvantaged adults, disadvantaged*
10 *youth, and low-income individuals shall be based on the*
11 *most recent satisfactory data from the Bureau of the Census.*

12 (b) *PUBLICATION IN FEDERAL REGISTER RELATING*
13 *TO FORMULA FUNDS.*—*Whenever the Secretary allots funds*
14 *required to be allotted under section 302 or 366, the Sec-*
15 *retary shall publish in a timely fashion in the Federal Reg-*
16 *ister the proposed amount to be distributed to each recipient*
17 *of the funds.*

18 (c) *REQUIREMENT FOR FUNDS DISTRIBUTED BY FOR-*
19 *MULA.*—*All funds required to be allotted or allocated under*
20 *section 302, 306, or 366 shall be allotted or allocated within*
21 *45 days after the date of enactment of the Act appropriating*
22 *the funds, except that, if such funds are appropriated in*
23 *advance as authorized by section 379(g), such funds shall*
24 *be allotted or allocated not later than the March 31 preced-*

1 *ing the program year for which such funds are to be avail-*
2 *able for obligation.*

3 (d) *AVAILABILITY OF FUNDS.—Funds shall be made*
4 *available under section 306 to the chief elected official for*
5 *a local area not later than 30 days after the date the funds*
6 *are made available to the Governor involved, under section*
7 *302, or 7 days after the date the local plan for the area*
8 *is approved, whichever is later.*

9 **SEC. 373. MONITORING.**

10 (a) *IN GENERAL.—The Secretary is authorized to*
11 *monitor all recipients of financial assistance under this*
12 *title to determine whether the recipients are complying with*
13 *the provisions of this title, including the regulations issued*
14 *under this title.*

15 (b) *INVESTIGATIONS.—The Secretary may investigate*
16 *any matter the Secretary determines to be necessary to de-*
17 *termine the compliance of the recipients with this title, in-*
18 *cluding the regulations issued under this title. The inves-*
19 *tigations authorized by this subsection may include exam-*
20 *ining records (including making certified copies of the*
21 *records), questioning employees, and entering any premises*
22 *or onto any site in which any part of a program or activity*
23 *of such a recipient is conducted or in which any of the*
24 *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) *REGULATIONS.*—The Secretary shall pre-
22 scribe regulations establishing uniform cost principles
23 that are substantially equivalent to such principles
24 generally applicable to recipients of Federal grant
25 funds, and are consistent with appropriate circulars

1 *of the Office of Management and Budget. At a mini-*
2 *imum, such regulations shall provide that—*

3 *(A) to be allowable, costs incurred under*
4 *this title shall—*

5 *(i) be necessary and reasonable for*
6 *proper and efficient administration of the*
7 *programs and activities carried out under*
8 *this title;*

9 *(ii) except for the administrative funds*
10 *described in sections 306(b)(5) and*
11 *314(c)(2), be allocable to the programs and*
12 *activities carried out under this title; and*

13 *(iii) not be a general expense required*
14 *to carry out the overall responsibilities of*
15 *State or local governments; and*

16 *(B) procurement transactions between local*
17 *partnerships and such governments shall be con-*
18 *ducted only on a cost-reimbursable basis.*

19 *(3) PROCUREMENT STANDARDS.—Each Gov-*
20 *ernor, in accordance with minimum requirements es-*
21 *tablished by the Secretary (after consultation with the*
22 *Governors) in regulations, shall prescribe and imple-*
23 *ment procurement standards to ensure fiscal account-*
24 *ability and prevent fraud and abuse in programs and*
25 *activities carried out under this title.*

1 (4) *MONITORING.*—*The Governor shall conduct*
2 *onsite monitoring of each local area within the State*
3 *to ensure compliance with the procurement standards*
4 *prescribed pursuant to paragraph (3).*

5 (5) *ACTION BY GOVERNOR.*—*If the Governor de-*
6 *termines that a local area is not in compliance with*
7 *the procurement standards prescribed pursuant to*
8 *paragraph (3), the Governor shall—*

9 (A) *require corrective action to secure*
10 *prompt compliance; and*

11 (B) *impose the sanctions provided under*
12 *subsection (b) in the event of failure to take the*
13 *required corrective action.*

14 (6) *CERTIFICATION.*—*The Governor shall, every*
15 *3 years, certify to the Secretary that—*

16 (A) *the State has implemented the procure-*
17 *ment standards prescribed under paragraph (3);*

18 (B) *the State has monitored local areas to*
19 *ensure compliance with the procurement stand-*
20 *ards as required under paragraph (4); and*

21 (C) *the State has taken appropriate action*
22 *to secure compliance pursuant to paragraph (5).*

23 (7) *ACTION BY THE SECRETARY.*—*If the Sec-*
24 *retary determines that the Governor has not fulfilled*

1 *the requirements of this subsection, the Secretary*
2 *shall—*

3 *(A) require corrective action to secure*
4 *prompt compliance; and*

5 *(B) impose the sanctions provided under*
6 *subsection (f) in the event of failure of the Gov-*
7 *ernor to take the required appropriate action to*
8 *secure compliance.*

9 *(b) SUBSTANTIAL VIOLATION.—*

10 *(1) ACTION BY GOVERNOR.—If, as a result of a*
11 *financial or compliance audit or otherwise, the Gov-*
12 *ernor determines that there is a substantial violation*
13 *of a specific provision of this title, including regula-*
14 *tions issued under this title, and corrective action has*
15 *not been taken, the Governor shall impose a reorga-*
16 *nization plan, which may include—*

17 *(A) decertifying the local partnership in-*
18 *volved in accordance with section 308(c)(3);*

19 *(B) prohibiting the use of providers who*
20 *have been identified as eligible providers of*
21 *workforce investment activities under chapter 3*
22 *of subtitle A;*

23 *(C) selecting an alternative entity to ad-*
24 *minister a program or activity for the local area*
25 *involved;*

1 (D) merging the local area into 1 or more
2 other local areas; or

3 (E) making such other changes as the Sec-
4 retary or Governor determines to be necessary to
5 secure compliance.

6 (2) APPEAL.—The action taken by the Governor
7 pursuant to paragraph (1) may be appealed to the
8 Secretary, who shall make a final decision on the ap-
9 peal not later than 60 days after the receipt of the ap-
10 peal.

11 (3) ACTION BY SECRETARY.—If the Governor
12 fails to take promptly the action required under para-
13 graph (1), the Secretary shall take such action.

14 (c) ACCESS BY COMPTROLLER GENERAL.—For the
15 purpose of evaluating and reviewing programs and activi-
16 ties established or provided for by this title, the Comptroller
17 General shall have access to and the right to copy any books,
18 accounts, records, correspondence, or other documents perti-
19 nent to such programs and activities that are in the posses-
20 sion, custody, or control of a State, a local partnership, any
21 recipient of funds under this title, or any subgrantee or con-
22 tractor of such a recipient.

23 (d) REPAYMENT OF CERTAIN AMOUNTS TO THE UNIT-
24 ED STATES.—

1 (1) *IN GENERAL.*—Every recipient of funds
2 under this title shall repay to the United States
3 amounts found not to have been expended in accord-
4 ance with this title.

5 (2) *OFFSET OF REPAYMENT.*—If the Secretary
6 determines that a State has expended funds made
7 available under this title in a manner contrary to the
8 requirements of this title, the Secretary may offset re-
9 payment of such expenditures against any other
10 amount to which the State is or may be entitled, ex-
11 cept as provided under subsection (e)(1).

12 (3) *REPAYMENT FROM DEDUCTION BY STATE.*—
13 If the Secretary requires a State to repay funds as a
14 result of a determination that a local area of the
15 State has expended funds contrary to the require-
16 ments of this title, the Governor of the State may use
17 an amount deducted under paragraph (4) to repay
18 the funds, except as provided under subsection (e)(1).

19 (4) *DEDUCTION BY STATE.*—The Governor may
20 deduct an amount equal to the misexpenditure de-
21 scribed in paragraph (3) from subsequent program
22 year allocations to the local area from funds reserved
23 for the administrative costs of the local programs in-
24 volved, as appropriate.

1 (5) *LIMITATIONS.*—A deduction made by a State
2 as described in paragraph (4) shall not be made until
3 such time as the Governor has taken appropriate cor-
4 rective action to ensure full compliance within such
5 local area with regard to appropriate expenditures of
6 funds under this title.

7 (e) *REPAYMENT OF AMOUNTS.*—

8 (1) *IN GENERAL.*—Each recipient of funds under
9 this title shall be liable to repay the amounts de-
10 scribed in subsection (d)(1), from funds other than
11 funds received under this title, upon a determination
12 by the Secretary that the misexpenditure of funds was
13 due to willful disregard of the requirements of this
14 title, gross negligence, failure to observe accepted
15 standards of administration, or a pattern of
16 misexpenditure as described in paragraphs (2) and
17 (3) of subsection (d). No such determination shall be
18 made under this subsection or subsection (d) until no-
19 tice and opportunity for a fair hearing has been given
20 to the recipient.

21 (2) *FACTORS IN IMPOSING SANCTIONS.*—In deter-
22 mining whether to impose any sanction authorized by
23 this section against a recipient for violations by a
24 subgrantee or contractor of such recipient under this
25 title (including the regulations issued under this

1 *title), the Secretary shall first determine whether such*
2 *recipient has adequately demonstrated that the recipi-*
3 *ent has—*

4 *(A) established and adhered to an appro-*
5 *priate system for the award and monitoring of*
6 *grants and contracts with subgrantees and con-*
7 *tractors that contains acceptable standards for*
8 *ensuring accountability;*

9 *(B) entered into a written grant agreement*
10 *or contract with such subgrantee or contractor*
11 *that established clear goals and obligations in*
12 *unambiguous terms;*

13 *(C) acted with due diligence to monitor the*
14 *implementation of the grant agreement or con-*
15 *tract, including the carrying out of the appro-*
16 *priate monitoring activities (including audits)*
17 *at reasonable intervals; and*

18 *(D) taken prompt and appropriate correc-*
19 *tive action upon becoming aware of any evidence*
20 *of a violation of this title, including regulations*
21 *issued under this title, by such subgrantee or*
22 *contractor.*

23 *(3) WAIVER.—If the Secretary determines that*
24 *the recipient has demonstrated substantial compliance*
25 *with the requirements of paragraph (2), the Secretary*

1 *may waive the imposition of sanctions authorized by*
2 *this section upon such recipient. The Secretary is au-*
3 *thorized to impose any sanction consistent with the*
4 *provisions of this title and any applicable Federal or*
5 *State law directly against any subgrantee or contrac-*
6 *tor for violation of this title, including regulations is-*
7 *sued under this title.*

8 *(f) IMMEDIATE TERMINATION OR SUSPENSION OF AS-*
9 *SISTANCE IN EMERGENCY SITUATIONS.—In emergency situ-*
10 *ations, if the Secretary determines it is necessary to protect*
11 *the integrity of the funds or ensure the proper operation*
12 *of the program or activity involved, the Secretary may im-*
13 *mediately terminate or suspend financial assistance, in*
14 *whole or in part, to the recipient if the recipient is given*
15 *prompt notice and the opportunity for a subsequent hearing*
16 *within 30 days after such termination or suspension. The*
17 *Secretary shall not delegate any of the functions or author-*
18 *ity specified in this subsection, other than to an officer*
19 *whose appointment is required to be made by and with the*
20 *advice and consent of the Senate.*

21 *(g) DISCRIMINATION AGAINST PARTICIPANTS.—If the*
22 *Secretary determines that any recipient of funds under this*
23 *title has discharged or in any other manner discriminated*
24 *in violation of section 378 against, a participant or any*
25 *other individual in connection with the administration of*

1 *the program or activity involved, or any individual because*
2 *such individual has filed any complaint or instituted or*
3 *caused to be instituted any proceeding under or related to*
4 *this title, or has testified or is about to testify in any such*
5 *proceeding or investigation under or related to this title,*
6 *or otherwise unlawfully denied to any individual a benefit*
7 *to which that individual is entitled under the provisions*
8 *of this title, including regulations issued under this title,*
9 *the Secretary shall, within 30 days after the date of the*
10 *determination, take such action or order such corrective*
11 *measures, as may be necessary, with respect to the recipient*
12 *or the aggrieved individual.*

13 *(h) REMEDIES.—The remedies described in this section*
14 *shall not be construed to be the exclusive remedies available*
15 *for violations described in this section.*

16 **SEC. 375. REPORTS; RECORDKEEPING; INVESTIGATIONS.**

17 *(a) REPORTS.—*

18 *(1) IN GENERAL.—Recipients of funds under this*
19 *title shall keep records that are sufficient to permit*
20 *the preparation of reports required by this title and*
21 *to permit the tracing of funds to a level of expendi-*
22 *ture adequate to ensure that the funds have not been*
23 *spent unlawfully.*

24 *(2) SUBMISSION TO THE SECRETARY.—Every*
25 *such recipient shall maintain such records and sub-*

1 *mit such reports, in such form and containing such*
2 *information, as the Secretary may require regarding*
3 *the performance of programs and activities carried*
4 *out under this title. Such records and reports shall be*
5 *submitted to the Secretary but shall not be required*
6 *to be submitted more than once each quarter unless*
7 *specifically requested by Congress or a committee of*
8 *Congress.*

9 (3) *MAINTENANCE OF STANDARDIZED*
10 *RECORDS.—In order to allow for the preparation of*
11 *the reports required under subsection (c), such recipi-*
12 *ents shall maintain standardized records for all indi-*
13 *vidual participants and provide to the Secretary a*
14 *sufficient number of such records to provide for an*
15 *adequate analysis of the records.*

16 (4) *AVAILABILITY TO THE PUBLIC.—*

17 (A) *IN GENERAL.—Except as provided in*
18 *subparagraph (B), records maintained by such*
19 *recipients pursuant to this subsection shall be*
20 *made available to the public upon request.*

21 (B) *EXCEPTION.—Subparagraph (A) shall*
22 *not apply to—*

23 (i) *information, the disclosure of which*
24 *would constitute a clearly unwarranted in-*
25 *vasion of personal privacy; and*

1 (ii) trade secrets, or commercial or fi-
2 nancial information, that is obtained from
3 a person and privileged or confidential.

4 (C) *FEEES TO RECOVER COSTS.*—Such re-
5 cipients may charge fees sufficient to recover
6 costs applicable to the processing of requests for
7 records under subparagraph (A).

8 (b) *INVESTIGATIONS OF USE OF FUNDS.*—

9 (1) *IN GENERAL.*—

10 (A) *SECRETARY.*—In order to evaluate com-
11 pliance with the provisions of this title, the Sec-
12 retary shall conduct, in several States, in each
13 fiscal year, investigations of the use of funds re-
14 ceived by recipients under this title.

15 (B) *COMPTROLLER GENERAL OF THE UNIT-*
16 *ED STATES.*—In order to ensure compliance with
17 the provisions of this title, the Comptroller Gen-
18 eral of the United States may conduct investiga-
19 tions of the use of funds received under this title
20 by any recipient.

21 (2) *PROHIBITION.*—In conducting any investiga-
22 tion under this title, the Secretary or the Comptroller
23 General of the United States may not request the
24 compilation of any information that the recipient is

1 *not otherwise required to compile and that is not*
2 *readily available to such recipient.*

3 (3) *AUDITS.*—

4 (A) *IN GENERAL.*—*In carrying out any*
5 *audit under this title (other than any initial*
6 *audit survey or any audit investigating possible*
7 *criminal or fraudulent conduct), either directly*
8 *or through grant or contract, the Secretary, the*
9 *Inspector General of the Department of Labor, or*
10 *the Comptroller General of the United States*
11 *shall furnish to the State, recipient, or other en-*
12 *tity to be audited, advance notification of the*
13 *overall objectives and purposes of the audit, and*
14 *any extensive recordkeeping or data requirements*
15 *to be met, not later than 14 days (or as soon as*
16 *practicable), prior to the commencement of the*
17 *audit.*

18 (B) *NOTIFICATION REQUIREMENT.*—*If the*
19 *scope, objectives, or purposes of the audit change*
20 *substantially during the course of the audit, the*
21 *entity being audited shall be notified of the*
22 *change as soon as practicable.*

23 (C) *ADDITIONAL REQUIREMENT.*—*The re-*
24 *ports on the results of such audits shall cite the*

1 *law, regulation, policy, or other criteria applica-*
2 *ble to any finding contained in the reports.*

3 (D) *RULE OF CONSTRUCTION.*—*Nothing*
4 *contained in this title shall be construed so as to*
5 *be inconsistent with the Inspector General Act of*
6 *1978 (5 U.S.C. App.) or government auditing*
7 *standards issued by the Comptroller General of*
8 *the United States.*

9 (c) *ACCESSIBILITY OF REPORTS.*—*Each State, each*
10 *local partnership, and each recipient (other than a sub-*
11 *recipient, subgrantee, or contractor of a recipient) receiving*
12 *funds under this title shall—*

13 (1) *make readily accessible such reports concern-*
14 *ing its operations and expenditures as shall be pre-*
15 *scribed by the Secretary;*

16 (2) *prescribe and maintain comparable manage-*
17 *ment information systems, in accordance with guide-*
18 *lines that shall be prescribed by the Secretary, de-*
19 *signed to facilitate the uniform compilation, cross*
20 *tabulation, and analysis of programmatic, partici-*
21 *part, and financial data, on statewide, local area,*
22 *and other appropriate bases, necessary for reporting,*
23 *monitoring, and evaluating purposes, including data*
24 *necessary to comply with section 378; and*

1 (3) *monitor the performance of providers in com-*
2 *plying with the terms of grants, contracts, or other*
3 *agreements made pursuant to this title.*

4 (d) *INFORMATION TO BE INCLUDED IN REPORTS.—*

5 (1) *IN GENERAL.—The reports required in sub-*
6 *section (c) shall include information regarding pro-*
7 *grams and activities carried out under this title per-*
8 *taining to—*

9 (A) *the relevant demographic characteristics*
10 *(including race, ethnicity, sex, and age) and*
11 *other related information regarding participants;*

12 (B) *the programs and activities in which*
13 *participants are enrolled, and the length of time*
14 *that participants are engaged in such programs*
15 *and activities;*

16 (C) *outcomes of the programs and activities*
17 *for participants, including the occupations of*
18 *participants, and placement for participants in*
19 *nontraditional employment;*

20 (D) *specified costs of the programs and ac-*
21 *tivities; and*

22 (E) *information necessary to prepare re-*
23 *ports to comply with section 378.*

24 (2) *ADDITIONAL REQUIREMENT.—The Secretary*
25 *shall ensure that all elements of the information re-*

1 *quired for the reports described in paragraph (1) are*
2 *defined and reported uniformly.*

3 *(e) RETENTION OF RECORDS.—The Governor of a*
4 *State that receives funds under this title shall ensure that*
5 *requirements are established for retention of all records of*
6 *the State pertinent to all grants awarded, and contracts*
7 *and agreements entered into, under this title, including fi-*
8 *nancial, statistical, property, and participant records and*
9 *supporting documentation. For funds allotted to a State*
10 *under this title for any program year, the State shall retain*
11 *the records for 2 subsequent program years. The State shall*
12 *retain records for nonexpendable property that is used to*
13 *carry out this title for a period of 3 years after final dis-*
14 *position of the property.*

15 *(f) QUARTERLY FINANCIAL REPORTS.—*

16 *(1) IN GENERAL.—Each local partnership in the*
17 *State shall submit quarterly financial reports to the*
18 *Governor with respect to programs and activities car-*
19 *ried out under this title. Such reports shall include*
20 *information identifying all program and activity*
21 *costs by cost category in accordance with generally*
22 *accepted accounting principles and by year of the ap-*
23 *propriation involved.*

24 *(2) ADDITIONAL REQUIREMENT.—Each State*
25 *shall submit to the Secretary, on a quarterly basis, a*

1 *summary of the reports submitted to the Governor*
2 *pursuant to paragraph (1).*

3 *(g) MAINTENANCE OF ADDITIONAL RECORDS.—Each*
4 *State and local partnership shall maintain records with re-*
5 *spect to programs and activities carried out under this title*
6 *that identify—*

7 *(1) any income or profits earned, including such*
8 *income or profits earned by subrecipients; and*

9 *(2) any costs incurred (such as stand-in costs)*
10 *that are otherwise allowable except for funding limi-*
11 *tations.*

12 *(h) COST CATEGORIES.—In requiring entities to*
13 *maintain records of costs by category under this title, the*
14 *Secretary shall require only that the costs be categorized as*
15 *administrative or programmatic costs.*

16 **SEC. 376. ADMINISTRATIVE ADJUDICATION.**

17 *(a) IN GENERAL.—Whenever any applicant for finan-*
18 *cial assistance under this title is dissatisfied because the*
19 *Secretary has made a determination not to award financial*
20 *assistance in whole or in part to such applicant, the appli-*
21 *cant may request a hearing before an administrative law*
22 *judge of the Department of Labor. A similar hearing may*
23 *also be requested by any recipient for whom a corrective*
24 *action has been required or a sanction has been imposed*
25 *by the Secretary under section 374. Except to the extent*

1 *provided for in section 371(c) or 378, all other disputes*
2 *arising under this title relating to the manner in which*
3 *the recipient carries out a program or activity under this*
4 *title shall be adjudicated under grievance procedures estab-*
5 *lished by the recipient or under applicable law other than*
6 *this title.*

7 **(b) APPEAL.**—*The decision of the administrative law*
8 *judge shall constitute final action by the Secretary unless,*
9 *within 20 days after receipt of the decision of the adminis-*
10 *trative law judge, a party dissatisfied with the decision or*
11 *any part of the decision has filed exceptions with the Sec-*
12 *retary specifically identifying the procedure, fact, law, or*
13 *policy to which exception is taken. Any exception not spe-*
14 *cifically urged shall be deemed to have been waived. After*
15 *the 20-day period the decision of the administrative law*
16 *judge shall become the final decision of the Secretary unless*
17 *the Secretary, within 30 days after such filing, has notified*
18 *the parties that the case involved has been accepted for re-*
19 *view.*

20 **(c) TIME LIMIT.**—*Any case accepted for review by the*
21 *Secretary under subsection (b) shall be decided within 180*
22 *days after such acceptance. If the case is not decided within*
23 *the 180-day period, the decision of the administrative law*
24 *judge shall become the final decision of the Secretary at the*
25 *end of the 180-day period.*

1 (d) *ADDITIONAL REQUIREMENT.*—*The provisions of*
2 *section 377 shall apply to any final action of the Secretary*
3 *under this section.*

4 **SEC. 377. JUDICIAL REVIEW.**

5 (a) *REVIEW.*—

6 (1) *PETITION.*—*With respect to any final order*
7 *by the Secretary under section 376 by which the Sec-*
8 *retary awards, declines to award, or only condi-*
9 *tionally awards, financial assistance under this title,*
10 *or any final order of the Secretary under section 376*
11 *with respect to a corrective action or sanction im-*
12 *posed under section 374, any party to a proceeding*
13 *which resulted in such final order may obtain review*
14 *of such final order in the United States Court of Ap-*
15 *peals having jurisdiction over the applicant or recipi-*
16 *ent of funds involved, by filing a review petition*
17 *within 30 days after the date of issuance of such final*
18 *order.*

19 (2) *ACTION ON PETITION.*—*The clerk of the court*
20 *shall transmit a copy of the review petition to the*
21 *Secretary who shall file the record on which the final*
22 *order was entered as provided in section 2112 of title*
23 *28, United States Code. The filing of a review peti-*
24 *tion shall not stay the order of the Secretary, unless*
25 *the court orders a stay. Petitions filed under this sub-*

1 *section shall be heard expeditiously, if possible within*
2 *10 days after the date of filing of a reply to the peti-*
3 *tion.*

4 (3) *STANDARD AND SCOPE OF REVIEW.—No ob-*
5 *jection to the order of the Secretary shall be consid-*
6 *ered by the court unless the objection was specifically*
7 *urged, in a timely manner, before the Secretary. The*
8 *review shall be limited to questions of law and the*
9 *findings of fact of the Secretary shall be conclusive if*
10 *supported by substantial evidence.*

11 (b) *JUDGMENT.—The court shall have jurisdiction to*
12 *make and enter a decree affirming, modifying, or setting*
13 *aside the order of the Secretary in whole or in part. The*
14 *judgment of the court regarding the order shall be final,*
15 *subject to certiorari review by the Supreme Court as pro-*
16 *vided in section 1254(1) of title 28, United States Code.*

17 **SEC. 378. NONDISCRIMINATION.**

18 (a) *PROHIBITED DISCRIMINATION.—*

19 (1) *PROHIBITION ON DISCRIMINATION IN FED-*
20 *ERAL PROGRAMS AND ACTIVITIES.—For the purpose*
21 *of applying the prohibitions against discrimination*
22 *on the basis of age under the Age Discrimination Act*
23 *of 1975 (42 U.S.C. 6101 et seq.), on the basis of dis-*
24 *ability under section 504 of the Rehabilitation Act of*
25 *1973 (29 U.S.C. 794), on the basis of sex under title*

1 *IX of the Education Amendments of 1972 (20 U.S.C.*
2 *1681 et seq.), or on the basis of race, color, or na-*
3 *tional origin under title VI of the Civil Rights Act*
4 *of 1964 (42 U.S.C. 2000d et seq.), programs and ac-*
5 *tivities funded in whole or in part under this title*
6 *shall be considered to be programs and activities re-*
7 *ceiving Federal financial assistance, and education*
8 *programs and activities receiving Federal financial*
9 *assistance.*

10 (2) *PROHIBITION OF DISCRIMINATION REGARD-*
11 *ING PARTICIPATION, BENEFITS, AND EMPLOYMENT.—*
12 *No individual shall be excluded from participation*
13 *in, denied the benefits of, subjected to discrimination*
14 *under, or denied employment in the administration of*
15 *or in connection with, any such program or activity*
16 *because of race, color, religion, sex, national origin,*
17 *age, disability, or political affiliation or belief.*

18 (3) *PROHIBITION ON ASSISTANCE FOR FACILI-*
19 *TIES FOR SECTARIAN INSTRUCTION OR RELIGIOUS*
20 *WORSHIP.—Participants shall not be employed under*
21 *this title to carry out the construction, operation, or*
22 *maintenance of any part of any facility that is used*
23 *or to be used for sectarian instruction or as a place*
24 *for religious worship.*

1 (4) *PROHIBITION ON DISCRIMINATION ON BASIS*
2 *OF PARTICIPANT STATUS.*—No person may discrimi-
3 nate against an individual who is a participant in
4 a program or activity that receives funds under this
5 title, with respect to the terms and conditions affect-
6 ing, or rights provided to, the individual, solely be-
7 cause of the status of the individual as a participant,
8 in carrying out any endeavor that involves—

9 (A) *participants in programs and activities*
10 *that receive funding under this title; and*

11 (B) *persons who receive no assistance under*
12 *this title.*

13 (5) *PROHIBITION ON DISCRIMINATION AGAINST*
14 *CERTAIN NONCITIZENS.*—Participation in programs
15 and activities or receiving funds under this title shall
16 be available to citizens and nationals of the United
17 States, lawfully admitted permanent resident aliens,
18 refugees, asylees, and parolees, other aliens lawfully
19 present in the United States, and other individuals
20 authorized by the Attorney General to work in the
21 United States.

22 (b) *ACTION OF SECRETARY.*—Whenever the Secretary
23 finds that a State or other recipient of funds under this
24 title has failed to comply with a provision of law referred
25 to in subsection (a)(1), or with paragraph (2), (3), (4), or

1 (5) of subsection (a), including an applicable regulation
2 prescribed to carry out such provision or paragraph, the
3 Secretary shall notify such State or recipient and shall re-
4 quest that the State or recipient comply. If within a reason-
5 able period of time, not to exceed 60 days, the State or recip-
6 ient fails or refuses to comply, the Secretary may—

7 (1) refer the matter to the Attorney General with
8 a recommendation that an appropriate civil action be
9 instituted;

10 (2) exercise the powers and functions provided to
11 the head of a Federal department or agency under the
12 Age Discrimination Act of 1975, title V of the Reha-
13 bilitation Act of 1973 (29 U.S.C. 791 et seq.), title IX
14 of the Education Amendments of 1972, or title VI of
15 the Civil Rights Act of 1964, as may be applicable;
16 or

17 (3) take such other action as may be provided by
18 law.

19 (c) ACTION OF ATTORNEY GENERAL.—When a matter
20 is referred to the Attorney General pursuant to subsection
21 (b)(1), or whenever the Attorney General has reason to be-
22 lieve that a State or other recipient of funds under this title
23 is engaged in a pattern or practice of discrimination in
24 violation of a provision of law referred to in subsection
25 (a)(1) or in violation of paragraph (2), (3), (4), or (5) of

1 subsection (a), the Attorney General may bring a civil ac-
2 tion in any appropriate district court of the United States
3 for such relief as may be appropriate, including injunctive
4 relief.

5 (d) *JOB CORPS MEMBERS.*—For purposes of this sec-
6 tion, Job Corps members shall be considered as the ultimate
7 beneficiaries of an education program or activity receiving
8 Federal financial assistance.

9 **SEC. 379. ADMINISTRATIVE PROVISIONS.**

10 (a) *IN GENERAL.*—The Secretary may, in accordance
11 with chapter 5 of title 5, United States Code, prescribe rules
12 and regulations to carry out this title to the extent necessary
13 to implement, administer, and ensure compliance with the
14 requirements of this title. Such rules and regulations may
15 include provisions making adjustments authorized by sec-
16 tion 6504 of title 31, United States Code. All such rules
17 and regulations shall be published in the Federal Register
18 at least 30 days prior to their effective dates. Copies of each
19 such rule or regulation shall be transmitted to the appro-
20 priate committees of Congress on the date of such publica-
21 tion and shall contain, with respect to each material provi-
22 sion of such rule or regulation, a citation to the particular
23 substantive section of law that is the basis for the provision.

24 (b) *ACQUISITION OF CERTAIN PROPERTY AND SERV-*
25 *ICES.*—The Secretary is authorized, in carrying out this

1 *title, to accept, purchase, or lease in the name of the Depart-*
2 *ment of Labor, and employ or dispose of in furtherance of*
3 *the purposes of this title, any money or property, real, per-*
4 *sonal, or mixed, tangible or intangible, received by gift, de-*
5 *vice, bequest, or otherwise, and to accept voluntary and un-*
6 *compensated services notwithstanding the provisions of sec-*
7 *tion 1342 of title 31, United States Code.*

8 (c) *AUTHORITY TO ENTER INTO CERTAIN AGREE-*
9 *MENTS AND TO MAKE CERTAIN EXPENDITURES.*—*The Sec-*
10 *retary may make such grants, enter into such contracts or*
11 *agreements, establish such procedures, and make such pay-*
12 *ments, in installments and in advance or by way of reim-*
13 *bursement, or otherwise allocate or expend such funds under*
14 *this title, as may be necessary to carry out this title, includ-*
15 *ing making expenditures for construction, repairs, and cap-*
16 *ital improvements, and including making necessary adjust-*
17 *ments in payments on account of over-payments or under-*
18 *payments.*

19 (d) *ANNUAL REPORT.*—*The Secretary shall prepare*
20 *and submit to Congress an annual report regarding the pro-*
21 *grams and activities carried out under this title. The Sec-*
22 *retary shall include in such report—*

23 (1) *a summary of the achievements, failures, and*
24 *problems of the programs and activities in meeting*
25 *the objectives of this title;*

1 (2) *a summary of major findings from research,*
2 *evaluations, pilot projects, and experiments conducted*
3 *under this title in the fiscal year prior to the submis-*
4 *sion of the report;*

5 (3) *recommendations for modifications in the*
6 *programs and activities based on analysis of such*
7 *findings; and*

8 (4) *such other recommendations for legislative or*
9 *administrative action as the Secretary determines to*
10 *be appropriate.*

11 (e) *UTILIZATION OF SERVICES AND FACILITIES.—The*
12 *Secretary is authorized, in carrying out this title, under*
13 *the same procedures as are applicable under subsection (c)*
14 *or to the extent permitted by law other than this title, to*
15 *accept and use the services and facilities of departments,*
16 *agencies, and establishments of the United States. The Sec-*
17 *retary is also authorized, in carrying out this title, to ac-*
18 *cept and use the services and facilities of the agencies of*
19 *any State or political subdivision of a State, with the con-*
20 *sent of the State or political subdivision.*

21 (f) *OBLIGATIONAL AUTHORITY.—Notwithstanding any*
22 *other provision of this title, the Secretary shall have no au-*
23 *thority to enter into contracts, grant agreements, or other*
24 *financial assistance agreements under this title except to*

1 *such extent and in such amounts as are provided in ad-*
2 *vance in appropriations Acts.*

3 *(g) PROGRAM YEAR.—*

4 *(1) IN GENERAL.—Appropriations for any fiscal*
5 *year for programs and activities carried out under*
6 *this title shall be available for obligation only on the*
7 *basis of a program year. The program year shall*
8 *begin on July 1 in the fiscal year for which the ap-*
9 *propriation is made.*

10 *(2) AVAILABILITY.—Funds obligated for any pro-*
11 *gram year for a program or activity carried out*
12 *under this title may be expended by each State receiv-*
13 *ing such funds during that program year and the 2*
14 *succeeding program years. Funds received by local*
15 *areas from States under this title during a program*
16 *year may be expended during that program year and*
17 *the succeeding program year. No amount of the funds*
18 *described in this paragraph shall be deobligated on*
19 *account of a rate of expenditure that is consistent*
20 *with a State plan, an operating plan described in sec-*
21 *tion 341, or a plan, grant agreement, contract, appli-*
22 *cation, or other agreement described in subtitle C, as*
23 *appropriate.*

24 *(h) ENFORCEMENT OF MILITARY SELECTIVE SERVICE*
25 *ACT.—The Secretary shall ensure that each individual par-*

1 *ticipating in any program or activity established under this*
2 *title, or receiving any assistance or benefit under this title,*
3 *has not violated section 3 of the Military Selective Service*
4 *Act (50 U.S.C. App. 453) by not presenting and submitting*
5 *to registration as required pursuant to such section. The*
6 *Director of the Selective Service System shall cooperate with*
7 *the Secretary to enable the Secretary to carry out this sub-*
8 *section.*

9 (i) *WAIVERS.—*

10 (1) *SPECIAL RULE.—With respect to a State that*
11 *has been granted a waiver under the provisions relat-*
12 *ing to training and employment services of the De-*
13 *partment of Labor in title I of the Departments of*
14 *Labor, Health and Human Services, and Education,*
15 *and Related Agencies Appropriations Act, 1997 (Pub-*
16 *lic Law 104–208; 110 Stat. 3009–234), the authority*
17 *provided under such waiver shall continue in effect*
18 *and apply, and include a waiver of the related provi-*
19 *sions of subtitle A and this subtitle, for the duration*
20 *of the initial waiver.*

21 (2) *GENERAL AUTHORITY.—Notwithstanding*
22 *any other provision of law, the Secretary may waive*
23 *for a State, or a local area in a State, pursuant to*
24 *a request submitted by the Governor of the State (in*

1 *consultation with appropriate local elected officials)*
2 *that meets the requirements of paragraph (3)—*

3 *(A) any of the statutory or regulatory re-*
4 *quirements of subtitle A or this subtitle (except*
5 *for requirements relating to wage and labor*
6 *standards, worker rights, participation and pro-*
7 *tection of participants, grievance procedures and*
8 *judicial review, nondiscrimination, allocation of*
9 *funds to local areas, eligibility of providers or*
10 *participants, and the establishment and func-*
11 *tions of local areas); and*

12 *(B) any of the statutory or regulatory re-*
13 *quirements of sections 8 through 10 of the Wag-*
14 *ner-Peyser Act (29 U.S.C. 49g through 49i) (ex-*
15 *cluding requirements relating to the provision of*
16 *services to unemployment insurance claimants*
17 *(including veterans) but including reporting re-*
18 *quirements relating to such provision of services,*
19 *and excluding requirements relating to universal*
20 *access to basic labor exchange services without*
21 *cost to jobseekers).*

22 *(3) REQUESTS.—A Governor requesting a waiver*
23 *under paragraph (2) shall submit a plan to the Sec-*
24 *retary to improve the statewide workforce investment*
25 *system that—*

1 (A) identifies the statutory or regulatory re-
2 quirements that are requested to be waived and
3 the goals that the State or local area in the
4 State, as appropriate, intends to achieve as a re-
5 sult of the waiver;

6 (B) describes the actions that the State or
7 local area, as appropriate, has undertaken to re-
8 move State or local statutory or regulatory bar-
9 riers;

10 (C) describes the goals of the waiver and the
11 expected programmatic outcomes if the request is
12 granted;

13 (D) describes the individuals impacted by
14 the waiver; and

15 (E) describes the process used to monitor the
16 progress in implementing such a waiver, and the
17 process by which notice and an opportunity to
18 comment on such request has been provided to
19 the organizations identified in section 308(b)(2).

20 (4) CONDITIONS.—Not later than 90 days after
21 the date of the original submission of a request for a
22 waiver under paragraph (2), the Secretary shall pro-
23 vide a waiver under this subsection if and only to the
24 extent that—

1 (A) the Secretary determines that the re-
2 quirements requested to be waived impede the
3 ability of the State or local area, as appropriate,
4 to implement the plan described in paragraph
5 (3); and

6 (B) the State has executed a memorandum
7 of understanding with the Secretary requiring
8 such State to meet, or ensure that the local area
9 meets, agreed-upon outcomes and to implement
10 other appropriate measures to ensure account-
11 ability.

12 **SEC. 380. STATE LEGISLATIVE AUTHORITY.**

13 (a) *AUTHORITY OF STATE LEGISLATURE.*—Nothing in
14 this title shall be interpreted to preclude the enactment of
15 State legislation providing for the implementation, consist-
16 ent with the provisions of this title, of the activities assisted
17 under this title. Any funds received by a State under this
18 title shall be subject to appropriation by the State legisla-
19 ture, consistent with the terms and conditions required
20 under this title.

21 (b) *INTERSTATE COMPACTS AND COOPERATIVE*
22 *AGREEMENTS.*—In the event that compliance with provi-
23 sions of this title would be enhanced by compacts and coop-
24 erative agreements between States, the consent of Congress
25 is given to States to enter into such compacts and agree-

1 *ments to facilitate such compliance, subject to the approval*
 2 *of the Secretary.*

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, Unit-*
 21 *ed 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 paragraph (1).*

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 1997”;*

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 1997;*

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 1997;*

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 1997;” 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(a) of the Wagner-Peyser
10 Act (29 U.S.C. 49b(a)) is amended to read as follows:

11 “(a) The Secretary shall—

12 “(1) assist in the coordination and development
13 of a nationwide system of public labor exchange serv-
14 ices, provided as part of the one-stop customer service
15 systems of the States;

16 “(2) assist in the development of continuous im-
17 provement models for such nationwide system that en-
18 sure private sector satisfaction with the system and
19 meet the demands of jobseekers relating to the system;
20 and

21 “(3) ensure, for individuals otherwise eligible to
22 receive unemployment compensation, the provision of
23 reemployment services and other activities in which
24 the individuals are required to participate to receive
25 the compensation.”.

1 (b) *CONFORMING AMENDMENTS.*—Section 508(b)(1) of
2 *the Unemployment Compensation Amendments of 1976* (42
3 *U.S.C. 603a(b)(1)*) is amended—

4 (1) *by striking “the third sentence of section*
5 *3(a)” and inserting “section 3(b)”*; and

6 (2) *by striking “49b(a)” and inserting “49b(b)”*.

7 **SEC. 403. DESIGNATION OF STATE AGENCIES.**

8 Section 4 of the *Wagner-Peyser Act* (29 *U.S.C. 49c*)
9 *is amended—*

10 (1) *by striking “, through its legislature,” and*
11 *inserting “, pursuant to State statute,”*;

12 (2) *by inserting after “the provisions of this Act*
13 *and” the following: “, in accordance with such State*
14 *statute, the Governor shall”*; and

15 (3) *by striking “United States Employment*
16 *Service” and inserting “Secretary”*.

17 **SEC. 404. APPROPRIATIONS.**

18 Section 5(c) of the *Wagner-Peyser Act* (29 *U.S.C.*
19 *49d(c)*) is amended by striking paragraph (3).

20 **SEC. 405. DISPOSITION OF ALLOTTED FUNDS.**

21 Section 7 of the *Wagner-Peyser Act* (29 *U.S.C. 49f*)
22 *is amended—*

23 (1) *in subsection (b)(2), by striking “private in-*
24 *dustry council” and inserting “local workforce invest-*
25 *ment partnership”*;

1 (2) *in subsection (c)(2), by striking “any pro-*
2 *gram under” and all that follows and inserting “any*
3 *workforce investment activity carried out under the*
4 *Workforce Investment Partnership Act of 1997.”;*

5 (3) *in subsection (d)—*

6 (A) *by striking “United States Employment*
7 *Service” and inserting “Secretary”; and*

8 (B) *by striking “Job Training Partnership*
9 *Act” and inserting “Workforce Investment Part-*
10 *nership Act of 1997”; and*

11 (4) *by adding at the end the following:*

12 *“(e) All job search, placement, recruitment, labor mar-*
13 *ket information, and other labor exchange services author-*
14 *ized under subsection (a) shall be provided as part of the*
15 *one-stop customer service system established by the State.”.*

16 **SEC. 406. STATE PLANS.**

17 *Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g)*
18 *is amended—*

19 (1) *in subsection (a) to read as follows:*

20 “(a) *Any State desiring to receive assistance under*
21 *this Act shall submit to the Secretary, as part of the State*
22 *plan submitted under section 304 of the Workforce Invest-*
23 *ment Partnership Act of 1997, detailed plans for carrying*
24 *out the provisions of this Act within such State.”;*

25 (2) *by striking subsections (b), (c), and (e);*

1 (3) by redesignating subsection (d) as subsection
2 (b); and

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

4 “(c) The part of the State plan described in subsection
5 (a) shall include the information described in paragraphs
6 (8) and (16) of section 304(b) of the Workforce Investment
7 Partnership Act of 1997.”.

8 **SEC. 407. REPEAL OF FEDERAL ADVISORY COUNCIL.**

9 Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j)
10 is hereby repealed.

11 **SEC. 408. REGULATIONS.**

12 Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k)
13 is amended by striking “The Director, with the approval
14 of the Secretary of Labor,” and inserting “The Secretary”.

15 **SEC. 409. LABOR MARKET INFORMATION.**

16 The Wagner-Peyser Act is amended—

17 (1) by redesignating section 15 (29 U.S.C. 49
18 note) as section 16; and

19 (2) by inserting after section 14 (29 U.S.C. 49l–
20 1) the following:

21 **“SEC. 15. LABOR MARKET INFORMATION.**

22 “(a) **SYSTEM CONTENT.**—

23 “(1) **IN GENERAL.**—The Secretary, in accordance
24 with the provisions of this section, shall oversee the
25 development, maintenance, and continuous improve-

1 *ment of a system of labor market information that in-*
2 *cludes—*

3 “(A) *statistical data from cooperative sta-*
4 *tistical survey and projection programs and data*
5 *from administrative reporting systems that,*
6 *taken together, enumerate, estimate, and project*
7 *the employment opportunities at the national,*
8 *State, and local levels in a timely manner, in-*
9 *cluding data on—*

10 “(i) *employment and unemployment*
11 *status of the national, State, and local pop-*
12 *ulations, as such data are developed by the*
13 *Bureau of Labor Statistics and other*
14 *sources;*

15 “(ii) *industrial distribution of occupa-*
16 *tions, as well as current and projected em-*
17 *ployment opportunities and skill trends by*
18 *occupation and industry, with particular*
19 *attention paid to State and local employ-*
20 *ment opportunities;*

21 “(iii) *the incidence of, industrial and*
22 *geographical location of, and number of*
23 *workers displaced by, permanent layoffs*
24 *and plant closings; and*

1 “(iv) *employee information main-*
2 *tained in a longitudinal manner and col-*
3 *lected (as of the date of enactment of the*
4 *Workforce Investment Partnership Act of*
5 *1997) by States;*

6 “(B) *State and local employment informa-*
7 *tion, and other appropriate statistical data re-*
8 *lated to labor market dynamics (compiled for*
9 *States and localities with technical assistance*
10 *provided by the Secretary), which shall—*

11 “(i) *be current and comprehensive, as*
12 *of the date used;*

13 “(ii) *assist individuals to make in-*
14 *formed choices relating to employment and*
15 *training; and*

16 “(iii) *assist employers to locate, iden-*
17 *tify skill traits of, and train individuals*
18 *who are seeking employment and training;*

19 “(C) *technical standards (which the Sec-*
20 *retary shall make publicly available) for data*
21 *and information described in subparagraphs (A)*
22 *and (B) that, at a minimum, meet the criteria*
23 *of chapter 35 of title 44, United States Code;*

24 “(D) *procedures to ensure compatibility and*
25 *additivity of the data and information described*

1 in subparagraphs (A) and (B) from national,
2 State, and local levels;

3 “(E) procedures to support standardization
4 and aggregation of data from administrative re-
5 porting systems described in subparagraph (A)
6 of employment-related programs;

7 “(F) analysis of data and information de-
8 scribed in subparagraphs (A) and (B) for uses
9 such as State and local policymaking;

10 “(G) wide dissemination of such data, in-
11 formation, and analysis, training for users of the
12 data, information, and analysis, and voluntary
13 technical standards for dissemination mecha-
14 nisms; and

15 “(H) programs of—

16 “(i) research and demonstration; and

17 “(ii) technical assistance for States
18 and localities.

19 “(2) INFORMATION TO BE CONFIDENTIAL.—

20 “(A) IN GENERAL.—No officer or employee
21 of the Federal Government or agent of the Fed-
22 eral Government may—

23 “(i) use any submission that is fur-
24 nished for exclusively statistical purposes
25 under the provisions of this section for any

1 *purpose other than the statistical purposes*
2 *for which the submission is furnished;*

3 “(ii) *make any publication or media*
4 *transmittal of the data contained in the*
5 *submission described in clause (i) that per-*
6 *mits information concerning individual*
7 *subjects to be reasonably inferred by either*
8 *direct or indirect means; or*

9 “(iii) *permit anyone other than a*
10 *sworn officer, employee, or agent of any*
11 *Federal department or agency, or a contrac-*
12 *tor (including an employee of a contractor)*
13 *of such department or agency, to examine*
14 *an individual submission described in*
15 *clause (i);*

16 *without the consent of the individual, agency, or*
17 *other person who is the subject of the submission*
18 *or provides that submission.*

19 “(B) *IMMUNITY FROM LEGAL PROCESS.—*
20 *Any submission (including any data derived*
21 *from the submission) that is collected and re-*
22 *tained by a Federal department or agency, or an*
23 *officer, employee, agent, or contractor of such a*
24 *department or agency, for exclusively statistical*
25 *purposes under this section shall be immune*

1 *from the legal process and shall not, without the*
2 *consent of the individual, agency, or other person*
3 *who is the subject of the submission or provides*
4 *that submission, be admitted as evidence or used*
5 *for any purpose in any action, suit, or other ju-*
6 *dicial or administrative proceeding.*

7 “(C) CONSTRUCTION.—*Nothing in this sec-*
8 *tion shall be construed to provide immunity*
9 *from the legal process for such submission (in-*
10 *cluding any data derived from the submission) if*
11 *the submission is in the possession of any person,*
12 *agency, or entity other than the Federal Govern-*
13 *ment or an officer, employee, agent, or contractor*
14 *of the Federal Government, or if the submission*
15 *is independently collected, retained, or produced*
16 *for purposes other than the purposes of this Act.*

17 “(b) SYSTEM RESPONSIBILITIES.—

18 “(1) IN GENERAL.—*The labor market informa-*
19 *tion system shall be planned, administered, overseen,*
20 *and evaluated through a cooperative governance struc-*
21 *ture involving the Federal Government and States.*

22 “(2) DUTIES.—*The Secretary, with respect to*
23 *data collection, analysis, and dissemination of labor*
24 *market information for the system, shall carry out the*
25 *following duties:*

1 “(A) Assign responsibilities within the De-
2 partment of Labor for elements of the system de-
3 scribed in subsection (a) to ensure that all statis-
4 tical and administrative data collected is con-
5 sistent with appropriate Bureau of Labor Statis-
6 tics standards and definitions.

7 “(B) Actively seek the cooperation of other
8 Federal agencies to establish and maintain
9 mechanisms for ensuring complementarity and
10 nonduplication in the development and oper-
11 ation of statistical and administrative data col-
12 lection activities.

13 “(C) Eliminate gaps and duplication in
14 statistical undertakings, with the systemization
15 of wage surveys as an early priority.

16 “(D) In collaboration with the Bureau of
17 Labor Statistics and States, develop and main-
18 tain the elements of the system described in sub-
19 section (a), including the development of consist-
20 ent definitions for use by the States in collecting
21 the data and information described in subpara-
22 graphs (A) and (B), of subsection (a)(1) and the
23 development of the annual plan under subsection
24 (c).

1 “(E) *Establish procedures for the system to*
2 *ensure that—*

3 “(i) *such data and information are*
4 *timely;*

5 “(ii) *administrative records for the*
6 *system are consistent in order to facilitate*
7 *aggregation of such data and information;*

8 “(iii) *paperwork and reporting for the*
9 *system are reduced to a minimum; and*

10 “(iv) *States and localities are fully in-*
11 *olved in the maintenance and continuous*
12 *improvement of the system at the State and*
13 *local levels.*

14 “(c) *ANNUAL PLAN.—The Secretary, with the assist-*
15 *ance of the States and the Bureau of Labor Statistics, and*
16 *with the assistance of other appropriate Federal agencies,*
17 *shall prepare an annual plan which shall be the mechanism*
18 *for achieving cooperative management of the nationwide*
19 *labor market information system described in subsection (a)*
20 *and the statewide labor market information systems that*
21 *comprise the nationwide system. The plan shall—*

22 “(1)(A) *describe the elements of the system de-*
23 *scribed in subsection (a), including standards, defini-*
24 *tions, formats, collection methodologies, and other nec-*
25 *essary system elements, for use in collecting data and*

1 *information described in subparagraphs (A) and (B)*
2 *of subsection (a)(1); and*

3 *“(B) include assurances that—*

4 *“(i) the data will be timely and detailed;*

5 *“(ii) administrative records will be stand-*
6 *ardized to facilitate the aggregation of the data*
7 *from local areas to State and national levels and*
8 *to support the creation of new statistical series*
9 *from program records; and*

10 *“(iii) paperwork and reporting require-*
11 *ments for employers and individuals will be re-*
12 *duced;*

13 *“(2) include a report on the results of an annual*
14 *consumer satisfaction review concerning the perform-*
15 *ance of the system, including the performance of the*
16 *system in addressing the needs of Congress, States, lo-*
17 *calities, employers, jobseekers, and other consumers;*

18 *“(3) evaluate the performance of the system and*
19 *recommend needed improvements, taking into consid-*
20 *eration the results of the consumer satisfaction review,*
21 *with particular attention paid to the improvements*
22 *needed at the State and local levels;*

23 *“(4) describe annual priorities, and priorities*
24 *over 5 years, for the system;*

1 “(5) describe current (as of the date of the sub-
2 mission of the plan) spending and spending needs to
3 carry out activities under this section, including the
4 costs to States and localities of meeting the require-
5 ments of subsection (e)(2); and

6 “(6) describe the involvement of States in the de-
7 velopment of the plan, through formal consultations
8 conducted by the Secretary in cooperation with rep-
9 resentatives of the Governors of every State, and with
10 representatives of local partnerships, pursuant to a
11 process established by the Secretary in cooperation
12 with the States.

13 “(d) COORDINATION WITH THE STATES.—The Sec-
14 retary and the Bureau of Labor Statistics, in cooperation
15 with the States, shall—

16 “(1) develop the annual plan described in sub-
17 section (c) by holding formal consultations, at least
18 once each quarter, on the products and administra-
19 tion of the nationwide labor market information sys-
20 tem; and

21 “(2) hold the consultations with representatives
22 from each of the 10 Federal regions of the Employ-
23 ment and Training Administration, elected (pursuant
24 to a process established by the Secretary) by and from
25 the State labor market information directors affiliated

1 *with the State agencies that perform the duties de-*
 2 *scribed in subsection (e)(2).*

3 “(e) *STATE RESPONSIBILITIES.*—

4 “(1) *DESIGNATION OF STATE AGENCY.*—*In order*
 5 *to receive Federal financial assistance under this sec-*
 6 *tion, the Governor of a State—*

7 “(A) *shall designate a single State agency*
 8 *to be responsible for the management of the por-*
 9 *tions of the system described in subsection (a)*
 10 *that comprise a statewide labor market informa-*
 11 *tion system; 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)(1) and 312 to assist the State*

1 “(d) To be eligible to receive funds under this section,
2 a State shall submit to the Secretary an application that
3 includes the description and information described in para-
4 graphs (8) and (16) of section 304(b) of the Workforce In-
5 vestment Partnership Act of 1997.”.

6 **SEC. 422. NATIONAL APPRENTICESHIP ACT.**

7 The Act of August 16, 1937 (commonly known as the
8 “National Apprenticeship Act”; 50 Stat. 664, chapter 663;
9 29 U.S.C. 50 et seq.) is amended by inserting after section
10 3 the following:

11 **“SEC. 3A. COORDINATION AND NONDUPLICATION.**

12 “In carrying out this Act, the Secretary of Labor shall
13 require that an appropriate administrative entity in each
14 State enter into an agreement with the Secretary regarding
15 the implementation of this Act that includes the description
16 and information described in paragraphs (8) and (16) of
17 section 304(b) of the Workforce Investment Partnership Act
18 of 1997.”.

19 **SEC. 423. VETERANS’ EMPLOYMENT PROGRAMS.**

20 Chapter 41 of title 38, United States Code, is amended
21 by adding at the end the following:

22 **“§4110B. Coordination and nonduplication**

23 “In carrying out this chapter, the Secretary shall re-
24 quire that an appropriate administrative entity in each
25 State enter into an agreement with the Secretary regarding

1 *the implementation of this Act that includes the description*
 2 *and information described in paragraphs (8) and (16) of*
 3 *section 304(b) of the Workforce Investment Partnership Act*
 4 *of 1997.”.*

5 **SEC. 424. OLDER AMERICANS ACT OF 1965.**

6 *Section 502(b)(1) of the Older Americans Act of 1965*
 7 *(42 U.S.C. 3056(b)(1)) is amended—*

8 *(1) in subparagraph (O), by striking “; and”*
 9 *and inserting a semicolon;*

10 *(2) in subparagraph (P), by striking the period*
 11 *and inserting “; and”; and*

12 *(3) by adding at the end the following subpara-*
 13 *graph:*

14 *“(Q) will provide to the Secretary the description*
 15 *and information described in paragraphs (8) and*
 16 *(16) of section 304(b) of the Workforce Investment*
 17 *Partnership Act of 1997.”.*

18 ***Subtitle C—Twenty-First Century***
 19 ***Workforce Commission***

20 **SEC. 431. SHORT TITLE.**

21 *This subtitle may be cited as the “Twenty-First Cen-*
 22 *tury Workforce Commission Act”.*

23 **SEC. 432. FINDINGS.**

24 *Congress finds that—*

1 (1) *information technology is one of the fastest*
2 *growing areas in the United States economy;*

3 (2) *the United States is a world leader in the in-*
4 *formation technology industry;*

5 (3) *the continued growth and prosperity of the*
6 *information technology industry is important to the*
7 *continued prosperity of the United States economy;*

8 (4) *highly skilled employees are essential for the*
9 *success of business entities in the information tech-*
10 *nology industry and other business entities that use*
11 *information technology;*

12 (5) *employees in information technology jobs are*
13 *highly paid;*

14 (6) *as of the date of enactment of this Act, these*
15 *employees are in high demand in all industries and*
16 *all regions of the United States; and*

17 (7) *through a concerted effort by business enti-*
18 *ties, the Federal Government, the governments of*
19 *States and political subdivisions of States, and edu-*
20 *cational institutions, more individuals will gain the*
21 *skills necessary to enter into a technology-based job*
22 *market, ensuring that the United States remains the*
23 *world leader in the information technology industry.*

24 **SEC. 433. DEFINITIONS.**

25 *In this subtitle:*

1 (1) *BUSINESS ENTITY.*—The term “business en-
2 tity” means a firm, corporation, association, partner-
3 ship, consortium, joint venture, or other form of enter-
4 prise.

5 (2) *COMMISSION.*—The term “Commission”
6 means the Twenty-First Century Workforce Commis-
7 sion established under section 434.

8 (3) *INFORMATION TECHNOLOGY.*—The term “in-
9 formation technology” has the meaning given that
10 term in section 5002 of the Information Technology
11 Management Reform Act of 1996 (110 Stat. 679).

12 (4) *STATE.*—The term “State” means each of the
13 several States of the United States and the District of
14 Columbia.

15 **SEC. 434. ESTABLISHMENT OF TWENTY-FIRST CENTURY**
16 **WORKFORCE COMMISSION.**

17 (a) *ESTABLISHMENT.*—There is established a commis-
18 sion to be known as the Twenty-First Century Workforce
19 Commission.

20 (b) *MEMBERSHIP.*—

21 (1) *COMPOSITION.*—

22 (A) *IN GENERAL.*—The Commission shall be
23 composed of 21 members, of which—

24 (i) 7 members shall be appointed by
25 the President;

1 (ii) 7 members shall be appointed by
2 the Majority Leader of the Senate; and

3 (iii) 7 members shall be appointed by
4 the Speaker of the House of Representatives.

5 (B) *GOVERNMENTAL REPRESENTATIVES.*—
6 Of the members appointed under this sub-
7 section—

8 (i) 1 member shall be an officer or em-
9 ployee of the Department of Labor, who
10 shall be appointed by the President;

11 (ii) 1 member shall be an officer or em-
12 ployee of the Department of Education, who
13 shall be appointed by the President; and

14 (iii) 2 members shall be representatives
15 of the governments of States and political
16 subdivisions of States, 1 of whom shall be
17 appointed by the Majority Leader of the
18 Senate and 1 of whom shall be appointed by
19 the Speaker of the House of Representatives.

20 (C) *EDUCATORS.*—Of the members ap-
21 pointed under this subsection, 6 shall be edu-
22 cators who are selected from among elementary,
23 secondary, vocational, and postsecondary edu-
24 cators—

1 (i) 2 of whom shall be appointed by the
2 President;

3 (ii) 2 of whom shall be appointed by
4 the Majority Leader of the Senate; and

5 (iii) 2 of whom shall be appointed by
6 the Speaker of the House of Representatives.

7 (D) BUSINESS REPRESENTATIVES.—

8 (i) IN GENERAL.—Of the members ap-
9 pointed under this subsection, at least 4
10 shall be individuals who are employed by
11 non-information technology business enti-
12 ties.

13 (ii) SIZE.—Members appointed under
14 this subsection in accordance with clause (i)
15 shall, to the extent practicable, include indi-
16 viduals from business entities of a size that
17 is small or average for a non-information
18 technology business entity.

19 (2) DATE.—The appointments of the members of
20 the Commission shall be made by the later of—

21 (A) October 31, 1998; or

22 (B) the date that is 45 days after the date
23 of enactment of this Act.

24 (c) PERIOD OF APPOINTMENT; VACANCIES.—Members
25 shall be appointed for the life of the Commission. Any va-

1 *cancy in the Commission shall not affect its powers, but*
2 *shall be filled in the same manner as the original appoint-*
3 *ment.*

4 (d) *INITIAL MEETING.*—*No later than 30 days after*
5 *the date on which all members of the Commission have been*
6 *appointed, the Commission shall hold its first meeting.*

7 (e) *MEETINGS.*—*The Commission shall meet at the call*
8 *of the Chairperson.*

9 (f) *QUORUM.*—*A majority of the members of the Com-*
10 *mission shall constitute a quorum, but a lesser number of*
11 *members may hold hearings.*

12 (g) *CHAIRPERSON AND VICE CHAIRPERSON.*—*The*
13 *Commission shall select a chairperson and vice chairperson*
14 *from among its members.*

15 **SEC. 435. DUTIES OF THE COMMISSION.**

16 (a) *STUDY.*—

17 (1) *IN GENERAL.*—*The Commission shall conduct*
18 *a thorough study of all matters relating to the infor-*
19 *mation technology workforce in the United States.*

20 (2) *MATTERS STUDIED.*—*The matters studied by*
21 *the Commission shall include an examination of—*

22 (A) *the skills necessary to enter the informa-*
23 *tion technology workforce;*

24 (B) *ways to expand the number of skilled*
25 *information technology workers; and*

1 (C) *the relative efficacy of programs in the*
2 *United States and foreign countries to train in-*
3 *formation technology workers, with special em-*
4 *phasis on programs that provide for secondary*
5 *education or postsecondary education in a pro-*
6 *gram other than a 4-year baccalaureate program*
7 *(including associate degree programs and grad-*
8 *uate degree programs).*

9 (3) *PUBLIC HEARINGS.*—*As part of the study*
10 *conducted under this subsection, the Commission shall*
11 *hold public hearings in each region of the United*
12 *States concerning the issues referred to in subpara-*
13 *graphs (A) and (B) of paragraph (2).*

14 (4) *EXISTING INFORMATION.*—*To the extent*
15 *practicable, in carrying out the study under this sub-*
16 *section, the Commission shall identify and use exist-*
17 *ing information related to the issues referred to in*
18 *subparagraphs (A) and (B) of paragraph (2).*

19 (5) *CONSULTATION WITH CHIEF INFORMATION*
20 *OFFICERS COUNCIL.*—*In carrying out the study under*
21 *this subsection, the Commission shall consult with the*
22 *Chief Information Officers Council established under*
23 *Executive Order No. 13011.*

24 (b) *REPORT.*—*Not later than 6 months after the first*
25 *meeting of the Commission, the Commission shall submit*

1 *a report to the President and the Congress that shall con-*
2 *tain a detailed statement of the findings and conclusions*
3 *of the Commission resulting from the study, together with*
4 *its recommendations for such legislation and administra-*
5 *tive actions as the Commission considers to be appropriate.*

6 (c) *FACILITATION OF EXCHANGE OF INFORMATION.*—
7 *In carrying out the study under subsection (a), the Commis-*
8 *sion shall, to the extent practicable, facilitate the exchange*
9 *of information concerning the issues that are the subject of*
10 *the study among—*

11 (1) *officials of the Federal Government and the*
12 *governments of States and political subdivisions of*
13 *States; and*

14 (2) *educators from Federal, State, and local in-*
15 *stitutions of higher education and secondary schools.*

16 **SEC. 436. POWERS OF THE COMMISSION.**

17 (a) *HEARINGS.*—*The Commission may hold such hear-*
18 *ings, sit and act at such times and places, take such testi-*
19 *mony, and receive such evidence as the Commission consid-*
20 *ers advisable to carry out the purposes of this subtitle.*

21 (b) *INFORMATION FROM FEDERAL AGENCIES.*—*The*
22 *Commission may secure directly from any Federal depart-*
23 *ment or agency such information as the Commission con-*
24 *siders necessary to carry out the provisions of this subtitle.*
25 *Upon request of the Chairperson of the Commission, the*

1 *head of such department or agency shall furnish such infor-*
2 *mation to the Commission.*

3 (c) *POSTAL SERVICES.*—*The Commission may use the*
4 *United States mails in the same manner and under the*
5 *same conditions as other departments and agencies of the*
6 *Federal Government.*

7 (d) *GIFTS.*—*The Commission may accept, use, and*
8 *dispose of gifts or donations of services or property.*

9 **SEC. 437. COMMISSION PERSONNEL MATTERS.**

10 (a) *COMPENSATION OF MEMBERS.*—*Except as pro-*
11 *vided in subsection (b), each member of the Commission who*
12 *is not an officer or employee of the Federal Government*
13 *shall serve without compensation. All members of the Com-*
14 *mission who are officers or employees of the United States*
15 *shall serve without compensation in addition to that re-*
16 *ceived for their services as officers or employees of the Unit-*
17 *ed States.*

18 (b) *TRAVEL EXPENSES.*—*The members of the Commis-*
19 *sion shall be allowed travel expenses, including per diem*
20 *in lieu of subsistence, at rates authorized for employees of*
21 *agencies under subchapter I of chapter 57 of title 5, United*
22 *States Code, while away from their homes or regular places*
23 *of business in the performance of services for the Commis-*
24 *sion.*

25 (c) *STAFF.*—

1 (1) *IN GENERAL.*—*The Chairperson of the Com-*
2 *mission may, without regard to the civil service laws*
3 *and regulations, appoint and terminate an executive*
4 *director and such other additional personnel as may*
5 *be necessary to enable the Commission to perform its*
6 *duties. The employment of an executive director shall*
7 *be subject to confirmation by the Commission.*

8 (2) *COMPENSATION.*—*The Chairperson of the*
9 *Commission may fix the compensation of the execu-*
10 *tive director and other personnel without regard to*
11 *the provisions of chapter 51 and subchapter III of*
12 *chapter 53 of title 5, United States Code, relating to*
13 *classification of positions and General Schedule pay*
14 *rates, except that the rate of pay for the executive di-*
15 *rector and other personnel may not exceed the rate*
16 *payable for level V of the Executive Schedule under*
17 *section 5316 of such title.*

18 (d) *DETAIL OF GOVERNMENT EMPLOYEES.*—*Any Fed-*
19 *eral Government employee may be detailed to the Commis-*
20 *sion without reimbursement, and such detail shall be with-*
21 *out interruption or loss of civil service status or privilege.*

22 (e) *PROCUREMENT OF TEMPORARY AND INTERMIT-*
23 *TENT SERVICES.*—*The Chairperson of the Commission may*
24 *procure temporary and intermittent services under section*
25 *3109(b) of title 5, United States Code, at rates for individ-*

1 uals that do not exceed the daily equivalent of the annual
 2 rate of basic pay prescribed for level V of the Executive
 3 Schedule under section 5316 of such title.

4 **SEC. 438. TERMINATION OF THE COMMISSION.**

5 *The Commission shall terminate on the date that is*
 6 *90 days after the date on which the Commission submits*
 7 *its report under section 435(b).*

8 **SEC. 439. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) *IN GENERAL.*—*There are authorized to be appro-*
 10 *propriated such sums as may be necessary for fiscal year 1999*
 11 *to the Commission to carry out the purposes of this subtitle.*

12 (b) *AVAILABILITY.*—*Any sums appropriated under the*
 13 *authorization contained in this section shall remain avail-*
 14 *able, without fiscal year limitation, until expended.*

15 **TITLE V—GENERAL PROVISIONS**

16 **SEC. 501. STATE UNIFIED PLANS.**

17 (a) *PURPOSE.*—*The purpose of this section is to permit*
 18 *and encourage the submission of State unified plans, to as-*
 19 *sure coordination of and to avoid duplication between the*
 20 *activities carried out through the one-stop customer service*
 21 *systems.*

22 (b) *DEFINITIONS.*—*In this section:*

23 (1) *APPROPRIATE SECRETARY.*—*The term “ap-*
 24 *propriate Secretary” means the head of the Federal*
 25 *agency with authority to carry out a system program.*

1 (2) *APPROPRIATE STATE AGENCY.*—*The term*
2 *“appropriate State agency”*—

3 (A) *used with respect to a system program*
4 *authorized under title I or II, means an eligible*
5 *agency; and*

6 (B) *used with respect to another system pro-*
7 *gram, means a State agency with authority to*
8 *carry out the system program, as specified by the*
9 *Governor of the State.*

10 (3) *SYSTEM PROGRAM.*—*The term “system pro-*
11 *gram” means a program of activities, carried out*
12 *through the one-stop customer service system, that*
13 *are—*

14 (A) *activities authorized under title I or II;*

15 (B) *workforce investment activities author-*
16 *ized under subtitle A of title III;*

17 (C) *other activities authorized under title*
18 *III;*

19 (D) *programs authorized under section 6(d)*
20 *of the Food Stamp Act of 1977 (7 U.S.C.*
21 *2015(d));*

22 (E) *work programs authorized under section*
23 *6(o) of the Food Stamp Act of 1977 (7 U.S.C.*
24 *2015(o));*

1 (F) activities authorized under chapter 2 of
2 title II of the Trade Act of 1974 (19 U.S.C. 2271
3 et seq.);

4 (G) programs authorized under the Wagner-
5 Peyser Act (29 U.S.C. 49 et seq.);

6 (H) activities carried out by the Bureau of
7 Apprenticeship and Training;

8 (I) programs authorized under title I of the
9 Rehabilitation Act of 1973 (29 U.S.C. 720 et
10 seq.);

11 (J) activities authorized under chapter 41
12 of title 38, United States Code;

13 (K) programs authorized under State unem-
14 ployment compensation laws and the Federal
15 unemployment insurance program under titles
16 III, IX, and XII of the Social Security Act (42
17 U.S.C. 501 et seq., 1101 et seq., and 1321 et
18 seq.);

19 (L) programs authorized under part A of
20 title IV of the Social Security Act (42 U.S.C.
21 601 et seq.);

22 (M) programs authorized under title V of
23 the Older Americans Act of 1965 (42 U.S.C.
24 3056 et seq.); or

1 (N) training activities carried out by the
2 Department of Housing and Urban Develop-
3 ment.

4 (c) STATE UNIFIED PLAN.—A State may develop and
5 submit to the appropriate Secretaries a State unified plan
6 for 2 or more of the system programs.

7 (d) CONTENTS.—

8 (1) PLANNING PROVISIONS.—

9 (A) IN GENERAL.—In a State that elects to
10 develop a State unified plan, the plan shall con-
11 tain planning provisions, which shall be devel-
12 oped in a manner that substantially reflects the
13 planning requirements of the provisions of the
14 Federal statutes authorizing the system pro-
15 grams.

16 (B) PLANNING REQUIREMENTS.—In sub-
17 paragraph (A), the term “planning require-
18 ments”, used with respect to a system program,
19 means such requirements as the appropriate Sec-
20 retary shall by regulation specify for the system
21 program.

22 (2) INFORMATION PROVISIONS.—In addition to
23 the planning provisions required to be included pur-
24 suant to paragraph (1), the plan shall include the fol-
25 lowing:

1 (A) *A description of the process used for de-*
2 *veloping the State unified plan.*

3 (B) *A description of the process used to con-*
4 *sult the chief elected officials in the State about*
5 *the State unified plan.*

6 (C) *A description of the accountability sys-*
7 *tem of the State for activities carried out through*
8 *the one-stop customer service system.*

9 (D) *A description of how the one-stop cus-*
10 *tomers service system will provide the services*
11 *identified in the State unified plan through such*
12 *system.*

13 (E) *An assurance that the funds appro-*
14 *priated under Federal law to carry out the ac-*
15 *tivities identified in the State unified plan will*
16 *be used to supplement and not supplant other*
17 *Federal, State, and local public funds expended*
18 *to carry out the activities for eligible individ-*
19 *uals.*

20 (e) *DEVELOPMENT.*—

21 (1) *PLANNING PROVISIONS.*—*The provisions of*
22 *the plan described in subsection (d)(1) shall be devel-*
23 *oped by the statewide partnership. The portion of the*
24 *State unified plan relating to a system program may*
25 *be modified, as appropriate, with the agreement of the*

1 *Governor and the head of the appropriate State agency*
2 *with authority to carry out the system program.*
3 *The Governor and the head of the appropriate State*
4 *agency shall have the final authority to determine the*
5 *content of the portion of the State unified plan that*
6 *relates to the system program.*

7 (2) *INFORMATION PROVISIONS.—The provisions*
8 *of the plan described in subsection (d)(2) shall be de-*
9 *veloped by the statewide partnership, which shall have*
10 *the final authority to determine the content of the*
11 *provisions.*

12 (f) *SUBMISSION.—After the heads of the appropriate*
13 *State agencies approve the portions of the State unified*
14 *plan that relate to their system programs, the State unified*
15 *plan shall be submitted to the appropriate Secretaries by—*

16 (1) *the Governor; and*

17 (2) *an eligible agency, in the case of a plan con-*
18 *taining a portion relating to the system program of*
19 *the eligible agency.*

20 (g) *APPROVAL BY THE APPROPRIATE SECRETARIES.—*

21 (1) *JURISDICTION.—Each of the appropriate*
22 *Secretaries shall have the authority to approve the*
23 *portion of the State unified plan relating to the sys-*
24 *tem program for which the Secretary has authority.*

25 *On the approval of the Secretary, the portion of the*

1 *plan relating to the system program shall be imple-*
2 *mented by the State pursuant to the State unified*
3 *plan.*

4 (2) *APPROVAL.—A portion of a State unified*
5 *plan submitted to an appropriate Secretary under*
6 *this section shall be considered to be approved by the*
7 *appropriate Secretary at the end of the 60-day period*
8 *beginning on the day the appropriate Secretary re-*
9 *ceives the portion, unless the Secretary makes a writ-*
10 *ten determination, during the 60-day period, that the*
11 *portion does not substantially reflect the planning re-*
12 *quirements of the appropriate Federal statutes au-*
13 *thorizing the system programs.*

14 **SEC. 502. TRANSITION PROVISIONS.**

15 (a) *IN GENERAL.—The Secretary of Education or the*
16 *Secretary of Labor, as appropriate, shall take such steps*
17 *as such Secretary determines to be appropriate to provide*
18 *for the orderly transition to the authority of this Act from*
19 *any authority under provisions of law to be repealed under*
20 *subtitle E of title I, subtitle B of title II, or subtitle E of*
21 *title III, or any related authority.*

22 (b) *EXTENDED TRANSITION PERIOD.—*

23 (1) *IN GENERAL.—If, on or before July 1, 1997,*
24 *a State has enacted a State statute that provides for*
25 *the establishment or conduct of 3 or more of the pro-*

1 grams, projects, or activities described in subpara-
2 graphs (A) through (E) of paragraph (2), the State
3 shall not be required to comply with provisions of this
4 Act that conflict with the provisions of such State
5 statute relating to such programs, projects, or activi-
6 ties for the period ending 3 years after the effective
7 date specified in section 503(a). After such 3-year pe-
8 riod, the Secretary of Education or the Secretary of
9 Labor, as appropriate, shall allow a State to continue
10 operating under such State statute if the State is
11 meeting the State performance measures of the State.

12 (2) *PROGRAMS, PROJECTS, AND ACTIVITIES DE-*
13 *SCRIBED.*—The programs, projects, and activities de-
14 scribed in this paragraph are the following:

15 (A) *Establishment of statewide partnerships*
16 *or substate partnerships, including local and re-*
17 *gional partnerships.*

18 (B) *Reorganization or consolidation of*
19 *State agencies with responsibility for workforce*
20 *investment activities.*

21 (C) *Reorganization or consolidation of*
22 *workforce investment activities.*

23 (D) *Restructuring of local delivery systems*
24 *for workforce investment activities.*

1 (E) *Development or restructuring of State*
2 *accountability or oversight systems for workforce*
3 *investment systems to focus on performance.*

4 **SEC. 503. EFFECTIVE DATE.**

5 (a) *IN GENERAL.*—*Except as otherwise provided in*
6 *this Act, this Act takes effect on July 1, 1999.*

7 (b) *EARLY IMPLEMENTATION.*—*At the option of a*
8 *State, the Governor of the State and the chief official of*
9 *the eligible agencies in the State may use funds made avail-*
10 *able under a provision of law described in section 502(a),*
11 *or any related authority to implement this Act at any time*
12 *prior to July 1, 1999.*

13 (c) *EARLY IMPLEMENTATION AND TRANSITION PROVI-*
14 *SIONS.*—*Section 502 and this section take effect on the date*
15 *of enactment of this Act.*

16 (d) *TWENTY-FIRST CENTURY WORKFORCE COMMIS-*
17 *SION.*—*Subtitle C of title IV takes effect on the date of en-*
18 *actment of this Act.*