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In the Senate of the United States,

October 11 (legislative day, October 10), 1995.

Resolved, That the bill from the House of Representatives (H.R. 1617) entitled ''An Act to consolidate and reform workforce development and literacy programs, and for other purposes'', do pass with the following

AMENDMENTS:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Workforce Development Act of 1995''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions.

TITLE I—WORKFORCE DEVELOPMENT AND WORKFORCE PREPARATION ACTIVITIES

Subtitle A—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

Sec. 101. Statewide workforce development systems established.
Sec. 102. State allotments.
Sec. 103. State apportionment by activity.

Sec. 104. State plans.
Sec. 105. State workforce development boards.
Sec. 106. Use of funds.
Sec. 107. Indian workforce development activities.
Sec. 108. Migrant or seasonal farmworker program.
Sec. 109. Grants to outlying areas.

CHAPTER 2—LOCAL PROVISIONS

Sec. 111. Local apportionment by activity.
Sec. 112. Distribution for secondary school vocational education.
Sec. 113. Distribution for postsecondary and adult vocational education.
Sec. 114. Distribution for adult education.
Sec. 115. Special rule for minimal allocation.
Sec. 116. Redistribution.
Sec. 117. Local application for workforce education activities.
Sec. 118. Local partnerships, agreements, and workforce development boards.
Sec. 119. Construction.

CHAPTER 3—ADMINISTRATION

Sec. 121. Accountability.
Sec. 122. Incentives and sanctions.
Sec. 123. Unemployment trust fund.
Sec. 124. Authorization of appropriations.
Sec. 125. Effective date.

Subtitle B—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

Sec. 131. Definitions.

CHAPTER 2—JOB CORPS

Sec. 141. Purposes.
Sec. 142. Establishment.
Sec. 143. Individuals eligible for the Job Corps.
Sec. 144. Screening and selection of applicants.
Sec. 145. Enrollment and assignment.
Sec. 146. Job Corps Centers.
Sec. 147. Program activities.
Sec. 148. Support.
Sec. 149. Operating plan.
Sec. 150. Standards of conduct.
Sec. 151. Community participation.
Sec. 152. Counseling and placement.
Sec. 153. Advisory committees.
Sec. 154. Application of provisions of Federal law.
Sec. 155. Special provisions.
Sec. 156. Review of Job Corps centers.
Sec. 157. Administration.
Sec. 158. Effective date.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

Sec. 161. Workforce preparation activities for at-risk youth.

Subtitle C—Transition Provisions

Sec. 171. Waivers.
Sec. 172. Flexibility demonstration program.
Sec. 173. Interim State plans.
Sec. 174. Applications and plans under covered Acts.
Sec. 175. Interim administration of school-to-work programs.
Sec. 176. Interim authorizations of appropriations.

Subtitle D—National Activities

Sec. 181. Federal Partnership.
Sec. 182. National Workforce Development Board and personnel.
Sec. 183. Labor market and occupational information.
Sec. 184. National discretionary grants.
Sec. 185. National Center for Research in Education and Workforce Development.
Sec. 186. National assessment of vocational education programs.
Sec. 187. Transfers to Federal Partnership.
Sec. 188. Transfers to other Federal agencies and offices.
Sec. 189. Elimination of certain offices.

Subtitle E—Repeals of Employment and Training and Vocational and Adult Education Programs

Sec. 191. Repeals.
Sec. 192. Conforming amendments.

TITLE II—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

Sec. 201. References.
Sec. 202. Findings and purposes.
Sec. 203. Consolidated rehabilitation plan.
Sec. 204. Definitions.
Sec. 205. Administration.
Sec. 206. Reports.
Sec. 207. Evaluation.
Sec. 208. Declaration of policy.
Sec. 209. State plans.
Sec. 210. Individualized employment plans.
Sec. 211. Scope of vocational rehabilitation services.
Sec. 212. State Rehabilitation Advisory Council.
Sec. 213. Evaluation standards and performance indicators.
Sec. 214. Repeals.
Sec. 215. Effective date.

Subtitle B—Amendments to the Wagner-Peyser Act

Sec. 221. General program requirements.
Sec. 222. Definitions.
Sec. 223. Functions.
Sec. 224. Designation of State agencies.

Sec. 225. Appropriations.
Sec. 226. Disposition of allotted funds.
Sec. 227. State plans.
Sec. 228. Federal Advisory Council.

Subtitle C—Amendments to the Immigration and Nationality Act

Sec. 231. Prohibition on use of funds for certain employment activities.

Subtitle D—Amendments to the National Literacy Act of 1991

Sec. 241. National Institute for Literacy.
Sec. 242. State literacy resource centers.
Sec. 243. National Workforce Literacy Assistance Collaborative.
Sec. 244. Family literacy public broadcasting program.
Sec. 245. Mandatory literacy program.

TITLE III—MUSEUMS AND LIBRARIES

Sec. 301. Museum and library services.
Sec. 302. National Commission on Libraries and Information Science.
Sec. 303. Transfer of functions from Institute of Museum Services.
Sec. 304. Service of individuals serving on date of enactment.
Sec. 305. Consideration.
Sec. 306. Repeals and technical and conforming amendments.
Sec. 307. Arts and artifacts.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) increasing international competition, technological advances, and structural changes in the United States economy present new challenges to private businesses and public policymakers in creating a skilled workforce with the ability to adapt to change and technological progress;

(2) despite more than 60 years of federally funded employment training programs, the Federal Government has no single, coherent policy guiding employment training efforts;

(3) according to the General Accounting Office, there are over 100 federally funded employment train-

ing programs, which are administered by 15 different Federal agencies and cost more than $20,000,000,000 annually;

(4) many of the programs fail to collect enough performance data to determine the relative effectiveness of each of the programs or the effectiveness of the programs as a whole;

(5) because of the fragmentation, duplication, and lack of accountability that currently exist within and among Federal employment training programs it is often difficult for workers, jobseekers, and businesses to easily access the services they need;

(6) high quality, innovative vocational education programs provide youth with skills and knowledge on which to build successful careers and, in providing the skills and knowledge, vocational education serves as the foundation of a successful workforce development system;

(7) in recent years, several States and communities have begun to develop promising new initiatives such as—

(A) school-to-work programs to better integrate youth employment and education programs; and

(B) one-stop systems to make workforce development activities more accessible to workers, jobseekers, and businesses; and

(8) Federal, State, and local governments have failed to adequately allow for private sector leadership in designing workforce development activities that are responsive to local labor market needs.

(b) PURPOSES.—The purposes of this Act are—

(1) to make the United States more competitive in the world economy by eliminating the fragmentation in Federal employment training efforts and creating coherent, integrated statewide workforce development systems designed to develop more fully the academic, occupational, and literacy skills of all segments of the workforce;

(2) to ensure that all segments of the workforce will obtain the skills necessary to earn wages sufficient to maintain the highest quality of living in the world; and

(3) to promote the economic development of each State by developing a skilled workforce that is responsive to the labor market needs of the businesses of each State.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ADULT EDUCATION.—

(A) IN GENERAL.—The term ''adult education'' means services or instruction below the college level for adults who—

(i) lack sufficient education or literacy skills to enable the adults to function effectively in society; or

(ii) do not have a certificate of graduation from a school providing secondary education (as determined under State law) and who have not achieved an equivalent level of education.

(B) ADULT.—As used in subparagraph (A), the term ''adult'' means an individual who is age 16 or older, or beyond the age of compulsory school attendance under State law, and who is not enrolled in secondary school.

(2) APPROPRIATE SECRETARY.—The term ''appropriate Secretary'' means, as determined under section 187(c)—

(A) the Secretary of Labor;

(B) the Secretary of Education; or

(C) the Secretary of Labor and the Secretary of Education, acting jointly.

(3) AREA VOCATIONAL EDUCATION SCHOOL.—The term ''area vocational education school'' means—

(A) a specialized secondary school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market;

(B) the department of a secondary school exclusively or principally used for providing vocational education in not fewer than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left secondary school and who are available for study in preparation for entering the labor market, if the institute or school admits as regular students both individuals who have completed secondary school and individuals who have left secondary school; or

(D) the department or division of a junior college, community college, or university that provides vocational education in not fewer than

5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed secondary school and individuals who have left secondary school.

(4) AT-RISK YOUTH.—The term ''at-risk youth'' means an individual who—

(A) is not less than age 15 and not more than age 24; and

(B)(i) is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; or

(ii) is a dependent of a family that is determined under guidelines developed by the Federal Partnership to be low-income, using such data.

(5) CHIEF ELECTED OFFICIAL.—The term ''chief elected official'' means the chief elected officer of a unit of general local government in a substate area.

(6) COMMUNITY-BASED ORGANIZATION.—The term ''community-based organization'' means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a sig-

nificant segment of a community and that provides workforce development activities.

(7) COVERED ACTIVITY.—The term ''covered activity'' means an activity authorized to be carried out under a provision described in section 191(b) (as such provision was in effect on the day before the date of enactment of this Act).

(8) DISLOCATED WORKER.—The term ''dislocated worker'' means an individual who—

(A) has been terminated from employment and is eligible for unemployment compensation;

(B) has received a notice of termination of employment as a result of any permanent closure, or any layoff of 50 or more people, at a plant, facility, or enterprise, or as a result of a closure or realignment of a military installation;

(C) is long-term unemployed;

(D) was self-employed (including a farmer and a rancher) but is unemployed due to local economic conditions;

(E) is a displaced homemaker; or

(F) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.

(9) DISPLACED HOMEMAKER.—The term ''displaced homemaker'' means an individual who was a full-time homemaker for a substantial number of years, as determined under guidelines developed by the Federal Partnership, and who no longer receives financial support previously provided by a spouse or by public assistance.

(10) ECONOMIC DEVELOPMENT ACTIVITIES.—The term ''economic development activities'' means the activities described in section 106(e).

(11) EDUCATIONAL SERVICE AGENCY.—The term ''educational service agency'' means a regional public multiservice agency authorized by State statute to develop and manage a service or program, and provide the service or program to a local educational agency.

(12) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL.—The terms ''elementary school'', ''local educational agency'' and ''secondary school'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(13) FEDERAL PARTNERSHIP.—The term ''Federal Partnership'' means the Workforce Development Partnership established in section 181, acting under the direction of the National Board.

(14) FLEXIBLE WORKFORCE ACTIVITIES.—The term ''flexible workforce activities'' means the activities described in section 106(d).

(15) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term ''individual with a disability'' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(B) INDIVIDUALS WITH DISABILITIES.—The term ''individuals with disabilities'' means more than 1 individual with a disability.

(16) LOCAL ENTITY.—The term ''local entity'' means a public or private entity responsible for local workforce development activities or workforce preparation activities for at-risk youth.

(17) LOCAL PARTNERSHIP.—The term ''local partnership'' means a partnership referred to in section 118(a).

(18) NATIONAL BOARD.—The term ''National Board'' means the National Board of the Federal Partnership.

(19) OUTLYING AREA.—The term ''outlying area'' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern

Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(20) PARTICIPANT.—The term ''participant'' means an individual participating in workforce development activities or workforce preparation activities for at-risk youth, provided through a statewide system.

(21) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term ''postsecondary educational institution'' means an institution of higher education, as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)), that offers—

(A) a 2-year program of instruction leading to an associate's degree or a certificate of mastery; or

(B) a 4-year program of instruction leading to a bachelor's degree.

(22) RAPID RESPONSE ASSISTANCE.—The term ''rapid response assistance'' means workforce employment assistance provided in the case of a permanent closure, or layoff of 50 or more people, at a plant, facility, or enterprise, including the establishment of on-site contact with employers and employee representatives immediately after the State is notified of

a current or projected permanent closure, or layoff of 50 or more people.

(23) SCHOOL-TO-WORK ACTIVITIES.—The term ''school-to-work activities'' means activities for youth that—

(A) integrate school-based learning and work-based learning;

(B) integrate academic and occupational learning;

(C) establish effective linkages between secondary education and postsecondary education;

(D) provide each youth participant with the opportunity to complete a career major;

(E) provide assistance in the form of connecting activities that link each youth participant with an employer in an industry or occupation relating to the career major of the youth participant; and

(F) are designed and carried out by local partnerships that include representatives of business and industry, education providers, and the community in which the activities are carried out.

(24) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(25) STATE BENCHMARKS.—The term ''State benchmarks'', used with respect to a State, means—

(A) the quantifiable indicators established under section 121(c) and identified in the report submitted under section 121(a); and

(B) such other quantifiable indicators of the statewide progress of the State toward meeting the State goals as the State may identify in the report submitted under section 121(a).

(26) STATE EDUCATIONAL AGENCY.—The term ''State educational agency'' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary or secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(27) STATE GOALS.—The term ''State goals'', used with respect to a State, means—

(A) the goals specified in section 121(b); and

(B) such other major goals of the statewide system of the State as the State may identify in the report submitted under section 121(a).

(28) STATEWIDE SYSTEM.—The term ''statewide system'' means a statewide workforce development system, referred to in section 101, that is designed to integrate workforce employment activities, workforce education activities, flexible workforce activities, economic development activities (in a State that is eligible to carry out such activities), vocational rehabilitation program activities, and workforce preparation activities for at-risk youth in the State in order to enhance and develop more fully the academic, occupational, and literacy skills of all segments of the population of the State and assist participants in obtaining meaningful unsubsidized employment.

(29) SUBSTATE AREA.—The term ''substate area'' means a geographic area designated by a Governor that reflects, to the extent feasible, a local labor market in a State.

(30) TECH-PREP PROGRAM.—The term ''tech-prep program'' means a program of study that—

(A) combines at least 2 years of secondary education (as determined under State law) and

2 years of postsecondary education in a nonduplicative sequence;

(B) integrates academic and vocational instruction and utilizes worksite learning where appropriate;

(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, business, or applied economics;

(D) builds student competence in mathematics, science, communications, economics, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

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

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

(31) VETERAN.—The term ''veteran'' has the meaning given the term in section 101(2) of title 38, United States Code.

(32) VOCATIONAL EDUCATION.—The term ''vocational education'' means organized educational programs that—

(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupation-specific skills, of an individual.

(33) VOCATIONAL REHABILITATION PROGRAM.—The term ''vocational rehabilitation program'' means a program assisted under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(34) WELFARE ASSISTANCE.—The term ''welfare assistance'' means—

(A) assistance provided under part A of title IV of the Social Security Act; and

(B) assistance provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(35) WELFARE RECIPIENT.—The term ''welfare recipient'' means an individual who receives welfare assistance.

(36) WORKFORCE DEVELOPMENT ACTIVITIES.—The term ''workforce development activities'' means workforce education activities, workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities).

(37) WORKFORCE EDUCATION ACTIVITIES.—The term ''workforce education activities'' means the activities described in section 106(b).

(38) WORKFORCE EMPLOYMENT ACTIVITIES.—The term ''workforce employment activities'' means the activities described in paragraphs (2) through (8) of section 106(a), including activities described in section 106(a)(6) provided through a voucher described in section 106(a)(9).

(39) WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.—The term ''workforce preparation activities for at-risk youth'' means the activities described in section 161(b), carried out for at-risk youth.

TITLE I—WORKFORCE DEVELOPMENT AND WORKFORCE PREPARATION ACTIVITIES

Subtitle A—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

SEC. 101. STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS ESTABLISHED.

For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under section 102 to States to assist the States in paying for the cost of establishing and carrying out activities through statewide workforce development systems, in accordance with this subtitle.

SEC. 102. STATE ALLOTMENTS.

(a) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State with a State plan approved under section 104 an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of subsection (b)(2), adjusted in accordance with subsections (c) and (d).

(b) ALLOTMENTS BASED ON POPULATIONS.—

(1) DEFINITIONS.—As used in this subsection:

(A) ADULT RECIPIENT OF ASSISTANCE.—The term ''adult recipient of assistance'' means a recipient of assistance under a State program funded under part A of title IV of the Social Security Act who is not a minor child (as defined in section 402(c)(1) of such Act).

(B) INDIVIDUAL IN POVERTY.—The term ''individual in poverty'' means an individual who—

(i) is not less than age 18;

(ii) is not more than age 64; and

(iii) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(C) POVERTY LINE.—The term ''poverty line'' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty

used by the Bureau of the Census in compiling the 1990 decennial census.

(2) CALCULATION.—Except as provided in subsections (c) and (d), from the amount reserved under section 124(b)(1), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) MINIMUM STATE ALLOTMENT.—

(1) DEFINITION.—As used in this subsection, the term ''national average per capita payment'', used with respect to a program year, means the amount obtained by dividing—

(A) the amount reserved under section 124(b)(1) for the program year; by

(B) the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) MINIMUM ALLOTMENT.—Except as provided in paragraph (3) and subsection (d), no State shall receive an allotment under this section for a program year in an amount that is less than 0.5 percent of the amount reserved under section 124(b)(1) for the program year.

(3) LIMITATION.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than age 15 and not more than age 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.5; and

(ii) the national average per capita payment for the program year.

(4) ADJUSTMENTS.—In order to increase the allotments of States as a result of the application of paragraph (2), the Secretary of Labor and the Secretary of Education, acting jointly, shall reduce, on a pro rata basis, the allotments of the other States (except as provided in subsection (d)).

(d) OVERALL LIMITATIONS.—

(1) DEFINITION.—As used in this subsection, the term ''State percentage'' means—

(A) with respect to the program year preceding program year 1998, the percentage that a State receives of the financial assistance made available to States to carry out covered activities for the year ending on June 30, 1998; and

(B) with respect to program year 1998 and each subsequent program year, the percentage that a State receives of the amount reserved under section 124(b)(1) for the program year.

(2) LIMITATIONS.—No State shall receive an allotment under this section for a program year in an amount that would make the State percentage for the program year—

(A) less than the product obtained by multiplying—

(i) 0.95; and

(ii) the State percentage of the State for the preceding program year; or

(B) greater than the product obtained by multiplying—

(i) 1.05; and

(ii) the State percentage of the State for the preceding program year.

SEC. 103. STATE APPORTIONMENT BY ACTIVITY.

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 102 and through funds received under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) to carry out this subtitle for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the funds received by the State under section 6 of the Wagner-Peyser Act) shall be made available for workforce employment activities or activities carried out under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the ''flex account'') equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 102 to a State, the Secretary of Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 104; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under

the State plan of the State submitted under section 104.

SEC. 104. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 102, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a ''State plan''), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the

workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in collaboration with the State postsecondary education agency and with representatives of vocational education and community colleges.

(5) STATE OPTION FOR INTEGRATED PLAN.—Notwithstanding any other provision of this subsection, with the express written agreement of the Governor, the State educational agency, the State postsecondary education agency, and representatives of vocational education and community colleges, of a State, the Governor may develop all parts of the State plan, using procedures that are consistent with the procedures described in subsection (d). Nothing in this section shall be construed to require a Governor who

develops an integrated State plan under this paragraph to duplicate any information contained in 1 part of the plan in another part of the plan.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how the State will obtain the active and continuous participation of local partnerships (or, where established, local workforce development boards described in section 118(b)) in the development and continuous improvement of the statewide system;

(H) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(I) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(J) information describing how the State will eliminate duplication in the administration and delivery of services under this subtitle;

(K) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(L) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(M) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and

reporting requirements for workforce development activities and vocational rehabilitation program activities;

(N) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(O) the description referred to in subsection (d)(1); and

(P)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B);

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 102 for a program year as a result of the application of section 102(c)(2);

(B) describing the basic features of one-stop delivery of core services described in section 106(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 106(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost of achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 106(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to ensure that all publicly funded labor exchange services described in section 106(a)(2)(B), and all such services described in the Wagner-Peyser Act (29 U.S.C. 49 et seq.), are provided through the one-stop career center system of the State;

(vi) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vii) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop deliv-

ery with services provided through State welfare agencies; and

(viii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 106(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market and occupational information system described in section 183(c) that will be utilized by all the providers of one-stop delivery of core services described in section 106(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 121(d); and

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in

order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance;

(K) describing how the State will assess the progress of the State in implementing student performance measures; and

(L) describing how the State will encourage the participation of parents of secondary school students involved in workforce education activities carried out under this subtitle in State and local decisions regarding workforce education activities carried out under this subtitle.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small, medium-size, and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education and community colleges;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 105, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 121(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this Act shall be construed to provide any individual with an entitlement to a service provided under this Act.

SEC. 105. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 102 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 104(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members

of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 104, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 121(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market and occupational information system described in section 183(c) to provide information that will be utilized by job-

seekers, employers, providers of one-stop delivery of core services described in section 106(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this subtitle.

SEC. 106. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide

system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education

activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET AND OCCUPATIONAL INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market and occupational information system described in section 183(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 121(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the

core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system; and

(N) followup services for participants who are placed in unsubsidized employment.

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1)

to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 121(c), with an emphasis on benchmarks established under section 121(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this subtitle.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver, to persons age 18 or older who are unable to obtain Pell Grants under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 104 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehen-

sive labor market and occupational information system described in section 183(c) and the job placement accountability system established under section 121(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(D) INFORMATION.—A State that determines that a need exists to train persons age 18 or older through activities authorized under paragraph (6) shall indicate in the State plan described in section 104 for the State, or the annual report described in section 121(a) for the State, the extent, if any, to which the State will

use the authority of this paragraph to deliver some or all of such activities through a system of vouchers, including indicating the information and timeframes required under subparagraph (C).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding

the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex

account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 118(c), the State may use not more than 50 percent of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide services to upgrade the skills of employed workers who are at risk of being permanently laid off;

(2) to retrain employed workers in new technologies and work processes that will facilitate the conversion and restructuring of businesses to assist in the avoidance of closures, or layoffs of 50 or more people, at a plant, facility, or enterprise;

(3) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(4) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(5) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(6) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(7) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(8) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company-specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(4) DISPLACEMENT.—

(A) IN GENERAL.—No currently employed worker shall be displaced (including partial displacement such as a reduction in hours of non-overtime work, wages, or employment benefits) by any participant in an activity carried out under this subtitle.

(B) EXISTING CONTRACT FOR SERVICES OR COLLECTIVE BARGAINING AGREEMENT.—No activity carried out under this subtitle shall impair an existing contract for services or a collective bargaining agreement.

(C) LAYOFF OR TERMINATION.—No participant shall be employed or job opening filled for an activity carried out under this subtitle—

(i) when any other individual is on layoff from the same or a substantially equivalent job; or

(ii) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this subtitle.

(5) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in work-related activities pursuant to this subtitle. Appropriate workers' compensation shall be provided to the participants on the same basis as the compensation is provided to other individuals in the State in similar employment (as determined under regulations issued by the Secretary of Labor).

(6) EMPLOYMENT CONDITIONS.—Participants employed or assigned to work in positions subsidized under this subtitle shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(7) NONDISCRIMINATION.—Except as otherwise permitted in law, no individual may be excluded from participation in workforce development activities carried out under this subtitle because of race, color, religion, sex, national origin, disability, or age.

(8) GRIEVANCE PROCEDURE.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a grievance procedure for

resolving complaints alleging violations of any of the prohibitions or requirements described in this subsection. Such procedure shall include an opportunity for a hearing and shall be completed not later than the 90th day after the date of the submission of a complaint, by which day the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of the State to issue a decision within the 90-day period, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days after the date of the appeal as to whether a violation of a prohibition or requirement of this subsection has occurred.

(9) REMEDIES.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), remedies that may be imposed under this paragraph for violations of the prohibitions and requirements described in this subsection shall be limited to—

(i) suspension or termination of payments under this subtitle;

(ii) prohibition of placement of any participant, for an appropriate period of

time, with an employer that has violated this subsection; and

(iii) appropriate equitable relief (other than backpay).

(B) EXCEPTIONS.—

(i) REPAYMENT.—If the Secretary of Labor determines that a violation of paragraph (2) or (3) has occurred, the Secretary of Labor shall require the State or substate recipient of funds that has violated paragraph (2) or (3), respectively, to repay to the United States an amount equal to the amount expended in violation of paragraph (2) or (3), respectively.

(ii) ADDITIONAL REMEDIES.—In addition to the remedies available under subparagraph (A), remedies available under this paragraph for violations of paragraph (4) may include—

(I) reinstatement of the displaced employee to the position held by such employee prior to displacement;

(II) payment of lost wages and benefits of the employee; and

(III) reestablishment of other relevant terms, conditions, and privileges of employment of the employee.

(C) OTHER LAWS OR CONTRACTS.—Nothing in this paragraph shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of the prohibitions or requirements described in this subsection.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing

and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under this subtitle for workforce employment activities to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

(h) LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.—Any funds received by a State under this subtitle shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, subject to the terms and conditions required under this subtitle, particularly section 104, section 105, and chapter 2.

(i) LIMITATIONS ON PARTICIPANTS.—

(1) FINDING.—Congress finds that—

(A) the possession, distribution, and use of drugs by participants in workforce employment activities should not be tolerated, and that such use prevents participants from making full use of the benefits extended through such activities at the expense of taxpayers; and

(B) applicants and participants should be tested for illegal drug use, in order to maximize the training and assistance provided under this Act.

(2) DRUG TESTS.—Each local entity carrying out workforce employment activities described in subparagraph (A), (B), (C), (D), (E), (G), (H), (J), or (K) of subsection (a)(6) shall administer a drug test—

(A) on a random basis, to individuals who apply to participate in such activities; and

(B) to a participant in such activities, on reasonable suspicion of drug use by the participant.

(3) ELIGIBILITY OF APPLICANTS.—In order for such an applicant to be eligible to participate in workforce employment activities, the applicant shall agree to submit to a drug test administered as described in paragraph (2) and, if the test is administered to the applicant, shall pass the test.

(4) ELIGIBILITY OF PARTICIPANTS.—In order for such a participant to be eligible to participate in workforce employment activities described in subparagraph (A), (B), (C), (D), (E), (G), (H), (J), or (K) of subsection (a)(6), the individual shall agree to submit to a drug test administered as described in paragraph (2) and, if the test is administered to the participant, shall pass the test. If a participant refuses to submit to the drug test, or fails the drug test, the

local entity shall dismiss the participant from participation in the activities.

(5) REAPPLICATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an individual who is an applicant and is disqualified from eligibility under paragraph (3), or who is a participant and is dismissed under paragraph (4), may reapply, not earlier than 6 months after the date of the disqualification or dismissal, to participate in the workforce employment activities described in subparagraph (A), (B), (C), (D), (E), (G), (H), (J), or (K) of subsection (a)(6). If the individual demonstrates that the individual has completed a drug treatment program and passed a drug test within the past 30 days, the individual may participate in such activities, under the same terms and conditions as apply to other applicants and participants, including submission to drug tests administered as described in paragraph (2).

(B) SECOND DISQUALIFICATION OR DISMISSAL.—If the individual reapplies to participate in the activities and fails a drug test administered under paragraph (2) by the local entity,

while the individual is an applicant or a participant, the local entity shall disqualify the individual from eligibility for, or dismiss the individual from participation in, the workforce employment activities. The individual shall not be eligible to reapply for participation in the activities for 2 years after such disqualification or dismissal.

(6) APPEAL.—A decision by a local entity to disqualify an individual from eligibility for participation in workforce employment activities under paragraph (3) or (5), or to dismiss a participant as described in paragraph (4) or (5), shall be subject to expeditious appeal in accordance with procedures established by the State in which the local entity is located.

(7) DEFINITIONS.—As used in this section:

(A) DRUG.—The term ''drug'' means a controlled substance, as defined in section 102(6) of the Controlled Substance Act (21 U.S.C. 802(6)).

(B) DRUG TEST.—The term ''drug test'' means a biochemical drug test carried out by a facility that is approved by the local entity administering the test.

SEC. 107. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term ''Alaska Native'' means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms ''Indian'', ''Indian tribe'', and ''tribal organization'' have the same meanings given such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms ''Native Hawaiian'' and ''Native Hawaiian organization'' have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term ''tribally controlled community college'' has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term ''tribally controlled postsecondary vocational institution'' means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 124(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians or Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; or

(iii) supplemental services for recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this

Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); or

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian or Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the

ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 108. MIGRANT OR SEASONAL FARMWORKER PROGRAM.

(a) GENERAL AUTHORITY.—Using funds made available under section 124(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts with, entities to carry out the activities described in subsection (d).

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant or enter into a contract under this section, an entity shall have an understanding of the problems of migrant or seasonal farmworkers, a familiarity with the area to be served, and a previously demonstrated capacity to administer effectively a diversified program of workforce development activities for migrant or seasonal farmworkers.

(c) PROGRAM PLAN.—

(1) IN GENERAL.—To be eligible to receive a grant or enter into a contract under this section, an entity described in subsection (b) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of migrant or seasonal farmworkers in the area to be served by such entity.

(2) CONTENTS.—Such plan shall—

(A) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to

obtain or be retained in unsubsidized employment;

(B) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(C) describe the goals and benchmarks to be used to assess the performance of such entity in carrying out the activities assisted under this section.

(d) AUTHORIZED ACTIVITIES.—Funds made available under this section shall be used to carry out comprehensive workforce development activities, and related services, for migrant or seasonal farmworkers.

(e) CONSULTATION WITH STATE AND LOCAL PARTNERSHIPS AND BOARDS.—In making grants and entering into contracts under this section, the Federal Partnership shall consult with the Governors (or, where established, the State workforce development boards described in section 105) and with local partnerships (or, where established, the local workforce development boards described in section 118(b)).

SEC. 109. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 124(b)(4), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of

the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this subtitle that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 111. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of—

(A) the funds made available to a State for any fiscal year under section 103(a)(1), less any portion of such funds made available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e); and

(B) the funds made available to a State for any fiscal year under section 103(a)(3) for workforce employment activities;

shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not

more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 102(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships or, where established, local workforce development boards described in section 118(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 103(a) for workforce education activities shall be made available

to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 112, 113, or 114, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 112, 113, and

114 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 112. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 115, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 124(c)) by such agency for secondary school vocational education under section 111(b)(4)(A) to local educational agencies within the State as follows:

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

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in

schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

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

(A) is located in a rural, sparsely populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall

be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

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

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

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 111(b)(4)(A) to the appropriate area vocational edu-

cation school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

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

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i)

due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

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

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may de-

termine the number of students who are low-income on the basis of—

(i) eligibility for—

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

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

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

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

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the deter-

mination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

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

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-in-

come, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 113. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 115, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 111(b)(4)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 124(c)) from such remainder that bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

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

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that

submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITIONS.—For the purposes of this section—

(1) the term ''eligible institution'' means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term ''low-income'', used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term ''Pell Grant recipient'' means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 114. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 111(b)(4)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organiza-

tions, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 111(b)(4)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consor-

tium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the objectives of this subtitle; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COST LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization,

institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for noninstructional purposes.

SEC. 115. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 112 or 113 such agency may, notwithstanding the provisions of section 112 or 113, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 113(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term ''minimal amount'' means not more than 15 percent of the total amount made available by the State educational agency under section 111(b)(4)(A) for section 112 or 113, respectively, for such program year.

SEC. 116. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 112 or 113 does not expend all of the amounts distributed to such entity for such year under section 112 or 113, respectively, such

entity shall return any unexpended amounts to the State educational agency for distribution under section 112 or 113, respectively. The State educational agency may waive the requirements of the preceding sentence, on a case-by-case basis, for good cause as determined by such agency.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 112 or 113 and the State educational agency is unable to redistribute such amounts according to section 112 or 113, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 117. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to

be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term ''eligible entity'' means an entity eligible for financial assistance under section 112, 113, or 114 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 106(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 118. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) LOCAL AGREEMENTS.—

(1) IN GENERAL.—

(A) NEGOTIATION AND AGREEMENT.—After a Governor submits the State plan described in section 104 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce development activities to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(B) WORKFORCE EDUCATION ACTIVITIES.—In carrying out activities under this section, a local partnership or local workforce development board described in subsection (b) may make recommendations with respect to the allocation of funds for, or administration of, workforce education activities in the State involved, but such allocation and administration shall be carried

out in accordance with sections 111 through 117 and section 119.

(2) LOCAL PARTNERSHIPS.—

(A) IN GENERAL.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) MULTIPLE JURISDICTIONS.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) BUSINESS AND INDUSTRY INVOLVEMENT.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) CONTENTS.—

(A) STATE GOALS AND STATE BENCHMARKS.—Such an agreement shall include a description of the manner in which funds allocated to a substate area in accordance with section 111(a) or in accordance with sections 111(b), 112, 113, and 114 will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) LOCAL RESPONSIBILITIES.—The agreement shall also include a description of the responsibilities of the local partnership (or, where established, local workforce development board described in subsection (b)) for carrying out workforce development activities under this subtitle.

(C) COLLABORATION.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) FAILURE TO REACH AGREEMENT.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such sub-

state area will be spent to meet the State goals and reach the State benchmarks.

(6) EXCEPTION.—A State that indicates in the State plan described in section 104 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—

(1) IN GENERAL.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) MEMBERSHIP.—

(A) STATE CRITERIA.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) CHAIR.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) CONFLICT OF INTEREST.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any

other activity determined by the Governor to constitute a conflict of interest.

(4) FUNCTIONS.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, job-seekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 102, to meet the State goals and reach the State benchmarks;

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area; and

(iv) identifying how the local workforce development board will obtain the active and continuous participation of secondary school teachers, secondary school students involved in workforce education activities carried out under this subtitle, and parents of such students, in the development and continuous improvement of the workforce education activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 106(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 106(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate

area toward meeting the State goals and reaching the State benchmarks.

(5) CONSULTATION.—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) ECONOMIC DEVELOPMENT ACTIVITIES.—A State shall be eligible to use not more than 50 percent of the funds made available to the State through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 105 and subsection (b) are established in the State;

(2) in the case of a State that indicates in the State plan described in section 104 that the State will be treated as a substate area for purposes of the application of this subtitle, the board described in section 105 is established in the State; or

(3) beginning with program year 2000, in the case of a State that elects to offer activities for persons age 18 or older under section 106(a)(6), the State uses the authority of section 106(a)(9) to deliver some or all of such activities through a system of vouchers.

SEC. 119. CONSTRUCTION.

Nothing in this title shall be construed—

(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 112, from working with an eligible entity (or consortium thereof) that receives assistance under section 113, to carry out secondary school vocational education activities in accordance with this subtitle; or

(2) to prohibit an eligible entity (or consortium thereof) that receives assistance under section 113, from working with a local educational agency (or consortium thereof) that receives assistance under section 112, to carry out postsecondary and adult vocational education activities in accordance with this subtitle.

CHAPTER 3—ADMINISTRATION

SEC. 121. ACCOUNTABILITY.

(a) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 102 shall annually prepare and submit to the Federal Partnership, a report that states how the State is performing on State benchmarks, and the status and results of any State evaluations specified in subsection (f), that relate to workforce development activities (and workforce prep-

aration activities for at-risk youth) carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) CONSOLIDATED REPORT.—In lieu of submitting separate reports under paragraph (1) and section 409(a) of the Social Security Act, the State may prepare a consolidated report. Any consolidated report prepared under this paragraph shall contain the information described in paragraph (1) and subsections (a) through (h) of section 409 of the Social Security Act. The State shall submit any consolidated report prepared under this paragraph to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services, on the dates specified in section 409(a) of the Social Security Act.

(b) GOALS.—

(1) MEANINGFUL EMPLOYMENT.—Each statewide system supported by an allotment under section 102 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) EDUCATION.—Each statewide system supported by an allotment under section 102 shall be de-

signed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 102, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 102, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection

(b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 102, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients;

(B) individuals with disabilities;

(C) at-risk youth;

(D) dislocated workers; and

(E) veterans.

(4) SPECIAL RULE.—If a State has developed for all students in the State performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students served under this title in attaining the skills.

(5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 104, the Federal Partnership shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Federal Partnership under section 182(b)(2);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans; and

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 122(a).

(B) NOTIFICATION.—The Federal Partnership shall immediately notify the State of the determinations referred to in subparagraph (A). If the Federal Partnership determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 122(a), the Federal Partnership shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) REVISION.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) DETERMINATION.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Federal Partnership shall make a determination on the eligibility of the State for the incentive grant, as described in paragraph (6), and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award a grant to the State under section 122(a).

(6) INCENTIVE GRANTS.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Federal Partnership, shall be eligible to receive an incentive grant under section 122(a).

(7) SANCTIONS.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 104, as determined by the Federal Partnership, may be subject to sanctions under section 122(b).

(d) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—

(1) IN GENERAL.—Each State that receives an allotment under section 102 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

(2) DATA.—

(A) IN GENERAL.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market and occupational information, as designated in section 183(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) REIMBURSEMENT.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this title shall provide infor-

mation regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market and occupational information, as designated in section 183(c)(1)(B).

(C) CONFIDENTIALITY.—The State agency or entity within the State responsible for labor market and occupational information, as designated in section 183(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

(e) INDIVIDUAL ACCOUNTABILITY.—Each State that receives an allotment under section 102 shall devise and implement procedures to provide, in a timely manner, information on participants in activities carried out through the statewide system who are participating as a condition of receiving welfare assistance. The procedures shall require that the State provide the information to the State and local agencies carrying out the programs through which the welfare assistance is provided, in a manner that ensures that the agencies can monitor compliance with the conditions regarding the receipt of the welfare assistance.

(f) EVALUATION OF STATE PROGRAMS.—

(1) IN GENERAL.—Each State that receives an allotment under section 102 shall conduct ongoing evaluations of workforce employment activities, flexible workforce activities, and activities provided through Job Corps centers, carried out in the State under this title.

(2) METHODS.—The State shall—

(A) conduct such evaluations through controlled experiments using experimental and control groups chosen by random assignment;

(B) in conducting the evaluations, determine, at a minimum, whether job training and job placement services provided through the activities described in paragraph (1) effectively raise the hourly wage rates of individuals receiving the services through such activities; and

(C) conduct at least 1 such evaluation at any given time during any period in which the State is receiving funding under this title for such activities.

SEC. 122. INCENTIVES AND SANCTIONS.

(a) INCENTIVES.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award incentive

grants of not more than $15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 121(c), with an emphasis on the benchmarks established under section 121(c)(3), in accordance with section 121(c)(6);

(B) demonstrates to the Federal Partnership that the State has made substantial reductions in the number of adult recipients of assistance, as defined in section 102(b)(1)(A), resulting from increased placement of such adult recipients in unsubsidized employment; or

(C) in the case of a State that elects to offer activities for persons age 18 or older under section 106(a)(6), uses the authority of section 106(a)(9) to deliver some or all of such activities through a system of vouchers.

(2) USE OF FUNDS.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(b) SANCTIONS.—

(1) FAILURE TO DEMONSTRATE SUFFICIENT PROGRESS.—

(A) FINDING.—If the Federal Partnership determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 121(c) for the 3 years covered by a State plan described in section 104, the Federal Partnership shall—

(i) make a finding regarding whether the failure is attributable to the workforce employment activities, or workforce education activities, of the State; and

(ii) provide advice to the Secretary of Labor and the Secretary of Education.

(B) REDUCTIONS.—

(i) FAILURE ATTRIBUTABLE TO BOTH CATEGORIES.—Except as provided in subparagraph (C), if the Federal Partnership finds that the failure referred to in subparagraph (A) is attributable to both categories referred to in subparagraph (A)(i), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may reduce the allotment of the State under section 102 by not

more than 10 percent per program year for not more than 3 years.

(ii) FAILURE ATTRIBUTABLE TO ONE CATEGORY.—Unless the Governor of the State has developed an integrated State plan under section 104(b)(5), if the Federal Partnership finds that the failure referred to in subparagraph (A) is attributable to 1 category of activities referred to in subparagraph (A)(i) but not to the remaining category, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may decide to reduce by 10 percent only the portion of the allotment for the category of activities to which the failure is attributable.

(C) COMBINATION AND REDUCTION.—Notwithstanding sections 103 and 111, if the Federal Partnership finds that the Governor of the State has developed an integrated State plan under section 104(b)(5), and the failure referred to in subparagraph (A) is attributable to 1 category of activities referred to in subparagraph (A)(i) but not to the remaining category, the Secretary of Labor and the Secretary of Edu-

cation, acting jointly on the advice of the Federal Partnership, in lieu of making a reduction under subparagraph (B), shall—

(i) reduce the portion of the allotment for the category of activities to which the failure is attributable by a percentage determined by the Secretaries, but not to exceed 5 percent of such portion, for a period determined by the Secretaries;

(ii) require the State to combine, for such period—

(I) an additional percentage, equal to the percentage determined under clause (i), of the funds made available through such portion; and

(II) the funds made available to the State under this subtitle for the remaining category; and

(iii) require the State to expend the combined funds in accordance with the integrated State plan of the State referred to in section 104(b)(5) to carry out the remaining category of activities.

(D) CONSTRUCTION.—Notwithstanding any other provision of this title, funds referred to in

subparagraph (C)(ii)(I) that are combined under subparagraph (C) shall be considered—

(i) to be made available under section 103(a)(1) if the combined funds are required to be expended for workforce employment activities; and

(ii) to be made available under section 103(a)(2) if the combined funds are required to be expended for workforce education activities.

(E) DEFINITION.—As used in this paragraph, the term ''portion of the allotment''—

(i) used with respect to workforce employment activities, means the funds made available under paragraph (1) or (3) of section 103(a) for workforce employment activities (less any portion of such funds made available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e)); and

(ii) used with respect to workforce education activities, means the funds made available under paragraph (2) or (3) of section 103(a) for workforce education activities.

(2) EXPENDITURE CONTRARY TO TITLE.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this title in a manner contrary to the objectives of this title, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

SEC. 123. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(iii), by striking ''carrying into effect section 4103'' and inserting ''carrying out the activities described in sections 4103, 4103A, 4104, and 4104A''; and

(B) in subparagraph (B), in the matter preceding clause (i), by striking ''Department of

Labor'' and inserting ''Department of Labor or the Workforce Development Partnership, as appropriate,''; and

(2) in the first sentence of paragraph (4), by striking ''the Department of Labor'' and inserting ''the Workforce Development Partnership''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect July 1, 1998.

SEC. 124. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (other than subtitle B) $5,884,000,000 (which amount shall include the Federal funds made available to carry out the Wagner-Peyser Act (29 U.S.C. 49 et seq.)) for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) 90.75 percent shall be reserved for making allotments under section 102;

(2) 1.25 percent shall be reserved for carrying out section 107;

(3) 1.25 percent shall be reserved for carrying out section 108;

(4) 0.2 percent shall be reserved for carrying out section 109;

(5) 5.0 percent shall be reserved for making incentive grants under section 122(a), for making national discretionary grants under section 184, and for the administration of this title;

(6) 1.4 percent shall be reserved for carrying out section 183; and

(7) 0.15 percent shall be reserved for carrying out sections 185 and 186 and the National Literacy Act of 1991 (20 U.S.C. 1201 note).

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 104 that relate to workforce employment activities.

SEC. 125. EFFECTIVE DATE.

This subtitle shall take effect July 1, 1998.

Subtitle B—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

SEC. 131. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term ''at-risk youth'' means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 113(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term ''enrollee'' means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term ''Governor'' means the chief executive officer of a State.

(4) JOB CORPS.—The term ''Job Corps'' means the Job Corps described in section 142.

(5) JOB CORPS CENTER.—The term ''Job Corps center'' means a center described in section 142.

(6) OPERATOR.—The term ''operator'' means an entity selected under this chapter to operate a Job Corps center.

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

CHAPTER 2—JOB CORPS

SEC. 141. PURPOSES.

The purposes of this chapter are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, 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 inten-

sive programs of workforce development activities; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 142. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out, in conjunction with the activities carried out by the National Board as specified in section 156, activities described in this chapter for individuals enrolled in the Job Corps and assigned to a center.

SEC. 143. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 144. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps, after considering recommendations from the Governors, State workforce development boards established under section 105, local partnerships and local workforce development boards established under section 118(b), and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish standards for outreach to and screening of Job Corps applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening; and

(E) require Job Corps applicants to pass background checks, conducted in accordance with procedures established by the Secretary.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) centers providing the one-stop delivery of core services described in section 106(a)(2);

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be

subject and of the consequences of failure to observe the rules.

SEC. 145. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable opportunity for at-risk youth from various sections of the Nation to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 147(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 146. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(2) SELECTION PROCESS.—Except as provided in subsections (c) and (d), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating plans described in section 149. In selecting a private or public entity to serve as an operator for a Job Corps Center, the Secretary shall, at the request of the Governor of the State in which the center is located, convene and obtain the recommendation of a selection panel described in section 151(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consider-

ation the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 147. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers operated under agreements with the Secretary of Agriculture or the Secretary of the Interior, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a), if the center fails to meet such national

performance standards as the Secretary shall establish.

(d) INDIAN TRIBES.—

(1) DEFINITION.—As used in this subsection:

(A) INDIAN.— The term ''Indian'' means a person who is a member of an Indian tribe.

(B) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe, band, nation, or other organized group or community, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(2) GENERAL AUTHORITY.—The Secretary may enter into agreements with Indian tribes to operate Job Corps centers for Indians.

SEC. 147. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 106(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment, participating successfully in secondary education or postsecondary

education programs, enrolling in other suitable training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive workforce development activities through or in coordination with the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—The Secretary shall establish a job placement accountability system for Job Corps centers, and coordinate the activities carried out through the system with activities carried out through the job placement accountability systems described in section 121(d) for the States in which Job Corps centers are located.

(d) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—The advanced career training may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent, has demonstrated commitment and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPANY-SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with appropriate entities to provide the advanced career training through intensive training in company-sponsored training programs, combined with internships in work settings.

(4) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of

any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 148. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including readjustment allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 149. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor on the plan to the Sec-

retary with the plan. Such plan shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan submitted under section 104 for the State in which the center is located;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the region in which the center is located;

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 106(a)(2) by the State; and

(4) an implementation strategy to ensure that the curricula of all such enrollees is integrated into the school-to-work activities of the State, including work-based learning, work experience, and career-building activities, and that such enrollees have the opportunity to obtain secondary school diplomas or their recognized equivalent.

(b) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.

SEC. 150. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY.—

(A) GUIDELINES.—The Secretary shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for other illegal or disruptive activity.

(B) DEFINITIONS.—As used in this paragraph:

(i) CONTROLLED SUBSTANCE.—The term ''controlled substance'' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term ''zero tolerance policy'' means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 151. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a mutually beneficial re-

lationship between Job Corps centers in the State and nearby communities. The activities shall include the use of any local partnerships or local workforce development boards established in the State under section 118(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor may recommend individuals to serve on a selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of an operator for a center in the State. The panel shall have not more than 7 members. In recommending individuals to serve on the panel, the Governor may recommend members of State workforce development boards established under section 105, if any, members of any local partnerships or local workforce development boards established in the State under section 118(b), or other representatives selected by the Governor. The Secretary shall select at least 1 individual recommended by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall—

(1) give officials of nearby communities appropriate advance notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees; and

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other interested groups, in the communities.

SEC. 152. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 106(a)(2).

SEC. 153. ADVISORY COMMITTEES.

The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 154. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term ''employee'' as

defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 155. SPECIAL PROVISIONS.

(a) ENROLLMENT OF WOMEN.—The Secretary shall immediately take steps to achieve an enrollment of 50 per-

cent women in the Job Corps program, consistent with the need to—

(1) promote efficiency and economy in the operation of the program;

(2) promote sound administrative practice; and

(3) meet the socioeconomic, educational, and training needs of the population to be served by the program.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of carrying out the Job Corps program shall become the property of the United States.

(c) GROSS RECEIPTS.—Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the operation by the contractor of a Job Corps center or the provision of services by the contractor for a Job Corps center shall not be considered to be generating gross receipts. Such a contractor shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such contractor for operating

or providing services for a Job Corps center. Such a contractor shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) MANAGEMENT FEE.—The Secretary shall provide each operator or entity providing services for a Job Corps center with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

(e) DONATIONS.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this chapter.

SEC. 156. REVIEW OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS REVIEW.—Not later than March 31, 1997, the National Board shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the review, including—

(1) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses;

(5) information on the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(6) a summary of the information described in paragraphs (2) through (5) for all Job Corps centers;

(7) an assessment of the need to serve at-risk youth in the Job Corps program, including—

(A) a cost-benefit analysis of the residential component of the Job Corps program;

(B) the need for residential education and training services for at-risk youth, analyzed for each State and for the United States; and

(C) the distribution of training positions in the Job Corps program, as compared to the need for the services described in subparagraph (B), analyzed for each State;

(8) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(A) the number of enrollees served;

(B) the number of former enrollees who entered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(C) the number of former enrollees placed in jobs for 32 hours per week or more;

(D) the number of former enrollees who entered employment and were retained in the employment for more than 13 weeks;

(E) the number of former enrollees who entered the Armed Forces;

(F) the number of former enrollees who completed vocational training, and the rate of such completion, analyzed by vocation;

(G) the number of former enrollees who entered postsecondary education;

(H) the number and percentage of early dropouts from the Job Corps program;

(I) the average wage of former enrollees, including wages from positions described in subparagraph (B);

(J) the number of former enrollees who obtained a secondary school diploma or its recognized equivalent;

(K) the average level of learning gains for former enrollees; and

(L) the number of former enrollees that did not—

(i) enter employment or postsecondary education;

(ii) complete a vocational education program; or

(iii) make identifiable learning gains;

(9) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(10) job placement rates for each Job Corps center and each entity providing services to a Job Corps center.

(b) RECOMMENDATIONS OF NATIONAL BOARD.—

(1) RECOMMENDATIONS.—The National Board shall, based on the results of the review described in subsection (a), make recommendations to the Secretary of Labor, regarding improvements in the operation of the Job Corps program, including—

(A) closing 5 Job Corps centers by September 30, 1997, and 5 additional Job Corps centers by September 30, 2000;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-effective; and

(C) taking any other action that would improve the operation of a Job Corps center or any other appropriate action.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the National Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996

expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the National Board may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the National Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the National Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the National Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the National Board resulting from the review described in subsection (a) together with the recommendations described in paragraph (1).

(c) IMPLEMENTATION OF PERFORMANCE IMPROVEMENTS.—The Secretary shall, after reviewing the report submitted under subsection (b)(3), implement improvements in the operation of the Job Corps program, including closing 10 individual Job Corps centers pursuant to subsection (b). In implementing such improvements, the Secretary may close such additional Job Corps centers as the Secretary determines to be appropriate. Funds saved through the implementation of such improvements shall be used to maintain overall Job Corps program service levels, improve facilities at existing Job Corps centers, relocate Job Corps centers, initiate new Job Corps centers, and make other performance improvements in the Job Corps program.

(d) REPORT TO CONGRESS.—The Secretary shall annually report to Congress the information specified in paragraphs (8), (9), and (10) of subsection (a) and such additional information relating to the Job Corps program as the Secretary may determine to be appropriate.

SEC. 157. ADMINISTRATION.

The Secretary shall carry out the responsibilities specified for the Secretary in this chapter, notwithstanding any other provision of this title.

SEC. 158. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) REPORT.—Section 156 shall take effect on the date of enactment of this Act.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

SEC. 161. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) IN GENERAL.—For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under subsection (c) for States, to enable the Secretary of Labor to carry out in the States, and to assist the States in paying

for the cost of carrying out, workforce preparation activities for at-risk youth, as described in this section.

(b) STATE USE OF FUNDS.—

(1) CORE JOB CORPS ACTIVITIES.—The Secretary of Labor shall use the funds made available for a State through an allotment made under subsection (c)(2) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 156.

(2) CORE WORK-BASED LEARNING OPPORTUNITIES.—

(A) IN GENERAL.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c)(3) to make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist the substate areas in organizing summer jobs programs that provide work-based learning opportunities in the private and public sectors that are directly linked to year-round school-to-work activities in the substate areas.

(B) LIMITATION.—No funds provided under this subtitle shall be used to displace employed workers.

(3) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds made available to the State through an allotment received under subsection (c)(3) to—

(A) make grants to eligible entities in substate areas, in accordance with the procedures described in subsection (e), to assist each such entity in carrying out alternative programs to assist out-of-school at-risk youth in participating in school-to-work activities in the substate area; and

(B) carry out other workforce development activities specifically for at-risk youth.

(4) LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.—Any funds received by a State under this subtitle shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, subject to the terms and conditions required under this subtitle, particularly this section.

(c) ALLOTMENTS AND RESERVATION.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot for the State an amount equal to the total of—

(A) the amount made available for the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (4).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (h) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available for each State, for the operation of Job Corps centers—

(A) the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to enable the Secretary of Labor to carry out activities described in paragraphs (2) and (3), and to pay for rehabilitation expenses described in paragraph (4), of section 156(a), as determined under such paragraphs; and

(B) such amount as may be necessary for the planning, construction, and operation described in section 156(b)(2)(C) for any center described in such section in the State.

(3) RESERVATION OF FUNDS FOR INDIANS AND NATIVE HAWAIIANS.—The Secretary of Labor and the Secretary of Education, acting jointly, may reserve a portion of the funds that are appropriated under subsection (h) for a fiscal year, and that are not made available under paragraph (2), to carry out subsection (g).

(4) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term ''individual in poverty'' means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term ''poverty line'' means the poverty line (as defined by the Office of Management and

Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (h) for a fiscal year, and that are not made available under paragraph (2) or (3), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of un-

employed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c)(3), a State shall include, in the State plan to be submitted under section 104, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 104 to be eligible to receive an allotment under section 102.

(e) APPLICATION.—To be eligible to receive a grant under paragraph (2) or (3)(A) of subsection (b) from a State to carry out programs in a substate area, an entity shall prepare and submit an application to the Governor of the State at such time, in such manner, and containing such information as the Governor may require. The Governor may establish criteria for reviewing such applications. Any such criteria shall, at a minimum, include the extent to which the local partnership (or, where established, the local workforce development board described in section 118(b)) for the substate area approves of such application.

(f) WITHIN STATE DISTRIBUTION.—Of the funds allotted to a State under subsection (c)(4) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) FINANCIAL ASSISTANCE FOR INDIANS AND NATIVE HAWAIIANS.—The Secretary of Labor and the Secretary of Education, acting jointly, may use the funds reserved under subsection (c)(3), if any, to make grants to, or enter into contracts or cooperative agreements with, the entities described in section 107(c)(1) to carry out workforce preparation activities for at-risk youth who are Indians (as defined in section 107(b)(2)) or Native Hawaiians (as defined in section 107(b)(4)). To be eligible to receive such a grant, or enter into such a contract or cooperative agreement, such an entity shall submit to the Federal Partnership an application at such time, in such manner, and containing such information as the Federal Partnership may require.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle, $2,100,000,000 for each of fiscal years 1998 through 2001.

(i) EFFECTIVE DATE.—This chapter shall take effect on July 1, 1998.

Subtitle C—Transition Provisions

SEC. 171. WAIVERS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities, or workforce preparation activities for at-risk youth, to be carried out through the statewide system.

(2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each waiver approved pursu-

ant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) FAILURE TO SUBMIT INTERIM PLAN.—If a State receives a waiver under this section and fails to submit an interim plan under section 173 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 173 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) STATE REQUEST FOR WAIVER.—

(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) LOCAL ENTITY REQUEST FOR WAIVER.—

(1) IN GENERAL.—A local entity that seeks a waiver of such a requirement shall submit to the State a request for the waiver and an application containing sufficient information to enable the State to comply with the requirements of subsection (b)(2). The State shall determine whether to submit a request

and an application for a waiver to the Secretary, as provided in subsection (b).

(2) TIME LIMIT.—

(A) IN GENERAL.—The State shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the State receives the application from the local entity.

(B) DIRECT SUBMISSION.—

(i) IN GENERAL.—If the State does not make a determination to submit or does not submit the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(ii) REQUIREMENTS.—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted by a local entity, the Secretary shall comply with the require-

ments of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.

(d) WAIVERS NOT AUTHORIZED.—The Secretary may not waive any requirement of any provision referred to in subsection (a), or of any regulation issued under such provision, relating to—

(1) the allocation of funds to States, local entities, or individuals;

(2) public health or safety, civil rights, occupational safety and health, environmental protection, displacement of employees, or fraud and abuse;

(3) the eligibility of an individual for participation in a covered activity, except in a case in which the State or local entity can demonstrate that the individuals who would have been eligible to participate in such activity without the waiver will participate in a similar covered activity; or

(4) a required supplementation of funds by the State or a prohibition against the State supplanting such funds.

(e) ACTIVITIES.—Subject to subsection (d), the Secretary may approve a request for a waiver described in subsection (a) that would enable a State or local entity to—

(1) use the assistance that would otherwise have been used to carry out 2 or more covered activities (if the State or local entity were not using the assistance as described in this section)—

(A) to address the high priority needs of unemployed persons and at-risk youth in the appropriate State or community for workforce employment activities or workforce education activities;

(B) to improve efficiencies in the delivery of the covered activities; or

(C) in the case of overlapping or duplicative activities—

(i) by combining the covered activities and funding the combined activities; or

(ii) by eliminating 1 of the covered activities and increasing the funding to the remaining covered activity; and

(2) use the assistance that would otherwise have been used for administrative expenses relating to a covered activity (if the State or local entity were not using the assistance as described in this section) to pay for the cost of developing an interim State plan described in section 173 or a State plan described in section 104.

(f) APPROVAL OR DISAPPROVAL.—The Secretary shall approve or disapprove any request submitted pursuant to subsection (b) or (c), not later than 45 days after the date of the submission, and shall issue a decision that shall include the reasons for approving or disapproving the request.

(g) FAILURE TO ACT.—If the Secretary fails to approve or disapprove the request within the 45-day period described in subsection (f), the request shall be deemed to be approved on the day after such period ends. If the Secretary subsequently determines that the waiver relates to a matter described in subsection (d) and issues a decision that includes the reasons for the determination, the waiver shall be deemed to terminate on the date of issuance of the decision.

(h) DEFINITION.—As used in this section:

(1) LOCAL ENTITY.—The term ''local entity'' means—

(A) a local educational agency, with respect to any act by a local agency or organization relating to a covered activity that is a workforce education activity; and

(B) the local public or private agency or organization responsible for carrying out the covered activity at issue, with respect to any act by

a local agency or organization relating to any other covered activity.

(2) SECRETARY.—The term ''Secretary'' means—

(A) the Secretary of Labor, with respect to any act relating to a covered activity carried out by the Secretary of Labor; and

(B) the Secretary of Education, with respect to any act relating to a covered activity carried out by the Secretary of Education.

(3) STATE.—The term ''State'' means—

(A) a State educational agency, with respect to any act by a State entity relating to a covered activity that is a workforce education activity; and

(B) the Governor, with respect to any act by a State entity relating to any other covered activity.

(i) CONFORMING AMENDMENTS.—

(1) Section 501 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6211) is amended—

(A) in subsection (a), by striking ''sections 502 and 503'' and inserting ''section 502'';

(B) in subsection (b)(2)(B)(ii)—

(i) by striking ''section 502(a)(1)(C) or 503(a)(1)(C), as appropriate,'' and inserting ''section 502(a)(1)(C)''; and

(ii) by striking ''section 502 or 503, as appropriate,'' and inserting ''section 502'';

(C) in subsection (c), by striking ''section 502 or 503'' and inserting ''section 502''; and

(D) by striking ''Secretaries'' each place the term appears and inserting ''Secretary of Education''.

(2) Section 502(b) of such Act (20 U.S.C. 6212(b)) is amended—

(A) in paragraph (4), by striking the semicolon and inserting ''; and'';

(B) in paragraph (5), by striking ''; and'' and inserting a period; and

(C) by striking paragraph (6).

(3) Section 503 of such Act (20 U.S.C. 6213) is repealed.

(4) Section 504 of such Act (20 U.S.C. 6214) is amended—

(A) in subsection (a)(2)(B), by striking clauses (i) and (ii) and inserting the following clauses:

''(i) the provisions of law listed in paragraphs (2) through (5) of section 502(b);

''(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

''(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).''; and

(B) in subsection (b), by striking ''paragraphs (1) through (3), and paragraphs (5) and (6), of section 503(b)'' and inserting ''paragraphs (2) through (4) and paragraphs (6) and (7) of section 505(b)''.

(5) Section 505(b) of such Act (20 U.S.C. 6215(b)) is amended to read as follows:

''(b) USE OF FUNDS.—A State may use, under the requirements of this Act, Federal funds that are made available to the State and combined under subsection (a) to carry out school-to-work activities, except that the provisions relating to—

''(1) the matters specified in section 502(c);

''(2) basic purposes or goals;

''(3) maintenance of effort;

''(4) distribution of funds;

''(5) eligibility of an individual for participation;

''(6) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

''(7) prohibitions or restrictions relating to the construction of buildings or facilities;

that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds.''.

SEC. 172. FLEXIBILITY DEMONSTRATION PROGRAM.

(a) DEFINITION.—As used in this section:

(1) ELIGIBLE STATE.—The term ''eligible State'' means a State that—

(A)(i) has submitted an interim State plan under section 173;

(ii) has an executed memorandum of understanding with the Federal Government; or

(iii) is a designated ''Ed-Flex Partnership State'' under section 311(e) of the Goals 2000: Educate America Act (20 U.S.C. 5891(e)); and

(B) waives State statutory or regulatory requirements relating to workforce development activities while holding local entities within the State that are effected by such waivers account-

able for the performance of the participants who are affected by such waivers.

(2) LOCAL ENTITY; SECRETARY; STATE.—The terms ''local entity'', ''Secretary'', and ''State'' have the meanings given the terms in section 171(h).

(b) DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—In addition to providing for the waivers described in section 171(a), the Secretary shall establish a workforce flexibility demonstration program under which the Secretary shall permit not more than 6 eligible States (or local entities within such States) to waive any statutory or regulatory requirement applicable to any covered activity described in section 171(a), other than the requirements described in section 171(d).

(2) SELECTION OF PARTICIPANT STATES.—In carrying out the program under paragraph (1), the Secretary shall select for participation in the program 3 eligible States that each have a population of not less than 3,500,000 individuals and 3 eligible States that each have a population of not more than 3,500,000 individuals, as determined in accordance with the most recent decennial census of the population as provided by the Bureau of the Census.

(3) APPLICATION.—

(A) SUBMISSION.—To be eligible to participate in the program established under paragraph (1), a State shall prepare and submit an application, in accordance with section 171(b)(2), that includes—

(i) a description of the process the eligible State will use to evaluate applications from local entities requesting waivers of—

(I) Federal statutory or regulatory requirements described in section 171(a); and

(II) State statutory or regulatory requirements relating to workforce development activities; and

(ii) a detailed description of the State statutory or regulatory requirements relating to workforce development activities that the State will waive.

(B) APPROVAL.—The Secretary may approve an application submitted under subparagraph (A) if the Secretary determines that such application demonstrates substantial promise of assisting the State and local entities within such State in carrying out comprehensive reform of

workforce development activities and in otherwise meeting the purposes of this Act.

(C) LOCAL ENTITY APPLICATIONS.—A State participating in the program established under paragraph (1) shall not approve an application by a local entity for a waiver under this subsection unless the State determines that such waiver will assist the local entity in reaching the goals of the local entity.

(4) MONITORING.—A State participating in the program established under paragraph (1) shall annually monitor the activities of local entities receiving waivers under this subsection and shall submit an annual report regarding such monitoring to the Secretary. The Secretary shall periodically review the performance of such States and shall terminate the waiver of a State under this subsection if the Secretary determines, after notice and opportunity for a hearing, that the performance of such State has been inadequate to a level that justifies discontinuation of such authority.

(5) REFERENCE.—Each eligible State participating in the program established under paragraph (1) shall be referred to as a ''Work-Flex Partnership State''.

SEC. 173. INTERIM STATE PLANS.

(a) IN GENERAL.—For a State or local entity in a State to use a waiver received under section 171 or 172 through June 30, 1998, and for a State to be eligible to submit a State plan described in section 104 for program year 1998, the Governor of the State shall submit an interim State plan to the Federal Partnership. The Governor shall submit the plan not later than June 30, 1997.

(b) REQUIREMENTS.—The interim State plan shall comply with the requirements applicable to State plans described in section 104.

(c) PROGRAM YEAR.—In submitting the interim State plan, the Governor shall indicate whether the plan is submitted—

(1) for review and approval for program year 1997; or

(2) solely for review.

(d) REVIEW.—In reviewing an interim State plan, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may—

(1) in the case of a plan submitted for review and approval for program year 1997—

(A) approve the plan and permit the State to use a waiver as described in section 171 or 172 to carry out the plan; or

(B)(i) disapprove the plan and provide to the State reasons for the disapproval; and

(ii) direct the Federal Partnership to provide technical assistance to the State for developing an approvable plan to be submitted under section 104 for program year 1998; and

(2) in the case of a plan submitted solely for review, review the plan and provide to the State technical assistance for developing an approvable plan to be submitted under section 104 for program year 1998.

(e) EFFECT OF DISAPPROVAL.—Disapproval of an interim plan shall not affect the ability of a State to use a waiver as described in section 171 or 172 through June 30, 1998.

SEC. 174. APPLICATIONS AND PLANS UNDER COVERED ACTS.

Notwithstanding any other provision of law, no State or local entity shall be required to comply with any provision of a covered Act that would otherwise require the entity to submit an application or a plan to a Federal agency during fiscal year 1996 or 1997 for funding of a covered activity. In determining whether to provide funding to the State or local entity for the covered activity, the Secretary of Labor or the Secretary of Education, as appropriate,

shall consider the last application or plan, as appropriate, submitted by the entity for funding of the covered activity.

SEC. 175. INTERIM ADMINISTRATION OF SCHOOL-TO-WORK PROGRAMS.

(a) IN GENERAL.—Any provision of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) that grants authority to the Secretary of Labor or the Secretary of Education shall be considered to grant the authority to the Federal Partnership.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on October 1, 1996.

SEC. 176. INTERIM AUTHORIZATIONS OF APPROPRIATIONS.

(a) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(1) IN GENERAL.—Section 3(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2302(a)) is amended by striking ''for each of the fiscal years'' and all that follows through ''1995'' and inserting ''for each of fiscal years 1992 through 1998''.

(2) RESEARCH.—Section 404(d) of such Act (20 U.S.C. 2404(d)) is amended by striking ''for each of the fiscal years'' and all that follows through ''1995'' and inserting ''for each of fiscal years 1992 through 1998''.

(b) ADULT EDUCATION ACT.—

(1) IN GENERAL.—Section 313(a) of the Adult Education Act (20 U.S.C. 1201b(a)) is amended by striking ''for each of the fiscal years'' and all that follows through ''1995'' and inserting ''for each of fiscal years 1993 through 1998''.

(2) STATE LITERACY RESOURCE CENTERS.—Section 356(k) of such Act (20 U.S.C. 1208aa(k)) is amended by striking ''for each of the fiscal years 1994 and 1995'' and inserting ''for each of fiscal years 1994 and 1995''.

(3) BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.—Section 371(e)(1) of such Act (20 U.S.C. 1211(e)(1)) is amended by striking ''for each of the fiscal years'' and all that follows through ''1995'' and inserting ''for each of fiscal years 1993 through 1998''.

(4) NATIONAL INSTITUTE FOR LITERACY.—Section 384(n)(1) of such Act (20 U.S.C. 1213c(n)(1)) is amended by striking ''for each of the fiscal years'' and all that follows through ''1996'' and inserting ''for each of fiscal years 1992 through 1995''.

Subtitle D—National Activities

SEC. 181. FEDERAL PARTNERSHIP.

(a) ESTABLISHMENT.—There is established in the Department of Labor and the Department of Education a Workforce Development Partnership, under the joint control of the Secretary of Labor and the Secretary of Education.

(b) ADMINISTRATION.—Notwithstanding the Department of Education Organization Act (20 U.S.C. 3401 et seq.), the General Education Provisions Act (20 U.S.C. 1221 et seq.), the Act entitled ''An Act To Create a Department of Labor'', approved March 4, 1913 (29 U.S.C. 551 et seq.), and section 169 of the Job Training Partnership Act (29 U.S.C. 1579), the Secretary of Labor and the Secretary of Education, acting jointly, in accordance with the plan approved or determinations made by the President under section 187(c), shall provide for, and exercise final authority over, the effective and efficient administration of this title (other than subtitle B), the Act amended by subtitle B of title II, the provisions amended by sections 241 and 242, and the officers and employees of the Federal Partnership.

(c) RESPONSIBILITIES OF SECRETARY OF LABOR AND SECRETARY OF EDUCATION.—The Secretary of Labor and the Secretary of Education, working jointly through the Federal Partnership, shall—

(1) approve applications and plans under sections 104, 107, 108, 109, 173, and 184;

(2) award financial assistance under sections 102, 107, 108, 109, 122(a), 161, 184, and 185;

(3) approve State benchmarks in accordance with section 121(c); and

(4) apply sanctions described in section 122(b).

(d) WORKPLANS.—The Secretary of Labor and the Secretary of Education, acting jointly, shall prepare and submit the workplans described in sections 187(c) and 188(b).

(e) INFORMATION AND TECHNICAL ASSISTANCE RESPONSIBILITIES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, in appropriate cases, disseminate information and provide technical assistance to States on the best practices for establishing and carrying out activities through statewide systems, including model programs to provide structured work and learning experiences for welfare recipients.

SEC. 182. NATIONAL WORKFORCE DEVELOPMENT BOARD AND PERSONNEL.

(a) NATIONAL BOARD.—

(1) COMPOSITION.—The Federal Partnership shall be directed by a National Board that shall be composed of 13 individuals, including—

(A) 7 individuals who are representative of business and industry in the United States, appointed by the President by and with the advice and consent of the Senate;

(B) 2 individuals who are representative of labor and workers in the United States, appointed by the President by and with the advice and consent of the Senate;

(C) 2 individuals who are representative of education providers, 1 of whom is a State or local adult education provider and 1 of whom is a State or local vocational education provider, appointed by the President by and with the advice and consent of the Senate; and

(D) 2 Governors, representing different political parties, appointed by the President by and with the advice and consent of the Senate.

(2) TERMS.—Each member of the National Board shall serve for a term of 3 years, except that, as designated by the President—

(A) 5 of the members first appointed to the National Board shall serve for a term of 2 years;

(B) 4 of the members first appointed to the National Board shall serve for a term of 3 years; and

(C) 4 of the members first appointed to the National Board shall serve for a term of 4 years.

(3) VACANCIES.—Any vacancy in the National Board shall not affect the powers of the National Board, but shall be filled in the same manner as the original appointment. Any member appointed to fill such a vacancy shall serve for the remainder of the term for which the predecessor of such member was appointed.

(4) DUTIES AND POWERS OF THE NATIONAL BOARD.—

(A) OVERSIGHT.—Subject to section 181(b), the National Board shall oversee all activities of the Federal Partnership.

(B) RECOMMENDATIONS ABOUT IMPLEMENTATION.—If the Secretary of Labor and the Secretary of Education fail to reach agreement with respect to the implementation of their duties and responsibilities under this Act (other than subtitle B) and the amendments made by this Act, the National Board shall review the issues about which disagreement exists and make a recommendation to the President regarding a solution to the disagreement.

(5) CHAIRPERSON.—The position of Chairperson of the National Board shall rotate annually among the appointed members described in paragraph (1)(A).

(6) MEETINGS.—The National Board shall meet at the call of the Chairperson but not less often than 4 times during each calendar year. Seven members of the National Board shall constitute a quorum. All decisions of the National Board with respect to the exercise of the duties and powers of the National Board shall be made by a majority vote of the members of the National Board.

(7) COMPENSATION AND TRAVEL EXPENSES.—

(A) COMPENSATION.—In accordance with the plan approved or the determinations made by the President under section 187(c), each member of the National Board shall be compensated at a rate to be fixed by the President but not to exceed the daily equivalent of the maximum rate authorized for a position above GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the National Board.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the National Board, members of such National Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

(8) DATE OF APPOINTMENT.—The National Board shall be appointed not later than 120 days after the date of enactment of this Act.

(b) DUTIES AND POWERS OF THE FEDERAL PARTNERSHIP.—The Federal Partnership shall—

(1) oversee the development, maintenance, and continuous improvement of the nationwide integrated labor market and occupational information system described in section 183, and the relationship between such system and the job placement accountability system described in section 121(d);

(2) establish model benchmarks for each of the benchmarks referred to in paragraph (1), (2), or (3) of section 121(c), at achievable levels based on existing (as of the date of the establishment of the benchmarks) workforce development efforts in the States;

(3) negotiate State benchmarks with States in accordance with section 121(c);

(4) provide advice to the Secretary of Labor and the Secretary of Education regarding the review and approval of applications and plans described in section 181(c)(1) and the approval of financial assistance described in section 181(c)(2);

(5) receive and review reports described in section 121(a);

(6) prepare and submit to the appropriate committees of Congress an annual report on the absolute and relative performance of States toward reaching the State benchmarks;

(7) provide advice to the Secretary of Labor and the Secretary of Education regarding applying sanctions described in section 122(b);

(8) review all federally funded programs providing workforce development activities or workforce preparation activities for at-risk youth, other than programs carried out under this title, and submit recommendations to Congress on how the federally funded programs could be integrated into the statewide systems of the States, including recommendations on the development of common terminology for activities and services provided through the programs;

(9) prepare an annual plan for the nationwide integrated labor market and occupational information system, as described in section 183(b)(2); and

(10) perform the duties specified for the Federal Partnership in this Act and the amendments made by this Act.

(c) DIRECTOR.—

(1) IN GENERAL.—There shall be in the Federal Partnership a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) COMPENSATION.—The Director shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) DUTIES.—The Director shall make recommendations to the National Board regarding the activities described in subsection (b).

(4) DATE OF APPOINTMENT.—The Director shall be appointed not later than 120 days after the date of enactment of this Act.

(d) PERSONNEL.—

(1) APPOINTMENTS.—The Director may appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of

the Federal Partnership. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Director may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including travel time) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Director may pay experts and consultants who are serving away from their homes or regular places of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Federal Partnership without reimbursement, and such detail shall be without interruption or loss of civil service or privilege. The Secretary of Education and the Secretary of Labor shall detail a sufficient number of employees to the Federal Partnership for the

period beginning October 1, 1996 and ending June 30, 1998 to carry out the functions of the Federal Partnership during such period.

(4) USE OF VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary of Labor and the Secretary of Education are authorized to accept voluntary and uncompensated services in furtherance of the purposes of this Act.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years 1996 and 1997 $500,000 to the National Board for the administration of the duties and responsibilities of the Federal Partnership under this title.

SEC. 183. LABOR MARKET AND OCCUPATIONAL INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market and occupational information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and

demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market and occupational information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market terms, including terms related to State benchmarks established pursuant to section 121(c);

(iii) quality control mechanisms for the collection and analysis of labor market and occupational information; and

(iv) common schedules for collection and dissemination of labor market and occupational information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas;

(D) research on labor market and occupational dynamics; and

(E) career development planning and decisionmaking;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5), including training of counselors, teachers, and other persons to use the products of the nationwide integrated labor market and occupational information system to improve career decisionmaking.

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market and occupational information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market and occupational information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market and occupational information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market and occupational information system;

(D) describe the current spending on integrated labor market and occupational information activities from all sources, assess the ade-

quacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market and occupational information system;

(E) develop a budget for the nationwide integrated labor market and occupational information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5),

and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 105, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market and occupational information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A–11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market and occupational information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market and occupational information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market and occupational information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 118(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive

labor market and occupational information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market and occupational information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 106(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market and occupational information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market and occupational information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular atten-

tion to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 121(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 184. NATIONAL DISCRETIONARY GRANTS.

(a) NATIONAL GRANTS.—Using funds made available under section 124(b)(5), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Fed-

eral Partnership, may in a timely manner award a national grant—

(1) to an eligible entity described in subsection (b) to carry out the activities described in such subsection; and

(2) at the request of an officer described in subsection (c), to such an officer to carry out the activities described in such subsection.

(b) RAPID RESPONSE GRANTS.—

(1) IN GENERAL.—

(A) MAJOR ECONOMIC DISLOCATION.—Funds made available under this section to an eligible entity described in this subsection may be used to provide adjustment assistance to workers affected by a major economic dislocation that results from a closure, layoff, or realignment described in section 3(8)(B).

(B) EMERGENCY DETERMINATION.—Such funds may also be used to provide adjustment assistance to dislocated workers whenever the Federal Partnership (with the agreement of the Governor involved) determines that an emergency exists with respect to any particular distressed industry or any particularly distressed area. The Federal Partnership may make arrangements for

the immediate provision of such emergency financial assistance for the purposes of this subsection with any necessary supportive documentation to be submitted on a date agreed to by the Governor and the Federal Partnership.

(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section for activities described in this subsection, an eligible entity shall be a State or local entity.

(3) APPLICATION.—To be eligible to receive a grant under this section for activities described in this subsection, an eligible entity shall submit an application to the Federal Partnership at such time, in such manner, and containing such information as the Federal Partnership determines to be appropriate.

(c) DISASTER RELIEF EMPLOYMENT ASSISTANCE.—

(1) IN GENERAL.—Funds made available under this section to officers described in this subsection shall be used solely to provide individuals in a disaster area with employment in projects to provide clothing, shelter, and other humanitarian assistance for disaster victims and in projects regarding the demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area.

(2) OFFICERS.—To be eligible to receive a grant under this section for activities described in this subsection, an officer shall be a chief executive officer of a State within which is located an area that has suffered an emergency or a major disaster as defined in paragraph (1) or (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (referred to in this section as a ''disaster area'').

SEC. 185. NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORKFORCE DEVELOPMENT.

(a) GRANTS AUTHORIZED.—From amounts made available under section 124(b)(7), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, are authorized to award a grant, on a competitive basis, to an institution of higher education, public or private nonprofit organization or agency, or a consortium of such institutions, organizations, or agencies, to enable such institution, organization, agency, or consortium to establish a national center to carry out the activities described in subsection (b).

(b) AUTHORIZED ACTIVITIES.—Grant funds made available under this section shall be used by the national center assisted under subsection (a)—

(1) to increase the effectiveness and improve the implementation of workforce development programs, including conducting research and development and providing technical assistance with respect to—

(A) combining academic and vocational education;

(B) connecting classroom instruction with work-based learning;

(C) creating a continuum of educational programs that provide multiple exit points for employment, which may include changes or development of instructional materials or curriculum;

(D) establishing high quality support services for all students to ensure access to workforce development programs, educational success, and job placement assistance;

(E) developing new models for remediation of basic academic skills;

(F) identifying ways to establish links among educational and job training programs at the State and local levels;

(G) developing new models for career guidance, career information, and counseling services;

(H) identifying economic and labor market changes that will affect workforce needs;

(I) developing model programs for the transition of members of the Armed Forces from military service to civilian employment;

(J) conducting preparation of teachers, counselors, administrators, other professionals, and volunteers, who work with programs funded under this title; and

(K) obtaining information on practices in other countries that may be adapted for use in the United States;

(2) to provide assistance to States and local recipients of assistance under this title in developing and using systems of performance measures and standards for improvement of programs and services; and

(3) to maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of statewide systems and programs funded under this title, which data and information shall be disseminated in a form that is useful to practitioners and policymakers.

(c) OTHER ACTIVITIES.—The Federal Partnership may request that the national center assisted under subsection (a) conduct activities not described in subsection (b), or study topics not described in subsection (b), as the Federal Partnership determines to be necessary to carry out this title.

(d) IDENTIFICATION OF CURRENT NEEDS.—The national center assisted under subsection (a) shall identify current needs (as of the date of the identification) for research and technical assistance through a variety of sources including a panel of Federal, State, and local level practitioners.

(e) SUMMARY REPORT.—The national center assisted under subsection (a) shall annually prepare and submit to the Federal Partnership and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report summarizing the research findings obtained, and the results of development and technical assistance activities carried out, under this section.

(f) TRANSITION PERIOD.—Notwithstanding any other provision of law, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may use funds made available under section 404 of the Carl D. Perkins Vocational and Applied Tech-

nology Education Act (20 U.S.C. 2404) to prepare, during the period beginning on January 1, 1998, and ending June 30, 1998, to award a grant under subsection (a) on July 1, 1998.

(g) DEFINITION.—As used in this section, the term ''institution of higher education'' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(h) CONFORMING AMENDMENTS.—Section 404(a)(2) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2404(a)(2)) is amended—

(1) in subparagraph (A), by striking ''for a period of 5 years'' and inserting ''until June 30, 1998''; and

(2) in the first sentence of subparagraph (B), by striking ''5''.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on July 1, 1998.

(2) TRANSITION PROVISIONS.—Subsection (f) shall take effect on January 1, 1998.

(3) AMENDMENTS.—The amendments made by subsection (h) shall take effect on the date of enactment of this Act.

SEC. 186. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

(a) IN GENERAL.—The Secretary of Education (referred to in this section as the ''Secretary'') shall conduct a national assessment of vocational education programs assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) INDEPENDENT ADVISORY PANEL.—The Secretary shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of business, industry, labor, career guidance and counseling professionals, and other relevant groups, to advise the Secretary on the implementation of such assessment, including the issues to be addressed and the methodology of the studies involved, and the findings and recommendations resulting from the assessment. The panel, in the discretion of the panel, may submit to the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Federal Partnership an independent analysis of the findings and recommendations resulting from the assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.

(c) CONTENTS.—The assessment required under subsection (a) shall include descriptions and evaluations of—

(1) the effect of this title on State and tribal administration of vocational education programs and on local vocational education practices, including the capacity of State, tribal, and local vocational education systems to address the purposes of this title;

(2) expenditures at the Federal, State, tribal, and local levels to address program improvement in vocational education, including the impact of Federal allocation requirements (such as within-State distribution formulas) on the delivery of services;

(3) preparation and qualifications of teachers of vocational and academic curricula in vocational education programs, as well as shortages of such teachers;

(4) participation in vocational education programs;

(5) academic and employment outcomes of vocational education, including analyses of—

(A) the effect of educational reform on vocational education;

(B) the extent and success of integration of academic and vocational curricula;

(C) the success of the school-to-work transition; and

(D) the degree to which vocational training is relevant to subsequent employment;

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

(7) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of vocational education services; and

(8) the degree to which minority students are involved in vocational student organizations.

(d) CONSULTATION.—

(1) IN GENERAL.—The Secretary shall consult with the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate in the design and implementation of the assessment required under subsection (a).

(2) REPORTS.—The Secretary shall submit to the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Federal Partnership—

(A) an interim report regarding the assessment on or before January 1, 2000; and

(B) a final report, summarizing all studies and analyses that relate to the assessment and that are completed after the assessment, on or before July 1, 2000.

(3) PROHIBITION.—Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Department of Education before their transmittal to the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Federal Partnership, but the President, the Secretary, the Federal Partnership, and the independent advisory panel established under subsection (b) may make such additional recommendations to Congress with respect to the assessment as the President, the Secretary, the Federal Partnership, or the panel determine to be appropriate.

(e) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 187. TRANSFERS TO FEDERAL PARTNERSHIP.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code;

(2) the term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the appropriate Secretary in the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to a covered activity shall terminate on July 1, 1998.

(c) TRANSITION WORKPLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the National Board a proposed workplan as described in paragraph (2). The Secretary of Labor and the Secretary of Education shall also submit the plan to the President, the Committee on Economic and Educational Opportunities of the House of Representatives, and the Committee on

Labor and Human Resources of the Senate for review and comment.

(2) CONTENTS.—The proposed workplan shall include, at a minimum—

(A) an analysis of the functions that officers and employees of the Department of Labor and the Department of Education carry out (as of the date of the submission of the workplan) that relate to a covered activity;

(B) information on the levels of personnel and funding used to carry out the functions (as of such date);

(C) a determination of the functions described in subparagraph (A) that are minimally necessary to carry out the functions of the Federal Partnership;

(D) information on the levels of personnel and other resources that are minimally necessary to carry out the functions of the Federal Partnership;

(E) a determination of the manner in which the Secretary of Labor and the Secretary of Education will provide personnel and other resources of the Department of Labor and the

Department of Education for the Federal Partnership;

(F) a determination of the appropriate Secretary to receive the personnel, resources, and related items to be transferred under this section, based on factors including increased efficiency and elimination of duplication of functions;

(G) a determination of the proposed organizational structure for the Federal Partnership; and

(H) a determination of the manner in which the Secretary of Labor and the Secretary of Education, acting jointly through the Federal Partnership, will carry out their duties and responsibilities under this Act (other than subtitle B) and the amendments made by this Act.

(3) REVIEW BY NATIONAL BOARD.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the National Board shall—

(i) review and concur with the workplan; or

(ii) reject the workplan and prepare and submit to the President a revised

workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) FUNCTIONS TRANSFERRED.—If the National Board concurs with the proposed workplan, the functions described in paragraph (2)(C), as determined in the workplan, shall be transferred under subsection (b).

(4) REVIEW BY THE PRESIDENT.—

(A) IN GENERAL.—Not later than 30 days after the date of submission of a revised workplan under paragraph (3)(A)(ii), the President shall—

(i) review and approve the workplan; or

(ii) reject the workplan and prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) FUNCTIONS TRANSFERRED.—If the President approves the revised workplan, or prepares the alternative workplan, the functions described in paragraph (2)(C), as determined in such revised or alternative workplan, shall be transferred under subsection (b).

(C) SPECIAL RULE.—If the President takes no action on the revised workplan submitted under paragraph (3)(A)(ii) within the 30-day period described in subparagraph (A), the Secretary of Labor, the Secretary of Education, and the National Board may attempt to reach agreement on a compromise workplan. If the Secretary of Labor, the Secretary of Education, and the National Board reach such agreement, the functions described in paragraph (2)(C), as determined in such compromise workplan, shall be transferred under subsection (b). If, after an additional 15-day period, the Secretary of Labor, the Secretary of Education and the National Board are unable to reach such agreement, the revised workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the revised workplan, shall be transferred under subsection (b).

(5) DETERMINATION BY PRESIDENT.—

(A) IN GENERAL.—In the event that the Secretary of Labor and the Secretary of Education fail to reach agreement regarding, and

submit, a proposed workplan described in paragraph (2), the President shall make the determinations described in paragraph (2)(C). The President shall delegate full responsibility for administration described in section 181(b) (other than the administration of subtitle B) to 1 of the 2 Secretaries. Such Secretary shall be considered to be the appropriate Secretary for purposes of such administration (other than the administration of subtitle B) and shall have authority to carry out any function that the Secretaries would otherwise be authorized to carry out jointly.

(B) TRANSFERS.—The functions described in paragraph (2)(C), as determined by the President under subparagraph (A), shall be transferred under subsection (b). All positions of personnel that relate to a covered activity and that, prior to the transfer, were within the department headed by the other of the 2 Secretaries shall be separated from service as provided in subsection (i)(2)(A).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the National Board may delegate any func-

tion transferred or granted to the Federal Partnership after the effective date of this section to such officers and employees of the Federal Partnership as the National Board may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the National Board under this subsection or under any other provision of this section shall relieve such National Board of responsibility for the administration of such functions.

(e) REORGANIZATION.—The National Board may allocate or reallocate any function transferred or granted to the Federal Partnership after the effective date of this section among the officers of the Federal Partnership, and establish, consolidate, alter, or discontinue such organizational entities in the Federal Partnership as may be necessary or appropriate.

(f) RULES.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, determine to be necessary or appropriate to administer and manage the functions of the Federal Partnership.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the appropriate Secretary in the Federal Partnership. Unexpended funds transferred pursuant to this subsection shall be used only to carry out the functions of the Federal Partnership.

(2) EXISTING FACILITIES AND OTHER FEDERAL RESOURCES.—Pursuant to paragraph (1), the Secretary of Labor and the Secretary of Education shall supply such office facilities, office supplies, support services, and related expenses as may be minimally necessary to carry out the functions of the Federal Partnership. None of the funds made available under this title may be used for the construction of office facilities for the Federal Partnership.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the objectives of this section.

(i) EFFECT ON PERSONNEL.—

(1) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this section, shall terminate on the effective date of this section.

(2) ACTIONS.—

(A) IN GENERAL.—The Secretary of Labor and the Secretary of Education shall take such

actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that the positions of personnel that relate to a covered activity and are not transferred under subsection (b) are separated from service.

(B) SCOPE.—

(i) INITIAL REDUCTIONS.—Not later than the date of the transfer under subsection (b), the Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than ⅓ of the number of positions of personnel that relate to a covered activity.

(ii) SUBSEQUENT REDUCTIONS.—Not later than 5 years after the date of the transfer under subsection (b), the Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A)—

(I) with respect to not less than 60 percent of the number of positions of personnel that relate to a covered activity, unless the Secretaries submit

(prior to the end of such 5-year period) a report to Congress demonstrating why such actions have not occurred; or

(II) with respect to not less than 40 percent of the number of positions of personnel that relate to a covered activity, if the Secretaries make the determination and submit the report referred to in subclause (I).

(iii) CALCULATION.—For purposes of calculating, under this subparagraph, the number of positions of personnel that relate to a covered activity, such number shall include the number of positions of personnel who are separated from service under subparagraph (A).

(j) SAVINGS PROVISIONS.—

(1) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(2) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the

Department of Labor or the Department of Education, or by or against any individual in the official capacity of such individual as an officer of the Department of Labor or the Department of Education, shall abate by reason of the enactment of this section.

(k) TRANSITION.—The National Board may utilize—

(1) the services of officers, employees, and other personnel of the Department of Labor or the Department of Education, other than personnel of the Federal Partnership, with respect to functions transferred to the Federal Partnership by this section; and

(2) funds appropriated to such functions;

for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Secretary of Labor or the Secretary of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership; and

(2) the Department of Labor or the Department of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to in paragraph (1).

(n) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (c) shall take effect on the date of enactment of this Act.

SEC. 188. TRANSFERS TO OTHER FEDERAL AGENCIES AND OFFICES.

(a) TRANSFER.—There are transferred to the appropriate receiving agency, in accordance with subsection (b),

all functions that the Secretary of Labor, acting through the Employment and Training Administration, or the Secretary of Education, acting through the Office of Vocational and Adult Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Employment and Training Administration or the Office of Vocational and Adult Education) that do not relate to a covered activity.

(b) DETERMINATIONS OF FUNCTIONS AND APPROPRIATE RECEIVING AGENCIES.—

(1) TRANSITION WORKPLAN.—Not later than 180 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the President a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfer described in subsection (a).

(2) CONTENTS.—The proposed workplan shall include, at a minimum—

(A) a determination of the functions that officers and employees of the Employment and Training Administration and the Office of Vocational and Adult Education carry out (as of the date of the submission of the workplan) that do not relate to a covered activity; and

(B) a determination of the appropriate receiving agencies for the functions, based on factors including increased efficiency and elimination of duplication of functions.

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan and submit the workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate; or

(ii) reject the workplan, prepare an alternative workplan that contains the determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or

prepares the alternative workplan, the functions described in paragraph (2)(A), as determined in such proposed or alternative workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in such proposed or alternative workplan.

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(A), as determined in the proposed workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in the proposed workplan.

(4) REPORT.—Not later than July 1, 1998, the Secretary of Labor and the Secretary of Education shall submit to the appropriate committees of Congress information on the transfers required by this section.

(c) APPLICATION OF AUTHORITIES.—

(1) IN GENERAL.—

(A) APPLICATION.—Subsection (a), and subsections (d) through (m), of section 187 (other than subsections (f), (g)(2), (i)(2), and (m)) shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 187.

(B) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) of section 187 shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 187.

(2) REFERENCES.—For purposes of the application of the subsections described in paragraph (1) (other than subsections (g)(2) and (i)(2) of section 187) to transfers under this section—

(A) references to the Federal Partnership shall be deemed to be references to the appropriate receiving agency, as determined in the approved or alternative workplan referred to in subsection (b)(3);

(B) references to the Secretary of Labor and the Secretary of Education, the Director, or the National Board shall be deemed to be references

to the head of the appropriate receiving agency; and

(C) references to transfers in section 187 shall be deemed to include transfers under this section.

(3) ADMINISTRATION.—Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(4) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that are in effect on the effective date of this section or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the appropriate receiving agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(5) PROCEEDINGS NOT AFFECTED.—

(A) IN GENERAL.—The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of Labor or the Department of Education on the date this section takes effect, with respect to functions transferred by this section.

(B) CONTINUATION.—Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(C) CONSTRUCTION.—Nothing in this paragraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(6) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Department of Labor or the Department of Education relating to a function transferred under this section may be continued by the appropriate receiving agency with the same effect as if this section had not been enacted.

(d) CONSTRUCTION.—Nothing in this section shall be construed to require the transfer of any function described in subsection (b)(2)(A) to the Federal Partnership.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsection (c)(1)(B) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (b) shall take effect on the date of enactment of this Act.

SEC. 189. ELIMINATION OF CERTAIN OFFICES.

(a) TERMINATION.—The Office of Vocational and Adult Education and the Employment and Training Administration shall terminate on July 1, 1998.

(b) OFFICE OF VOCATIONAL AND ADULT EDUCATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretaries of Education (10)'' and inserting ''Assistant Secretaries of Education (9)''.

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—

(A) Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended—

(i) in subsection (b)(1)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(ii) by striking subsection (h); and

(iii) by redesignating subsection (i) as subsection (h).

(B) Section 206 of such Act (20 U.S.C. 3416) is repealed.

(C) Section 402(c)(1) of the Improving America's Schools Act of 1994 (20 U.S.C. 9001(c)(1)) is amended by striking ''established under'' and all that follows and inserting a semicolon.

(3) GOALS 2000: EDUCATE AMERICA ACT.—Section 931(h)(3)(A) of the Goals 2000: Educate America Act (20 U.S.C. 6031(h)(3)(A)) is amended—

(A) by striking clause (iii); and

(B) by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(c) EMPLOYMENT AND TRAINING ADMINISTRATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking ''Assistant Secretaries of Labor (10)'' and inserting ''Assistant Secretaries of Labor (9)''.

(2) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402(d)(3) of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended by striking ''and under any other program administered by the

Employment and Training Administration of the Department of Labor''.

(3) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code, is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (12) as paragraphs (7) through (11), respectively.

(4) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—The last sentence of section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) is amended by striking ''or the Office of Job Training''.

(d) UNITED STATES EMPLOYMENT SERVICE.—

(1) TITLE 5, UNITED STATES CODE.—Section 3327 of title 5, United States Code, is amended—

(A) in subsection (a), by striking ''the employment offices of the United States Employment Service'' and inserting ''Governors''; and

(B) in subsection (b), by striking ''of the United States Employment Service''.

(2) TITLE 10, UNITED STATES CODE.—

(A) Section 1143a(d) of title 10, United States Code, is amended by striking paragraph (3).

(B) Section 2410k(b) of title 10, United States Code, is amended by striking ‘‘, and where appropriate the Interstate Job Bank (established by the United States Employment Service),’’.

(3) INTERNAL REVENUE CODE OF 1986.—Section 51 of the Internal Revenue Code of 1986 is amended by striking subsection (g).

(4) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—Section 4468 of the National Defense Authorization Act for Fiscal Year 1993 (29 U.S.C. 1662d–1 note) is repealed.

(5) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code (as amended by subsection (c)(3)), is further amended—

(A) by striking paragraph (10); and

(B) by redesignating paragraph (11) as paragraph (10).

(6) TITLE 39, UNITED STATES CODE.—

(A) Section 3202(a)(1) of title 39, United States Code is amended—

(i) in subparagraph (D), by striking the semicolon and inserting ‘‘; and’’;

(ii) by striking subparagraph (E); and

(iii) by redesignating subparagraph (F) as subparagraph (E).

(B) Section 3203(b) of title 39, United States Code, is amended by striking ''(1)(E), (2), and (3)'' and inserting ''(2) and (3)''.

(C) Section 3206(b) of title 39, United States Code, is amended by striking ''(1)(F)'' and inserting ''(1)(E)''.

(7) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) (as amended by subsection (c)(4)) is further amended by striking the last sentence.

(e) REORGANIZATION PLANS.—Except with respect to functions transferred under section 188, the authority granted to the Employment and Training Administration, the Office of Vocational and Adult Education, or any unit of the Employment and Training Administration or the Office of Vocational and Adult Education by any reorganization plan shall terminate on July 1, 1998.

Subtitle E—Repeals of Employment and Training and Vocational and Adult Education Programs

SEC. 191. REPEALS.

(a) IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95–250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(6) Section 5322 of title 49, United States Code.

(7) Subchapter I of chapter 421 of title 49, United States Code.

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Adult Education Act (20 U.S.C. 1201 et seq.).

(2) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(3) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(4) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(5) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by subsection (b) shall take effect on July 1, 1998.

SEC. 192. CONFORMING AMENDMENTS.

(a) IMMEDIATE REPEALS.—

(1) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) REFERENCES TO TITLE II OF PUBLIC LAW 95–250.—Section 103 of Public Law 95–250 (16 U.S.C. 79l) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking ''each of the following programs'' and inserting ''the emergency community services homeless grant program established in section 751''; and

(ii) by striking ''tribes:'' and all that follows and inserting ''tribes.''.

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) REFERENCES TO TITLE 49, UNITED STATES CODE.—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking ''5317, and 5322'' and inserting ''and 5317''.

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) SUBSEQUENT REPEALS.—

(1) REFERENCES TO THE ADULT EDUCATION ACT.—

(A) Subsection (b) of section 402 of the Refugee Education Assistance Act (8 U.S.C. 1522 note) is repealed.

(B) Paragraph (20) of section 3 of the Library Services and Construction Act (20 U.S.C. 351a(20)) is amended to read as follows:

''(20) The term 'educationally disadvantaged adult' means an individual who—

''(A) is age 16 or older, or beyond the age of compulsory school attendance under State law;

''(B) is not enrolled in secondary school;

''(C) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

''(D) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.''.

(C)(i) Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking ''Adult Education Act'' and inserting ''Workforce Development Act of 1995''.

(ii) Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking ''Adult Education Act'' and inserting ''Workforce Development Act of 1995''.

(iii) Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking ''an adult basic education program under the Adult Education Act'' and inserting ''adult education activities under the Workforce Development Act of 1995''.

(iv) Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking ''section 312 of the Adult Education Act'' and inserting ''section 3 of the Workforce Development Act of 1995''.

(v) Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking ''section 312(2) of the Adult Education Act'' and inserting ''section 3 of the Workforce Development Act of 1995''.

(D) Section 203(b)(8) of the Older Americans Act (42 U.S.C. 3013(b)(8)) is amended by striking ''Adult Education Act'' and inserting ''Workforce Development Act of 1995''.

(2) REFERENCES TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(A) Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking ''Vocational Education Act of 1963'' and inserting ''Workforce Development Act of 1995''.

(B) Section 4461 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended—

(i) by striking paragraph (4); and

(ii) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(C) Section 626(g) of the Individuals with Disabilities Education Act (20 U.S.C. 1425(g)) is amended—

(i) by striking ''1973,'' and inserting ''1973 and''; and

(ii) by striking ", and the Carl D. Perkins Vocational and Applied Technology Education Act".

(D) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is amended—

(i) in section 306 (20 U.S.C. 5886)—

(I) in subsection (c)(1)(A), by striking all beginning with "which process" through "Act" and inserting "which process shall include coordination with the benchmarks described in section 121(c)(2) of the Workforce Development Act of 1995"; and

(II) in subsection (l), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995"; and

(ii) in section 311(b) (20 U.S.C. 5891(b)), by striking paragraph (6).

(E) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(i) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking "Carl

D. Perkins Vocational and Applied Technology Education Act,'' and inserting ''Workforce Development Act of 1995'';

(ii) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act'' and inserting ''Workforce Development Act of 1995'';

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

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(iv) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act'' and inserting ''Workforce Development Act of 1995''.

(F) Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''(20

U.S.C. 2397h(3)'' and inserting '', as such section was in effect on the day preceding the date of enactment of the Workforce Development Act of 1995''.

(G) Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking ''the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)'' and inserting ''July 1, 1998''.

(H) Section 135(c)(3)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B)) is amended—

(i) by striking ''subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act'' and inserting ''subparagraph (C) or (D) of section 3(3) of the Workforce Development Act of 1995''; and

(ii) by striking ''any State (as defined in section 521(27) of such Act)'' and inserting ''any State or outlying area (as the terms 'State' and 'outlying area' are defined in section 3 of such Act)''.

(I) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking ''Carl D. Perkins Vocational Education Act'' and inserting ''Workforce Development Act of 1995''.

(J) Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by striking ''section 3 of the Carl D. Perkins Vocational Education Act'' and inserting ''the Workforce Development Act of 1995''.

(K) The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended—

(i) in section 502(b)(1)(N)(i) (42 U.S.C. 3056(b)(1)(N)(i)), by striking ''or the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)''; and

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

(I) by striking ''the Secretary of Education'' and inserting ''the Workforce Development Partnership'';

(II) by striking ''employment and training programs'' and inserting

''workforce development activities''; and

(III) by striking ''the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)'' and inserting ''the Workforce Development Act of 1995''.

(3) SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.—

(A) Section 1114(b)(2)(C)(v) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6314(b)(2)(C)(v)) (as amended in paragraph (2)(E)(i)) is further amended by striking ''the School-to-Work Opportunities Act of 1994,''.

(B) Section 5204 of such Act (20 U.S.C. 7234) is amended—

(i) by striking paragraph (4); and

(ii) by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(C) Section 9115(b)(5) of such Act (20 U.S.C. 7815(b)(5)) (as amended in paragraph (2)(E)(ii)) is further amended by striking ''the School-to-Work Opportunities Act of 1994 and''.

(D) Section 14302(a)(2) of such Act (20 U.S.C. 8852(a)(2)) (as amended in paragraph (2)(E)(iii)) is further amended—

(i) in subparagraph (C) (as redesignated in such paragraph), by striking the semicolon and inserting ''; and'';

(ii) by striking subparagraph (D) (as redesignated in such paragraph); and

(iii) by redesignating subparagraph (E) (as redesignated in such paragraph) as subparagraph (D).

(E) Section 14307(a)(1) of such Act (20 U.S.C. 8857(a)(1)) (as amended in paragraph (2)(E)(iv)) is further amended by striking '', the School-to-Work Opportunities Act of 1994,''.

(F) Section 14701(b)(1) of such Act (20 U.S.C. 8941(b)(1)) is amended—

(i) in subparagraph (B)(ii), by striking '', and the School-to-Work Opportunities Act of 1994, and be coordinated with evaluations of such Acts'' and inserting ''and be coordinated with evaluations of such Act''; and

(ii) in subparagraph (C)(ii), by striking ''\, the School-to-Work Opportunities Act of 1994,''.

(4) JOB TRAINING PARTNERSHIP ACT.—

(A) Section 3502(d) of title 5, United States Code, is amended—

(i) in paragraph (3)—

(I) in subparagraph (A), by striking clause (i) and inserting the following:

''(i) the Governor of the appropriate State; and''; and

(II) in subparagraph (B)(iii), by striking ''other services under the Job Training Partnership Act'' and inserting ''other workforce development activities under the Workforce Development Act of 1995''; and

(ii) in paragraph (4), in the second sentence, by striking ''Secretary of Labor on matters relating to the Job Training Partnership Act'' and inserting ''Workforce Development Partnership on matters relating to the Workforce Development Act of 1995''.

(B) Section 5(l) of the Food Stamp Act of 1977 (7 U.S.C. 2014(l)) is amended by striking ''Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), earnings to individuals participating in on-the-job training programs under section 204(b)(1)(C) or section 264(c)(1)(A) of the Job Training Partnership Act'' and inserting ''Earnings to individuals participating in on-the-job training under the Workforce Development Act of 1995''.

(C) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(i) in subsection (d)(4)(N), by striking ''the State public employment offices and agencies operating programs under the Job Training Partnership Act'' and inserting ''the State employment service offices and other State agencies and entities providing workforce employment activities under the Workforce Development Act of 1995''; and

(ii) in subsection (e)(3), by striking subparagraph (A) and inserting the following:

''(A) a program relating to workforce employment activities carried out under the Workforce Development Act of 1995;''.

(D) The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended—

(i) by striking ''to accept an offer of employment from a political subdivision or a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812),'' and inserting ''to accept an offer of employment from a service provider carrying out workforce employment activities through a program carried out under the Workforce Development Act of 1995,''; and

(ii) by striking '': Provided, That all of the political subdivision's'' and all that follows and inserting '', if all of the jobs supported under the program have been made available to participants in the program before the service provider providing the jobs extends an offer of employment under this paragraph, and if the service provider, in employing the person, complies with the re-

quirements of Federal law that relate to the program.''.

(E) Section 245A(h)(4)(F) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(F)) is amended by striking ''The Job Training Partnership Act.'' and inserting ''The Workforce Development Act of 1995.''.

(F) Section 402(a)(4) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking ''the Comprehensive Employment and Training Act of 1973'' and inserting ''the Workforce Development Act of 1995''.

(G) Section 4461(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking ''The Job Training Partnership Act (29 U.S.C. 1501 et seq.).'' and inserting ''The Workforce Development Act of 1995.''.

(H) Section 4471 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2501 note) is amended—

(i) in subsection (d)(2), by striking ''the State dislocated'' and all that follows through ''and the chief'' and inserting ''the

Governor of the appropriate State and the chief'';

(ii) in subsection (e)—

(I) in the first sentence, by striking ''for training, adjustment assistance, and employment services'' and all that follows through ''except where'' and inserting ''to participate in workforce employment activities carried out under the Workforce Development Act of 1995, except in a case in which''; and

(II) by striking the second sentence; and

(iii) in subsection (f)—

(I) in paragraph (3)—

(aa) in subparagraph (B), by striking ''the State dislocated'' and all that follows through ''and the chief'' and inserting ''the Governor of the appropriate State and the chief''; and

(bb) in subparagraph (C), by striking ''grantee under section 325(a) or 325A(a)'' and all that

follows through ''employment services'' and inserting ''recipient of assistance under the Workforce Development Act of 1995 providing workforce employment activities''; and

(II) in paragraph (4), by striking ''for training,'' and all that follows through ''beginning'' and inserting ''to participate in workforce employment activities under the Workforce Development Act of 1995 beginning''.

(I) Section 4492(b) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce Development Act of 1995''.

(J) Section 4003(5)(C) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2391 note) is amended by inserting before the period the following: '', as in effect on the day before the date of enactment of the Workforce Development Act of 1995''.

(K) Section 1333(c)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994

(10 U.S.C. 2701 note) is amended by striking ''Private industry councils (as described in section 102 of the Job Training Partnership Act (29 U.S.C. 1512)).'' and inserting ''Local partnerships or local workforce development boards, as appropriate, established under section 118 of the Workforce Development Act of 1995.''.

(L) The fourth sentence of section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)) is amended by striking ''the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce Development Act of 1995''.

(M) Section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)) is amended by striking ''and include these in the annual Employment and Training Report of the President required under section 705(a) of the Comprehensive Employment and Training Act of 1973 (hereinafter in this Act referred to as 'CETA')'' and inserting ''and prepare and submit to the President an annual report containing the recommendations''.

(N) Section 206 of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3116) is amended—

(i) in subsection (b)—

(I) in the matter preceding paragraph (1), by striking ''CETA'' and inserting ''the Workforce Development Act of 1995''; and

(II) in paragraph (1), by striking ''(including use of section 110 of CETA when necessary)''; and

(ii) in subsection (c)(1), by striking ''CETA'' and inserting ''activities carried out under the Workforce Development Act of 1995''.

(O) Section 401(d) of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3151(d)) is amended by striking ''include, in the annual Employment and Training Report of the President provided under section 705(a) of CETA,'' and inserting ''include, in the annual report referred to in section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)),''.

(P) Subsections (a), (b), and (c) of section 665 of title 18, United States Code are amended by striking ''the Comprehensive Employment and Training Act or the Job Training Partnership Act'' and inserting ''the Workforce Development Act of 1995''.

(Q) Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended by striking ''under title III of the Job Training Partnership Act'' and inserting ''made available under the Workforce Development Act of 1995''.

(R) Section 480(b)(14) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(b)(14)) is amended by striking ''Job Training Partnership Act noneducational benefits'' and inserting ''benefits received through participation in workforce employment activities under the Workforce Development Act of 1995''.

(S) Section 626 of the Individuals with Disabilities Education Act (20 U.S.C. 1425) is amended—

(i) in the first sentence of subsection (a), by striking ''(including the State job training coordinating councils and service delivery area administrative entities estab-

lished under the Job Training Partnership Act)'' and inserting ''(including any statewide workforce development boards established under section 105 of the Workforce Development Act of 1995 and local entities, as defined in section 3 of the Workforce Development Act of 1995)'';

(ii) in subsection (e)—

(I) in paragraphs (3)(C) and (4)(A)(iii), by striking ''local Private Industry Councils (PICS) authorized by the Job Training Partnership Act (JTPA),'' and inserting ''local partnerships or local workforce development boards, as appropriate, established under section 118 of the Workforce Development Act of 1995,''; and

(II) in clauses (iii), (iv), (v), and (vii) of paragraph (4)(B), by striking ''PICS authorized by the JTPA'' and inserting ''local partnerships or local workforce development boards, as appropriate, established under section 118 of the Workforce Development Act of 1995''; and

(iii) in subsection (g), by striking ''the Job Training Partnership Act (JTPA),'' and inserting ''the Workforce Development Act of 1995,''.

(T) Subsection (a) of section 302 of the Department of Education Organization Act (20 U.S.C. 3443(a)) (as redesignated in section 271(a)(2) of the Improving America's Schools Act of 1994) is amended by striking ''under section 303(c)(2) of the Comprehensive Employment and Training Act'' and inserting ''relating to such education''.

(U) Section 504(c)(3) of the National Skill Standards Act of 1994 (20 U.S.C. 5934(c)(3)) is amended by striking ''the Capacity Building and Information and Dissemination Network established under section 453(b) of the Job Training Partnership Act (29 U.S.C. 1733(b)) and''.

(V) Section 508(1) of the National Skill Standards Act of 1994 (20 U.S.C. 5938(1)) is amended to read as follows:

''(1) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant

segment of a community and that provides workforce development activities, as defined in section 3 of the Workforce Development Act of 1995.''.

(W) Section 1205(8)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6365(8)(B)) (as amended in paragraph (1)(C)(ii)) is further amended by striking '', the Individuals with Disabilities Education Act, and the Job Training Partnership Act'' and inserting ''and the Individuals with Disabilities Education Act''.

(X) Section 1414(c)(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6434(c)(8)) is amended by striking ''programs under the Job Training Partnership Act,'' and inserting ''programs under the Workforce Development Act of 1995,''.

(Y) Section 1423(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6453(9)) is amended by striking ''programs under the Job Training and Partnership Act'' and inserting ''programs under the Workforce Development Act of 1995''.

(Z) Section 1425(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C.

6455(9)) is amended by striking '', *such as funds under the Job Training Partnership Act,'' and inserting ''*, *such as funds made available under the Workforce Development Act of 1995,''.*

(AA) Section 5303(b)(2)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7263(b)(2)(B)) is amended by striking ''private industry council (established under the Job Training Partnership Act),'' and inserting ''local partnership or local workforce development board, as appropriate, established under section 118 of the Workforce Development Act of 1995,''.

(BB) The last sentence of section 505 of the FREEDOM Support Act (22 U.S.C. 5855) is amended by striking '', *through the Defense Conversion'' and all that follows through ''or through'' and inserting ''or through''.*

(CC) Section 42(i)(3)(D)(i)(II) of the Internal Revenue Code of 1986 is amended by striking ''assistance under'' and all that follows through ''or under'' and inserting ''assistance under the Workforce Development Act of 1995 or under''.

(DD) Section 51(d) of the Internal Revenue Code of 1986 is amended by striking paragraph (10).

(EE) Section 6334(d)(12) of the Internal Revenue Code of 1986 is amended to read as follows:

''(12) ASSISTANCE UNDER THE WORKFORCE DEVELOPMENT ACT OF 1995.—Any amount payable to a participant in workforce development activities carried out under the Workforce Development Act of 1995 from funds appropriated under such Act.''.

(FF) Section 204(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended by striking ''designate as an area'' and all that follows and inserting ''designate as an area under this section an area that is a substate area under the Workforce Development Act of 1995.''.

(GG) Section 223 of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended—

(i) in paragraph (3), by striking ''assistance provided'' and all that follows and inserting ''assistance provided under the Workforce Development Act of 1995;''; and

(ii) in paragraph (4), by striking ''funds provided'' and all that follows and inserting ''funds provided under the Workforce Development Act of 1995;''.

(HH) Section 612(b) of the Rehabilitation Act of 1973 (29 U.S.C. 795a(b)) is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce Development Act of 1995''.

(II) Section 701 of the Job Training Reform Amendments of 1992 (29 U.S.C. 1501 note) is repealed.

(JJ) Section 7 of Public Law 98–524 (29 U.S.C. 1551 note) is repealed.

(KK) Section 402 of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended—

(i) in subsection (a), by striking ''title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.)'' and inserting ''the Workforce Development Act of 1995'';

(ii) in subsection (c), by striking ''the office designated or created under section 322(b) of the Job Training Partnership

Act'' and inserting ''the Workforce Development Partnership''; and

(iii) in subsection (d)—

(I) in paragraph (1), by striking ''under—'' and all that follows through ''the Veterans' '' and inserting ''under the Veterans' ''; and

(II) in paragraph (2), by striking ''Employment and training'' and all that follows and inserting ''Workforce employment activities under the Workforce Development Act of 1995.''.

(LL) Section 13(b) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking ''assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''assistance under the Workforce Development Act of 1995''.

(MM) Section 14(b)(3)(B)(i)(II) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking ''under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''under the Workforce Development Act of 1995''.

(NN) Section 15(c)(2) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended—

(i) in the second sentence, by striking ''part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce Development Act of 1995''; and

(ii) in the third sentence, by striking ''title III of''.

(OO) Section 3(a)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(a)(2)) is amended by striking ''to the State'' and all that follows through ''and the chief'' and inserting ''to the Governor of the appropriate State and the chief''.

(PP) Section 6703(a) of title 31, United States Code, is amended by striking paragraph (4) and inserting the following:

''(4) Programs under the Workforce Development Act of 1995.''.

(QQ) Section 512 of the Veterans' Rehabilitation and Education Amendments of 1980 (38 U.S.C. 4101 note) is amended by striking ''the Comprehensive Employment and Training Act

(29 U.S.C. et seq.),'' and inserting ''the Workforce Development Act of 1995,''.

(RR) Section 4102A(d) of title 38, United States Code, is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce Development Act of 1995''.

(SS) Section 4103A(c)(4) of title 38, United States Code, is amended by striking ''(including part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.))''.

(TT) Section 4213 of title 38, United States Code, is amended by striking ''any employment or training program assisted under the Job Training Partnership Act (29 U.S.C. 1501 et seq.),'' and inserting ''any workforce employment activity carried out under the Workforce Development Act of 1995,''.

(UU) Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended—

(i) in subsection (b)(2)(A), by striking ''the Job Training'' and all that follows through ''or the'' and inserting ''the Workforce Development Act of 1995 or the'';

(ii) in the first sentence of subsection (f)(2), by striking ''programs under the''

and all that follows through ''and the'' and inserting ''programs under the Workforce Development Act of 1995 and the''; and

(iii) in subsection (g)—

(I) in paragraph (2), by striking ''programs under the'' and all that follows through ''and the'' and inserting ''programs under the Workforce Development Act of 1995 and the''; and

(II) in paragraph (3)(H), by striking ''program under'' and all that follows through ''and any other'' and inserting ''program under the Workforce Development Act of 1995 and any other''.

(VV) Section 504(c)(3) of the Housing Act of 1949 (42 U.S.C. 1474(c)(3)) is amended by striking ''pursuant to'' and all that follows through ''or the'' and inserting ''pursuant to the Workforce Development Act of 1995 or the''.

(WW) Section 203 of the Older Americans Act of 1965 (42 U.S.C. 3013) is amended—

(i) in subsection (a)(2), by striking the last sentence and inserting the following: ''In particular, the Secretary of Labor and

the Secretary of Education shall consult and cooperate with the Assistant Secretary in carrying out the Workforce Development Act of 1995.''; and

(ii) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) the Workforce Development Act of 1995,''.

(XX) Section 502 of the Older Americans Act of 1965 (42 U.S.C. 3056) is amended—

(i) in subsection (b)(1)(N)(i), by striking ''the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce Development Act of 1995''; and

(ii) in subsection (e)(2)(C), by striking ''programs carried out under section 124 of the Job Training Partnership Act (29 U.S.C. 1534)'' and inserting ''workforce employment activities carried out under the Workforce Development Act of 1995''.

(YY) Section 503(b)(1) of the Older Americans Act of 1995 (42 U.S.C. 3056a(b)(1)) is amended by striking ''the Job Training Partnership Act,'' each place it appears and inserting ''the Workforce Development Act of 1995,''.

(ZZ) Section 510 of the Older Americans Act of 1995 (42 U.S.C. 3056h) is amended by striking ''the Job Training Partnership Act, eligible individuals shall be deemed to satisfy the requirements of sections 203 and 204(d)(5)(A) of such Act (29 U.S.C. 1603, 1604(d)(5)(A))'' and inserting ''the Workforce Development Act of 1995, eligible individuals shall be deemed to satisfy the requirements of such Act''.

(AAA) Section 1801(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ee(b)(3)) is amended by striking ''activities carried out under part B of title IV of the Job Training Partnership Act (relating to Job Corps) (29 U.S.C. 1691 et seq.)'' and inserting ''activities carried out under chapter 2 of subtitle B of the Workforce Development Act of 1995''.

(BBB) The second sentence of section 2(a) of the Environmental Programs Assistance Act of 1984 (42 U.S.C. 4368a(a)) is amended by striking ''and title IV of the Job Training Partnership Act'' and inserting ''and the Workforce Development Act of 1995''.

(CCC) The second sentence of section 103(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953(d)) is amended to read as follows: ''Whenever feasible, such efforts shall be coordinated with a local partnership or local workforce development board, as appropriate, established under section 118 of the Workforce Development Act of 1995.''.

(DDD) Subsections (c)(2) and (d)(2) of section 109 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959) is amended by striking ''administrative entities designated to administer job training plans under the Job Training Partnership Act'' and inserting ''local entities, as defined in section 3 of the Workforce Development Act of 1995''.

(EEE) Section 304(c)(1) of the Age Discrimination Act of 1975 (42 U.S.C. 6103(c)(1)) is amended by striking ''the Comprehensive Employment and Training Act of 1974 (29 U.S.C. 801, et seq.), as amended,'' and inserting ''the Workforce Development Act of 1995''.

(FFF) Section 414(b)(3) of the Energy Conservation and Production Act (42 U.S.C. 6864(b)(3)) is amended by striking ''the Com-

prehensive Employment and Training Act of 1973'' and inserting ''the Workforce Development Act of 1995''.

(GGG) Section 233 of the National Energy Conservation Policy Act (42 U.S.C. 6873) is amended, in the matter preceding paragraph (1), by striking ''the Comprehensive Employment and Training Act of 1973'' and inserting ''the Workforce Development Act of 1995''.

(HHH) Section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(6)) is amended by striking subparagraph (A) and inserting the following:

''(A) programs carried out jointly by the Secretary of Labor and the Secretary of Education under the Workforce Development Act of 1995;''.

(III) Section 617(a)(3) of the Community Economic Development Act of 1981 (42 U.S.C. 9806(a)(3)) is amended by striking ''activities such as those described in the Comprehensive Employment and Training Act'' and inserting ''workforce employment activities described in the Workforce Development Act of 1995''.

(JJJ) Section 103(b)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302(b)(2)) is amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce Development Act of 1995''.

(KKK) Section 177(d) of the National and Community Service Act of 1990 (42 U.S.C. 12637(d)) is amended to read as follows:

''(d) TREATMENT OF BENEFITS.—Allowances, earnings, and payments to individuals participating in programs that receive assistance under this title shall not be considered to be income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any Federal or federally assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 et seq.).''.

(LLL) Section 198C of the National and Community Service Act of 1990 (42 U.S.C. 12653c) is amended—

(i) in subsection (b)(1), by striking ''a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1)).'' and inserting ''a military installation being closed or realigned under—

''(A) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note); and

''(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).''; and

(ii) in subsection (e)(1)(B), by striking clause (iii) and inserting the following:

''(iii) an at-risk youth (as defined in section 131 of the Workforce Development Act of 1995).''.

(MMM) Section 199L(a) of the National and Community Service Act of 1990 (42 U.S.C. 12655m(a)) is amended by striking ''the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''the Workforce Development Act of 1995''.

(NNN) Subparagraphs (H) and (M) of subsection (c)(2), and subsection (d)(7), of section 454 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899c) are amended by striking ''the Job Training Partnership Act'' and inserting ''the Workforce Development Act of 1995''.

(OOO) The first sentence of section 456(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899e(e)) is amended by inserting ''(as in effect on the day before the date of enactment of the Workforce Development Act of 1995)'' after ''the Job Training Partnership Act'' each place it appears.

(PPP) Section 31113(a)(4)(C) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13823(a)(4)(C)) is amended by striking ''authorized under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)'' and inserting ''or workforce employment activities authorized under the Workforce Development Act of 1995''.

(5) STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 6703(a) of title 31, United States Code, is amended—

(i) by striking paragraph (15); and

(ii) by redesignating paragraphs (16) through (19) as paragraphs (15) through (18), respectively.

(B) Section 14205(a)(1) of the Elementary and Secondary Education Act of 1965 (20

U.S.C. 8825(a)(1)) is amended by striking ''the Indian education programs under part A of title IX of this Act, and the education for homeless children and youth program under subtitle B of title VII of the Stewart B. McKinney Homeless Assistance Act,'' and inserting ''and the Indian education programs under part A of title IX,''.

(c) RECOMMENDED LEGISLATION.—

(1) PREPARATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 191(b).

(2) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to under paragraph (1).

(d) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The amendments made by subsection (b) shall take effect on July 1, 1998.

TITLE II—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

SEC. 201. REFERENCES.

Except as otherwise expressly provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

SEC. 202. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking ''the provision of individualized training, independent living services, educational and support services,'' and inserting ''implementation of a statewide workforce development system that provides meaningful and effective participation for individuals with disabilities in workforce development activities and activities carried out through the vocational rehabilitation program es-

tablished under title I, and through the provision of independent living services, support services,''; and

(2) in subsection (b)(1)(A), by inserting ''statewide workforce development systems that include, as integral components,'' after ''(A)''.

SEC. 203. CONSOLIDATED REHABILITATION PLAN.

(a) IN GENERAL.—Section 6 (29 U.S.C. 705) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for the Act is amended by striking the item relating to section 6.

SEC. 204. DEFINITIONS.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:

''(36) The term 'statewide workforce development system' means a statewide system, as defined in section 3 of the Workforce Development Act of 1995.

''(37) The term 'workforce development activities' has the meaning given the term in section 3 of the Workforce Development Act of 1995.

''(38) The term 'workforce employment activities' means the activities described in paragraphs (2) through (8) of section 106(a) of the Workforce Development Act of 1995, including activities described in section 106(a)(6) of

such Act provided through a voucher described in section 106(a)(9) of such Act.''.

SEC. 205. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting '', including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide workforce development system'' before the semicolon.

SEC. 206. REPORTS.

Section 13 (29 U.S.C. 712) is amended in the fourth sentence by striking ''The data elements'' and all that follows through ''age,'' and inserting the following: ''The information shall include all information that is required to be submitted in the report described in section 121(a) of the Workforce Development Act of 1995 and that pertains to the employment of individuals with disabilities, including information on age,''.

SEC. 207. EVALUATION.

Section 14(a) (29 U.S.C. 713(a)) is amended in the third sentence by striking ''to the extent feasible,'' and all that follows through the end of the sentence and inserting the following: ''to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 121(c) of the Workforce Development Act of 1995. For purposes of this section, the Sec-

retary may modify or supplement such benchmarks after consultation with the National Board established under section 182 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program established under title I and activities carried out under other provisions of this Act.''.

SEC. 208. DECLARATION OF POLICY.

Section 100(a) (29 U.S.C. 720(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking ''; and'' and inserting a semicolon;

(B) in subparagraph (F)—

(i) by inserting ''workforce development activities and'' before ''vocational rehabilitation services''; and

(ii) by striking the period and inserting ''; and''; and

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

''(G) linkages between the vocational rehabilitation program established under this title and other components of the statewide workforce development system are critical to ensure effective and meaningful

participation by individuals with disabilities in workforce development activities.''; and

(2) in paragraph (2)—

(A) by striking ''a comprehensive'' and inserting ''statewide comprehensive''; and

(B) by striking ''program of vocational rehabilitation that is designed'' and inserting ''programs of vocational rehabilitation, each of which is—

''(A) an integral component of a statewide workforce development system; and

''(B) designed''.

SEC. 209. STATE PLANS.

(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a)) is amended—

(1) in the first sentence, by striking '', or shall submit'' and all that follows through ''et seq.)'' and inserting '', and shall submit the State plan on the same dates as the State submits the State plan described in section 104 of the Workforce Development Act of 1995 to the Federal Partnership established under section 181 of such Act'';

(2) by inserting after the first sentence the following: ''The State shall also submit the State plan for vocational rehabilitation services for review and

comment to any State workforce development board established for the State under section 105 of the Workforce Development Act of 1995, which shall submit the comments on the State plan to the designated State unit.'';

(3) by striking paragraphs (10), (12), (13), (15), (17), (19), (23), (27), (28), (30), (34), and (35);

(4) in paragraph (20), by striking ''(20)'' and inserting ''(B)'';

(5) by redesignating paragraphs (3), (4), (5), (6), (7), (8), (9), (14), (16), (18), (21), (22), (24), (25), (26), (29), (31), (32), (33), and (36) as paragraphs (4), (5), (6), (7), (8), (9), (10), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), and (24), respectively;

(6) in paragraph (1)(B)—

(A) by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv), respectively; and

(B) by inserting before clause (ii) (as redesignated in subparagraph (A)) the following: ''(i) a State entity primarily responsible for implementing workforce employment activities through the statewide workforce development system of the State,'';

(7) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ''(1)(B)(i)'' and inserting ''(1)(B)(ii)''; and

(B) in subparagraph (B)(ii), by striking ''(1)(B)(ii)'' and inserting ''(1)(B)(iii)'';

(8) by inserting after paragraph (2) the following paragraph:

''(3) provide a plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis, including—

''(A) a statement of values and goals;

''(B) evidence of ongoing efforts to use outcome measures to make decisions about the effectiveness and future direction of the vocational rehabilitation program established under this title in the State; and

''(C) information on specific strategies for strengthening the program as an integral component of the statewide workforce development system established in the State, including specific innovative, state-of-the-art approaches for achieving sustained success in improving and expanding vocational rehabilitation services provided through the program, for all individuals with disabilities who seek employment, through plans, policies, and procedures that link the

program with other components of the system, including plans, policies, and procedures relating to—

"(i) entering into cooperative agreements, between the designated State unit and appropriate entities responsible for carrying out the other components of the statewide workforce development system, which agreements may provide for—

"(I) provision of intercomponent staff training and technical assistance regarding the availability and benefits of, and eligibility standards for, vocational rehabilitation services, and regarding the provision of equal, effective, and meaningful participation by individuals with disabilities in workforce employment activities in the State through program accessibility, use of nondiscriminatory policies and procedures, and provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

"(II) use of information and financial management systems that link all components of the statewide workforce development

system, that link the components to other electronic networks, and that relate to such subjects as labor market and occupational information, and information on job vacancies, skill qualifications, career planning, and workforce development activities;

''(III) use of customer service features such as common intake and referral procedures, customer data bases, resource information, and human service hotlines;

''(IV) establishment of cooperative efforts with employers to facilitate job placement and to develop and sustain working relationships with employers, trade associations, and labor organizations;

''(V) identification of staff roles and responsibilities and available resources for each entity that carries out a component of the statewide workforce development system with regard to paying for necessary services (consistent with State law); and

''(VI) specification of procedures for resolving disputes among such entities; and

''(ii) providing for the replication of such cooperative agreements at the local level between

individual offices of the designated State unit and local entities carrying out activities through the statewide workforce development system;'';

(9) in paragraph (6) (as redesignated in paragraph (5))—

(A) by striking subparagraph (A) and inserting the following:

''(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in the administration and supervision of the plan, including—

''(i)(I) the results of a comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities (including individuals with severe disabilities, individuals with disabilities who are minorities, and individuals with disabilities who have been unserved, or underserved, by the vocational rehabilitation system) who are residing within the State; and

''(II) the response of the State to the assessment;

''(ii) a description of the method to be used to expand and improve services to individuals with the most severe disabilities, including individuals served under part C of title VI;

''(iii) with regard to community rehabilitation programs—

''(I) a description of the method to be used (such as a cooperative agreement) to utilize the programs to the maximum extent feasible; and

''(II) a description of the needs of the programs, including the community rehabilitation programs funded under the Act entitled ''An Act to Create a Committee on Purchases of Blind-made Products, and for other purposes'', approved June 25, 1938 (commonly known as the Wagner-O'Day Act; 41 U.S.C. 46 et seq.) and such programs funded by State use contracting programs; and

''(iv) an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all such eligible individuals with disabilities who apply for such services, information—

''(I) showing and providing the justification for the order to be followed in se-

lecting individuals to whom vocational rehabilitation services will be provided (which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first the individuals with the most severe disabilities in accordance with criteria established by the State, and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner);

''(II) showing the outcomes and service goals, and the time within which the outcomes and service goals may be achieved, for the rehabilitation of individuals receiving such services; and

''(III) describing how individuals with disabilities who will not receive such services if such order is in effect will be referred to other components of the statewide workforce development system for access to services offered by the components;''; and

(B) by striking subparagraph (C) and inserting the following subparagraphs:

"(C) with regard to the statewide assessment of rehabilitation needs described in subparagraph (A)(i)—

"(i) provide that the State agency will make reports at such time, in such manner, and containing such information, as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

"(ii) provide that reports made under clause (i) will include information regarding individuals with disabilities and, if an order of selection described in subparagraph (A)(iv)(I) is in effect in the State, will separately include information regarding individuals with the most severe disabilities, on—

"(I) the number of such individuals who are evaluated and the number rehabilitated;

"(II) the costs of administration, counseling, provision of direct services, development of community rehabilitation pro-

grams, and other functions carried out under this Act; and

''(III) the utilization by such individuals of other programs pursuant to paragraph (11); and

''(D) describe—

''(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

''(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

''(iii) the training that will be provided to vocational rehabilitation counselors, client assistance personnel, personnel of the providers of one-stop delivery of core services described in section 106(a)(2) of the Workforce Development Act of 1995, and other related services personnel;'';

(10) in subparagraph (A) of paragraph (8) (as redesignated in paragraph (5))—

(A) in clause (i)(II), by striking '', based on projections'' and all that follows through ''relevant factors''; and

(B) by striking clauses (iii) and (iv) and inserting the following clauses:

''(iii) a description of the ways in which the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title, including the policy of serving, among others, individuals with the most severe disabilities;

''(iv) provide satisfactory assurances that the system described in clause (iii) in no way impedes such accomplishment; and'';

(11) in paragraph (9) (as redesignated in paragraph (5)) by striking ''required—'' and all that follows through ''(B) prior'' and inserting ''required prior'';

(12) in paragraph (10) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) in subparagraph (C), by striking ''plan in accordance with such program'' and inserting ''State plan in accordance with the employment plan'';

(13) in paragraph (11)—

(A) in subparagraph (A), by striking ''State's public'' and all that follows and inserting ''State programs that are not part of the statewide workforce development system of the State;''; and

(B) in subparagraph (C)—

(i) by striking ''if appropriate—'' and all that follows through ''entering into'' and inserting ''if appropriate, entering into'';

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively; and

(iii) by indenting the clauses and aligning the margins of the clauses with the margins of clause (ii) of subparagraph (A) of paragraph (8) (as redesignated in paragraph (5));

(14) in paragraph (14) (as redesignated in paragraph (5))—

(A) by striking ''(14)'' and inserting ''(14)(A)''; and

(B) by inserting before the semicolon the following '', and, in the case of the designated State unit, will take actions to take such views into account that include providing timely notice, hold-

ing public hearings, preparing a summary of hearing comments, and documenting and disseminating information relating to the manner in which the comments will affect services; and''; (15) in paragraph (16) (as redesignated in paragraph (5)), by striking ''referrals to other Federal and State programs'' and inserting ''referrals within the statewide workforce development system of the State to programs''; and

(16) in paragraph (17) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking ''; and'' and inserting a semicolon;

(ii) in clause (iii), by striking the semicolon and inserting ''; and''; and

(iii) by adding at the end the following clause:

''(iv) the manner in which students who are individuals with disabilities and who are not in special education programs can access and re-

ceive vocational rehabilitation services, where appropriate;''.

(b) CONFORMING AMENDMENTS.—

(1) Section 7 (29 U.S.C. 706) is amended—

(A) in paragraph (3)(B)(ii), by striking ''101(a)(1)(B)(i)'' and inserting ''101(a)(1)(B)(ii)''; and

(B) in paragraph (22)(A)(i)(II), by striking ''101(a)(5)(A)'' each place it appears and inserting ''101(a)(6)(A)(iv)''.

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking ''101(a)(5)(A)'' and inserting ''101(a)(6)(A)(iv)''.

(3) Section 101(a) (29 U.S.C. 721(a)) is amended—

(A) in paragraph (1)(A), by striking ''paragraph (4) of this subsection'' and inserting ''paragraph (5)'';

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking ''paragraph (1)(B)(i)'' and inserting ''paragraph (1)(B)(ii)''; and

(ii) in subparagraph (B)(i), by striking ''paragraph (1)(B)(ii)'' and inserting ''paragraph (1)(B)(iii)'';

(C) in paragraph (17) (as redesignated in subsection (a)(5)), by striking ''paragraph (11)(C)(ii)'' and inserting ''paragraph (11)(C)'';

(D) in paragraph (22) (as redesignated in subsection (a)(5)), by striking ''paragraph (36)'' and inserting ''paragraph (24)''; and

(E) in subparagraph (C) of paragraph (24) (as redesignated in subsection (a)(5)), by striking ''101(a)(1)(A)(i)'' and inserting ''paragraph (1)(A)(i)''.

(4) Section 102 (29 U.S.C. 722) is amended—

(A) in subsection (a)(3), by striking ''101(a)(24)'' and inserting ''101(a)(17)''; and

(B) in subsection (d)(2)(C)(ii)—

(i) in subclause (II), by striking ''101(a)(36)'' and inserting ''101(a)(24)''; and

(ii) in subclause (III), by striking ''101(a)(36)(C)(ii)'' and inserting ''101(a)(24)(C)(ii)''.

(5) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is amended by striking ''101(a)(36)'' and inserting ''101(a)(24)''.

(6) Section 107(a) (29 U.S.C. 727(a)) is amended—

(A) in paragraph (2)(F), by striking ''101(a)(32)'' and inserting ''101(a)(22)'';

(B) in paragraph (3)(A), by striking ''101(a)(5)(A)'' and inserting ''101(a)(6)(A)(iv)''; and

(C) in paragraph (4), by striking ''101(a)(35)'' and inserting ''101(a)(8)(A)(iii)''.

(7) Section 111(a) (29 U.S.C. 731(a)) is amended—

(A) in paragraph (1), by striking ''and development and implementation'' and all that follows through ''referred to in section 101(a)(34)(B)''; and

(B) in paragraph (2)(A), by striking ''and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17)''.

(8) Section 124(a)(1)(A) (29 U.S.C. 744(a)(1)(A)) is amended by striking ''(not including

sums used in accordance with section 101(a)(34)(B))''.

(9) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is amended by striking ''101(a)(22)'' and inserting ''101(a)(16)''.

(10) Section 635(b)(2) (29 U.S.C. 795n(b)(2)) is amended by striking ''101(a)(5)'' and inserting ''101(a)(6)(A)(i)(I)''.

(11) Section 802(h)(2)(B)(ii) (29 U.S.C. 797a(h)(2)(B)(ii)) is amended by striking ''101(a)(5)(A)'' and inserting ''101(a)(6)(A)(iv)''.

(12) Section 102(e)(23)(A) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by striking ''section 101(a)(36) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(36))'' and inserting ''section 101(a)(24) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(24))''.

SEC. 210. INDIVIDUALIZED EMPLOYMENT PLANS.

(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is amended—

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

"SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.";

(2) in subsection (a)(6), by striking ''written rehabilitation program'' and inserting ''employment plan'';

(3) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in clause (i), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(ii) in clause (ii), by striking ''program'' and inserting ''plan'';

(B) in paragraph (1)(B)—

(i) in the matter preceding clause (i), by striking ''written rehabilitation program'' and inserting ''employment plan'';

(ii) in clause (iv)—

(I) by striking subclause (I) and inserting the following:

''(I) include a statement of the specific vocational rehabilitation services to be provided (including, if appropriate, rehabilitation technology services and training in how to use such services) that includes specification of the public or private entity that will provide each such vocational rehabilitation service and the projected dates for the initiation and the anticipated duration of each such service; and'';

(II) by striking subclause (II); and

(III) by redesignating subclause (III) as subclause (II); and

(iii) in clause (xi)(I), by striking ''program'' and inserting ''plan'';

(C) in paragraph (1)(C), by striking ''written rehabilitation program and amendments to the program'' and inserting ''employment plan and amendments to the plan''; and

(D) in paragraph (2)—

(i) by striking ''program'' each place the term appears and inserting ''plan''; and

(ii) by striking ''written rehabilitation'' each place the term appears and inserting ''employment'';

(4) in subsection (c)—

(A) in paragraph (1), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) by striking ''written program'' each place the term appears and inserting ''plan''; and

(5) in subsection (d)—

(A) in paragraph (5), by striking ''written rehabilitation program'' and inserting ''employment plan''; and

(B) in paragraph (6)(A), by striking the second sentence.

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Act is amended by striking the item relating to section 102 and inserting the following:

''Sec. 102. Individualized employment plans.''.

(2) Paragraphs (22)(B) and (27)(B), and subparagraphs (B) and (C) of paragraph (34) of section 7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C. 711(e)(1)), section 501(e) (29 U.S.C. 791(e)), subparagraphs (C), (D), and (E) of section 635(b)(6) (29 U.S.C. 795n(b)(6) (C), (D), and (E)), section 802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section 803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended by striking ''written rehabilitation program'' each place the term appears and inserting ''employment plan''.

(3) Section 7(22)(B)(i) (29 U.S.C. 706(22)(B)(i)) is amended by striking ''rehabilitation program'' and inserting ''employment plan''.

(4) Section 107(a)(3)(D) (29 U.S.C. 727(a)(3)(D)) is amended by striking ''written reha-

bilitation programs'' and inserting ''employment plans''.

(5) Section 101(b)(7)(A)(ii)(II) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II)) is amended by striking ''written rehabilitation program'' and inserting ''employment plan''.

SEC. 211. SCOPE OF VOCATIONAL REHABILITATION SERVICES.

Section 103 (29 U.S.C. 723) is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (B), by striking ''surgery or'';

(B) in subparagraph (D), by striking the comma at the end and inserting '', and'';

(C) by striking subparagraph (E); and

(D) by redesignating subparagraph (F) as subparagraph (E); and

(2) in subsection (b)(1), by striking ''the most severe''.

SEC. 212. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—Section 105 (29 U.S.C. 725) is amended—

(1) in subsection (b)(1)(A)(vi), by inserting before the semicolon the following: ''who, to the extent

feasible, are members of any State workforce development board established for the State under section 105 of the Workforce Development Act of 1995''; and

(2) in subsection (c)—

(A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

''(3) advise the designated State agency and the designated State unit regarding strategies for ensuring that the vocational rehabilitation program established under this title becomes an integral part of the statewide workforce development system of the State;''; and

(C) in paragraph (6) (as redesignated in subparagraph (A))—

(i) by striking ''6024), and'' and inserting ''6024),''; and

(ii) by striking the semicolon at the end and inserting the following: '', and any State workforce development board established for the State under section 105 of the Workforce Development Act of 1995;''.

(b) CONFORMING AMENDMENT.—Subparagraph (B)(iv), and clauses (ii)(I) and (iii)(I) of subparagraph (C), of paragraph (24) (as redesignated in section 209(a)(5)) of section 101(a) (29 U.S.C. 721(a)) are amended by striking ''105(c)(3)'' and inserting ''105(c)(4)''.

SEC. 213. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking ''1994'' and inserting ''1996''; and

(2) by striking the period and inserting the following: ''that shall, to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 121(c) of the Workforce Development Act of 1995. For purposes of this section, the Commissioner may modify or supplement such benchmarks, after consultation with the National Board established under section 182 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program.''.

SEC. 214. REPEALS.

(a) IN GENERAL.—Title I (29 U.S.C. 720 et seq.) is amended—

(1) by repealing part C; and

(2) by redesignating parts D and E as parts C and D, respectively.

(b) CONFORMING AMENDMENTS.—The table of contents for the Act is amended—

(1) by striking the items relating to part C of title I; and

(2) by striking the items relating to parts D and E of title I and inserting the following:

''PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

''Sec. 130. Vocational rehabilitation services grants.

''PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

''Sec. 140. Review of data collection and reporting system.
''Sec. 141. Exchange of data.''.

SEC. 215. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) STATEWIDE SYSTEM REQUIREMENTS.—The changes made in the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by the amendments made by this subtitle that relate to State benchmarks, or other components of a statewide system, shall take effect—

(1) in a State that submits and obtains approval of an interim plan under section 173 for program year 1997, on July 1, 1997; and

(2) in any other State, on July 1, 1998.

Subtitle B—Amendments to the Wagner-Peyser Act

SEC. 221. GENERAL PROGRAM REQUIREMENTS.

Section 1 of the Wagner-Peyser Act (29 U.S.C. 49) is amended by striking ''national system'' and all that follows and inserting ''national system of employment service offices open to the public, there shall be in the Federal Partnership a United States Employment Service.''.

SEC. 222. DEFINITIONS.

(a) IN GENERAL.—Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a) is amended—

(1) by striking paragraphs (1), (2), (3), and (4);

(2) by inserting before paragraph (5) the following paragraphs:

''(1) the term 'Federal Partnership' has the meaning given the term in section 3 of the Workforce Development Act of 1995;

''(2) the term 'one-stop career center system' means a means of providing one-stop delivery of core services described in section 106(a)(2)(B) of the Workforce Development Act of 1995;

''(3) the term 'Secretary', used without further modification, means the Secretary of Labor and the Secretary of Education, acting jointly; and''; and

(3) by redesignating paragraph (5) as paragraph (4).

(b) CONFORMING AMENDMENTS.—

(1) SECRETARY.—Section 7(d) of the Wagner-Peyser Act (29 U.S.C. 49f(d)) is amended by striking ''Secretary of Labor'' and inserting ''Secretary''.

(2) DIRECTOR.—Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking ''The Director, with the approval of the Secretary of Labor,'' and inserting ''The Secretary''.

SEC. 223. FUNCTIONS.

(a) IN GENERAL.—Section 3(a) of the Wagner-Peyser Act (29 U.S.C. 49b(a)) is amended to read as follows:

''(a) The Federal Partnership shall—

''(1) assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided through the one-stop career center systems of the States;

''(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

''(3) ensure, for individuals otherwise eligible to receive unemployment compensation, the continuation

of any activities in which the individuals are required to participate to receive the compensation.''.

(b) CONFORMING AMENDMENTS.—Section 508(b) of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a(b)) is amended—

(1) by striking ''the third sentence of section 3(a)'' and inserting ''section 3(b)''; and

(2) by striking ''49b(a)'' and inserting ''49b(b))''.

SEC. 224. DESIGNATION OF STATE AGENCIES.

Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c) is amended—

(1) by striking ''a State shall, through its legislature,'' and inserting ''a Governor shall''; and

(2) by striking ''the United States Employment Service'' and inserting ''the Federal Partnership''.

SEC. 225. APPROPRIATIONS.

Section 5(c) of the Wagner-Peyser Act (29 U.S.C. 49d(c)) is amended by striking paragraph (3).

SEC. 226. DISPOSITION OF ALLOTTED FUNDS.

Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f) is amended—

(1) in subsection (b)(2), by striking ''and the appropriate private industry council and chief elected official or officials'' and inserting '', and the appropriate local partnership established under section

118(a) of the Workforce Development Act of 1995 (or, where established, the appropriate local workforce development board described in section 118(b) of such Act)'';

(2) in subsection (c)(2), by striking ''any program under'' and all that follows and inserting ''any activity carried out under the Workforce Development Act of 1995.'';

(3) in subsection (d)—

(A) by striking ''United States Employment Service'' and inserting ''Federal Partnership''; and

(B) by striking ''administrative entity under the Job Training Partnership Act'' and inserting ''local entity under the Workforce Development Act of 1995''; and

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

''(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsection (a) shall be provided through the one-stop career center system established by the State.''.

SEC. 227. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) Any State desiring to receive assistance under this Act shall include in the portion of the State workforce development plan described in section 104 of the Workforce Development Act of 1995 relating to workforce employment activities, detailed plans for carrying out this Act in such State.'';

(2) by striking subsections (b), (c), and (e);

(3) in subsection (d), by striking ''United States Employment Service'' and inserting ''Federal Partnership''; and

(4) by redesignating subsection (d) as subsection (b).

SEC. 228. FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is repealed.

Subtitle C—Amendments to the Immigration and Nationality Act

SEC. 231. PROHIBITION ON USE OF FUNDS FOR CERTAIN EMPLOYMENT ACTIVITIES.

Section 412(c)(1) of the Immigration and Nationality Act is amended by adding at the end the following new subparagraph:

''(D) Funds available under this paragraph may not be provided to States for workforce employment activities authorized and funded under the Workforce Development Act of 1995.''.

Subtitle D—Amendments to the National Literacy Act of 1991

SEC. 241. NATIONAL INSTITUTE FOR LITERACY.

Section 102 of the National Literacy Act of 1991 (20 U.S.C. 1213c note) is amended to read as follows:

''SEC. 102. NATIONAL INSTITUTE FOR LITERACY.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established the National Institute for Literacy (referred to in this section as the 'Institute'). The Institute shall be administered by the Federal Partnership established under section 181 of the Workforce Development Act of 1995 (referred to in this Act as the 'Federal Partnership'). The Federal Partnership may include in the Institute any research and development center, institute, or clearinghouse that the Federal Partnership determines is appropriately included in the Institute.

''(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education or the Department of Labor.

"(3) RECOMMENDATIONS.—The Federal Partnership shall consider the recommendations of the National Institute Council established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g). If such Council's recommendations are not followed, the Federal Partnership shall provide a written explanation to such Council concerning actions the Federal Partnership has taken that includes the Federal Partnership's reasons for not following such Council's recommendations with respect to such actions. Such Council may also request a meeting with the Federal Partnership to discuss such Council's recommendations.

"(b) DUTIES.—

"(1) IN GENERAL.—The Institute is authorized, in order to improve the quality and accountability of the adult basic skills and literacy delivery system, to—

"(A) coordinate the support of research and development on literacy and basic skills education across Federal agencies and carry out

basic and applied research and development on topics such as—

"(i) identifying effective models of basic skills and literacy education for adults and families that are essential to success in job training, work, the family, and the community;

"(ii) carrying out evaluations of the effectiveness of literacy and adult education programs and services, including those supported by this Act; and

"(iii) supporting the development of models at the State and local level of accountability systems that consist of goals, performance measures, benchmarks, and assessments that can be used to improve the quality of literacy and adult education services;

"(B) provide technical assistance, information, and other program improvement activities to national, State, and local organizations, such as—

"(i) providing information and training to State and local workforce development boards and one-stop centers concern-

ing how literacy and basic skills services can be incorporated in a coordinated workforce development model;

"(ii) improving the capacity of national, State, and local public and private literacy and basic skills professional development and technical assistance organizations, such as the State Literacy Resource Centers established under section 103; and

"(iii) providing information on-line and in print to all literacy and basic skills programs about best practices, models of collaboration for effective workforce, family, English as a Second Language, and other literacy programs, and other informational and communication needs; and

"(C) work with the Federal Partnership, the Departments of Education, Labor, and Health and Human Services, and the Congress to ensure that they have the best information available on literacy and basic skills programs in formulating Federal policy around the issues of literacy, basic skills, and workforce development.

"(2) CONTRACTS, COOPERATIVE AGREEMENTS, AND GRANTS.—The Institute may enter into contracts

or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

"(c) LITERACY LEADERSHIP.—

"(1) FELLOWSHIPS.—The Institute is, in consultation with the Council, authorized to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

"(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

"(3) DESIGNATION.—Individuals receiving fellowships pursuant to this subsection shall be known as 'Literacy Leader Fellows'.

"(d) NATIONAL INSTITUTE COUNCIL.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—There is established the National Institute Council (in this section referred to as the "Council"). The Council shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

"(i) are not otherwise officers or employees of the Federal Government;

"(ii) are representative of entities or groups described in subparagraph (B); and

"(iii) are chosen from recommendations made to the President by individuals who represent such entities or groups.

"(B) ENTITIES OR GROUPS.—Entities or groups described in this subparagraph are—

"(i) literacy organizations and providers of literacy services, including—

"(I) providers of literacy services receiving assistance under this Act; and

"(II) nonprofit providers of literacy services;

"(ii) businesses that have demonstrated interest in literacy programs;

"(iii) literacy students;

"(iv) experts in the area of literacy research;

"(v) State and local governments; and

"(vi) organized labor.

"(2) DUTIES.—The Council shall—

"(A) make recommendations concerning the appointment of the Director and staff of the Institute;

"(B) provide independent advice on the operation of the Institute; and

"(C) receive reports from the Federal Partnership and the Director.

"(3) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided, the Council established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

"(4) APPOINTMENT.—

"(A) DURATION.—Each member of the Council shall be appointed for a term of 3 years.

Any such member may be appointed for not more than 2 consecutive terms.

"(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Council shall be filled in the manner in which the original appointment was made. A vacancy in the Council shall not affect the powers of the Council.

"(5) QUORUM.—A majority of the members of the Council shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

"(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Council shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

"(7) MEETINGS.—The Council shall meet at the call of the Chairperson or a majority of its members.

"(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute and the Council may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Institute or the Council, respectively. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Institute or the Council, respectively.

"(f) MAILS.—The Council and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(g) STAFF.—The Director of the Federal Partnership, after considering recommendations made by the Council, shall appoint and fix the pay of a Director of the Institute and staff of the Institute.

"(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director of the Institute and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule

pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS–15 of the General Schedule.

"(i) EXPERTS AND CONSULTANTS.—The Council and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(j) REPORT.—The Institute shall submit a report biennially to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Each report submitted under this subsection shall include—

"(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year;

"(2) a description of how plans for the operation of the Institute for the succeeding fiscal year will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Federal Partnership, the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

"(3) any additional minority, or dissenting views submitted by members of the Council.

''(k) FUNDING.—Any amounts appropriated to the Federal Partnership, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.''.

SEC. 242. STATE LITERACY RESOURCE CENTERS.

Section 103 of the National Literacy Act of 1991 is amended to read as follows:

''SEC. 103. STATE LITERACY RESOURCE CENTERS.

''(a) PURPOSE.—The purpose of this section is to establish a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to eliminate illiteracy by—

''(1) stimulating the coordination of literacy services;

''(2) enhancing the capacity of State and local organizations to provide literacy services; and

''(3) serving as a reciprocal link between the National Institute for Literacy established under section 102 and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

''(b) ESTABLISHMENT.—From amounts appropriated pursuant to section 124(b)(7) of the Workforce Development

Act of 1995, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, are authorized to make grants for purposes of establishing a network of State or regional adult literacy resource centers.

"(c) ALLOTMENT.—

"(1) IN GENERAL.—From sums available for purposes of making grants under this section for any fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State having an application approved under subsection (f) an amount that bears the same ratio to such sums as the amount allotted to such State—

"(A) in the case of fiscal years 1996, 1997, and 1998 under section 313(b) of the Adult Education Act (20 U.S.C. 1201(b)) for fiscal year 1995 for the purpose of making grants under section 321 of such Act (20 U.S.C. 1203), bears to the aggregate amount allotted to all States under such section for fiscal year 1995 for such purpose; and

"(B) in the case of fiscal years 1999, 2000, and 2001, under section 102 of the Workforce Development Act of 1995 for the fiscal year preced-

ing the fiscal year for which the determination is made, bears to the aggregate amount allotted to all States under such section for such preceding fiscal year.

"(2) CONTRACTS.—The chief executive officer of each State that receives its allotment under this section shall contract on a competitive basis with the State educational agency, 1 or more local educational agencies, a State office on literacy, a volunteer organization, a community-based organization, an institution of higher education, or another nonprofit entity to operate a State or regional literacy resource center. No applicant participating in a competition pursuant to the preceding sentence shall participate in the review of its own application.

"(d) USE OF FUNDS.—Funds provided to each State under subsection (c)(1) to carry out this section shall be used to conduct activities to—

"(1) improve and promote the diffusion and adoption of state-of-the-art teaching methods, technologies, and program evaluations;

"(2) develop innovative approaches to the coordination of literacy services within and among States and with the Federal Government;

"(3) assist public and private agencies in coordinating the delivery of literacy services;

"(4) encourage government and industry partnerships, including partnerships with small businesses, private nonprofit organizations, and community-based organizations;

"(5) encourage innovation and experimentation in literacy activities that will enhance the delivery of literacy services and address emerging problems;

"(6) provide technical and policy assistance to State and local governments and service providers to improve literacy policy and programs and access to such programs;

"(7) provide training and technical assistance to literacy instructors in reading instruction and in—

"(A) selecting and making the most effective use of state-of-the-art methodologies, instructional materials, and technologies such as—

"(i) computer assisted instruction;

"(ii) video tapes;

"(iii) interactive systems; and

"(iv) data link systems; or

"(B) assessing learning style, screening for learning disabilities, and providing individualized remedial reading instruction; or

"(8) encourage and facilitate the training of full-time professional adult educators.

"(e) ALTERNATIVE USES OF EQUIPMENT.—Equipment purchased pursuant to this section, when not being used to carry out the provisions of this section, may be used for other instructional purposes if—

"(1) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity under this section;

"(2) the equipment is used after regular program hours or on weekends; and

"(3) such other use is—

"(A) incidental to the use of the equipment under this section;

"(B) does not interfere with the use of the equipment under this section; and

"(C) does not add to the cost of using the equipment under this section.

"(f) APPLICATIONS.—Each State or group of States, as appropriate, that desires to receive a grant under this section for a regional adult literacy resource center, a State adult literacy resource center, or both, shall submit to the Federal Partnership an application that describes how the State or group of States will—

"(1) develop a literacy resource center or expand an existing literacy resource center;

"(2) provide services and activities with the assistance provided under this section;

"(3) assure access to services of the center for the maximum participation of all public and private programs and organizations providing or seeking to provide basic skills instruction, including local educational agencies, agencies responsible for corrections education, welfare agencies, labor organizations, businesses, volunteer groups, and community-based organizations;

"(4) address the measurable goals for improving literacy levels as set forth in the plan submitted pursuant to section 104 of the Workforce Development Act of 1995; and

"(5) develop procedures for the coordination of literacy activities for statewide and local literacy efforts conducted by public and private organizations, and for enhancing the systems of service delivery.

"(g) PAYMENTS; FEDERAL SHARE.—

"(1) PAYMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall pay to each State having an application approved pursuant to

subsection (f) the Federal share of the cost of the activities described in the application.

"(2) FEDERAL SHARE.—The Federal share—

"(A) for each of the first 2 fiscal years in which the State receives funds under this section shall not exceed 80 percent;

"(B) for each of the third and fourth fiscal years in which the State receives funds under this section shall not exceed 70 percent; and

"(C) for the fifth and each succeeding fiscal year in which the State receives funds under this section shall not exceed 60 percent.

"(3) NON-FEDERAL SHARE.—The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(h) REGIONAL CENTERS.—

"(1) IN GENERAL.—A group of States may enter into an interstate agreement to develop and operate a regional adult literacy resource center for purposes of receiving assistance under this section if the States determine that a regional approach is more appropriate for their situation.

"(2) REQUIREMENTS.—Any State that receives assistance under this section as part of a regional

center shall only be required to provide under subsection (g) 50 percent of the funds such State would otherwise be required to provide under such subsection.

"(3) MINIMUM.—In any fiscal year in which the amount a State will receive under this section is less than $100,000, the Federal Partnership may designate the State to receive assistance under this section only as part of a regional center.

"(4) INAPPLICABILITY.—The provisions of paragraph (3) shall not apply to any State that can demonstrate to the Federal Partnership that the total amount of Federal, State, local and private funds expended to carry out the purposes of this section would equal or exceed $100,000.

"(5) SPECIAL RULE.—In any fiscal year in which paragraph (2) applies, the Federal Partnership may allow certain States that receive assistance as part of a regional center to reserve a portion of such assistance for a State adult literacy resource center pursuant to this section.".

SEC. 243. NATIONAL WORKFORCE LITERACY ASSISTANCE COLLABORATIVE.

Subsection (c) of section 201 of the National Literacy Act of 1991 (20 U.S.C. 1211–1) is repealed.

SEC. 244. FAMILY LITERACY PUBLIC BROADCASTING PROGRAM.

Section 304 of the National Literacy Act of 1991 (20 U.S.C. 1213c note) is repealed.

SEC. 245. MANDATORY LITERACY PROGRAM.

Paragraph (3) of section 601(i) of the National Literacy Act of 1991 (20 U.S.C. 1211–2(i) is amended—

(1) by striking ''1994, and'' and inserting ''1994,''; and

(2) by inserting '', and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, 1999, 2000, and 2001'' before the period.

TITLE III—MUSEUMS AND LIBRARIES

SEC. 301. MUSEUM AND LIBRARY SERVICES.

The Museum Services Act (20 U.S.C. 961 et seq.) is amended to read as follows:

''TITLE II—MUSEUM AND LIBRARY SERVICES

''Subtitle A—General Provisions

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Museum and Library Services Act'.

''SEC. 202. GENERAL DEFINITIONS.

''As used in this title:

"(1) COMMISSION.—The term 'Commission' means the National Commission on Libraries and Information Science established under section 3 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1502).

"(2) DIRECTOR.—The term 'Director' means the Director of the Institute appointed under section 204.

"(3) INSTITUTE.—The term 'Institute' means the Institute of Museum and Library Services established under section 203.

"(4) MUSEUM BOARD.—The term 'Museum Board' means the National Museum Services Board established under section 276.

"SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.

"(a) ESTABLISHMENT.—There is established within the Foundation an Institute of Museum and Library Services.

"(b) OFFICES.—The Institute shall consist of an Office of Museum Services and an Office of Library Services. There shall be a National Museum Services Board in the Office of Museum Services.

"SEC. 204. DIRECTOR OF THE INSTITUTE.

"(a) APPOINTMENT.—

"(1) IN GENERAL.—The Institute shall be headed by a Director, appointed by the President, by and with the advice and consent of the Senate.

"(2) TERM.—The Director shall serve for a term of 4 years.

"(3) QUALIFICATIONS.—Beginning with the first individual appointed to the position of Director after the date of enactment of this Act, every second individual so appointed shall be appointed from among individuals who have special competence with regard to library and information services. Beginning with the second individual appointed to the position of Director after the date of enactment of this Act, every second individual so appointed shall be appointed from among individuals who have special competence with regard to museum services.

"(b) COMPENSATION.—The Director shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(c) DUTIES AND POWERS.—The Director shall perform such duties and exercise such powers as may be prescribed by law, including—

"(1) awarding financial assistance for activities described in this title; and

"(2) using not less than 5 percent and not more than 7 percent of the funds made available under this title for each fiscal year to award financial assistance for projects that involve both—

"(A) activities relating to library and information services, as described in subtitle B, carried out in accordance with such subtitle; and

"(B) activities relating to museum services, as described in subtitle C, carried out in accordance with such subtitle.

"(d) NONDELEGATION.—The Director shall not delegate any of the functions of the Director to any person who is not directly responsible to the Director.

"(e) COORDINATION.—The Director shall ensure coordination of the policies and activities of the Institute with the policies and activities of other agencies and offices of the Federal Government having interest in and responsibilities for the improvement of museums and libraries and information services.

"SEC. 205. DEPUTY DIRECTORS.

"(a) APPOINTMENT.—The Office of Library Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have a graduate degree in library science and expertise in library and information services. The Office of Museum Serv-

ices shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have expertise in museum services.

"(b) COMPENSATION.—Each such position of Deputy Director shall be a Senior Executive Service position, which shall be paid at a rate of pay for a position at ES–1 of the Senior Executive Service schedule.

"SEC. 206. PERSONNEL.

"(a) IN GENERAL.—The Director may, in accordance with applicable provisions of title 5, United States Code, appoint and determine the compensation of such employees as the Director determines to be necessary to carry out the duties of the Institute.

"(b) VOLUNTARY SERVICES.—The Director may accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

"SEC. 207. CONTRIBUTIONS.

"The Institute shall have authority to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such property or services in furtherance of the

functions of the Institute. Any proceeds from such gifts, bequests, or devises, after acceptance by the Institute, shall be paid by the donor or the representative of the donor to the Director. The Director shall enter the proceeds in a special interest bearing account to the credit of the Institute for the purposes in each case specified.

"Subtitle B—Library Services and Technology

"SEC. 211. SHORT TITLE.

''This subtitle may be cited as the 'Library Services and Technology Act'.

"SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF NEED.

''(a) STATEMENT OF PURPOSE.—The purposes of this subtitle are as follows:

''(1) To stimulate excellence and promote equity and lifelong access to learning and information resources in all types of libraries.

''(2) To combine the ability of the Federal Government to stimulate significant improvement and innovation in library services with support at State and local levels, and with cooperative programs with other agencies and with public and private sector partnerships, to achieve national library service goals.

"(3) To establish national library service goals for the 21st century. Such goals are that every person in America will be served by a library that—

"(A) provides all users access to information through regional, State, national, and international electronic networks;

"(B) contributes to a productive workforce, and to economic development, by providing resources and services designed to meet local community needs;

"(C) provides a full range of resources and programs to develop reading and critical thinking skills for children and adults;

"(D) provides targeted services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills; and

"(E) provides adequate hours of operation, facilities, staff, collections, and electronic access to information.

"(b) RECOGNITION OF NEED.—The Congress recognizes that strong library services are essential to empower people to succeed in our Nation's increasingly global and technological environment.

"SEC. 213. DEFINITIONS.

''As used in this subtitle:

''(1) INDIAN TRIBE.—The term 'Indian tribe' means any tribe, band, nation, or other organized group or community, including any Alaska native village, regional corporation, or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized by the Secretary of the Interior as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

''(2) LIBRARY CONSORTIA.—The term 'library consortia' means any local, statewide, regional, interstate, or international cooperative association of library entities which provides for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers for improved services for their clientele.

''(3) LIBRARY ENTITY.—The term 'library entity' means a library that performs all activities of a library relating to the collection and organization of library materials and other information and that makes the materials and information publicly available. Such term includes State library administrative agencies and the libraries, library related entities, co-

operatives, and consortia through which library services are made publicly available.

"(4) PUBLIC LIBRARY.—The term 'public library' means a library that serves free of charge all residents of a community, district, or region, and receives its financial support in whole or in part from public funds. Such term also includes a research library, which, for the purposes of this sentence, means a library, which—

"(A) makes its services available to the public free of charge;

"(B) has extensive collections of books, manuscripts, and other materials suitable for scholarly research which are not available to the public through public libraries;

"(C) engages in the dissemination of humanistic knowledge through services to readers, fellowships, educational and cultural programs, publications of significant research, and other activities; and

"(D) is not an integral part of an institution of higher education.

"(5) STATE.—The term 'State', unless otherwise specified, includes the several States of the United States, the District of Columbia, the Commonwealth

of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(6) STATE ADVISORY COUNCIL.—The term 'State advisory council' means an advisory council established pursuant to section 252.

"(7) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term 'State library administrative agency' means the official agency of a State charged by law of that State with the extension and development of public library services throughout the State, which has adequate authority under law of the State to administer the State plan in accordance with the provisions of this subtitle.

"(8) STATE PLAN.—The term 'State plan' means the document which gives assurances that the officially designated State library administrative agency has the fiscal and legal authority and capability to administer all aspects of this subtitle, provides assurances for establishing the State's policies, priorities, criteria, and procedures necessary to the implementation of all programs under this subtitle, submits copies for approval as required by regulations promul-

gated by the Director, and identifies a State's library needs and sets forth the activities to be taken toward meeting the identified needs supported with the assistance of Federal funds made available under this subtitle.

"SEC. 214. AUTHORIZATION OF APPROPRIATIONS.

"(a) AUTHORITY.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Education—

"(A) for the purpose of awarding grants under subchapter A of chapter 2 and for related administrative expenses, $75,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 4 succeeding fiscal years; and

"(B) for the purpose of awarding grants under subchapter B of chapter 2 and for related administrative expenses, $75,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(2) TRANSFER.—The Secretary of Education shall transfer any funds appropriated under the authority of paragraph (1) to the Director to enable the Director to carry out this subtitle.

"(b) JOINT PROJECTS.—Not less than 5 percent and not more than 7 percent of the funds appropriated under

this section for a fiscal year may be made available for projects described in section 204(c)(2) for the fiscal year.

"(c) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used to pay for the Federal administrative costs of carrying out this subtitle.

"CHAPTER 1—BASIC PROGRAM REQUIREMENTS

"SEC. 221. RESERVATIONS AND ALLOTMENTS.

"(a) RESERVATIONS.—From the amount appropriated under the authority of section 214(a) for any fiscal year, the Director—

"(1) shall reserve 1½ percent to award grants in accordance with section 261; and

"(2) shall reserve 8 percent to carry out a national leadership program in library science in accordance with section 262.

"(b) ALLOTMENTS.—

"(1) IN GENERAL.—From the sums appropriated under the authority of section 214(a) and not reserved under subsection (a) for any fiscal year, the Director shall allot the minimum allotment, as determined under paragraph (3), to each State. Any sums remaining after minimum allotments have been made

for such year shall be allotted in the manner set forth in paragraph (2).

"(2) REMAINDER.—From the remainder of any sums appropriated under the authority of section 214(a) that are not reserved under subsection (a) and not allotted under paragraph (1) for any fiscal year, the Director shall allot to each State an amount that bears the same relation to such remainder as the population of the State bears to the population of all the States.

"(3) MINIMUM ALLOTMENT.—

"(A) IN GENERAL.—For the purposes of this subsection, the minimum allotment shall be—

"(i) with respect to appropriations for the purposes of subchapter A of chapter 2, $200,000 for each State, except that the minimum allotment shall be $40,000 in the case of Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau; and

"(ii) with respect to appropriations for the purposes of subchapter B of chapter 2,

$200,000 for each State, except that the minimum allotment shall be $40,000 in the case of Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(B) RATABLE REDUCTIONS.—If the sums appropriated under the authority of section 214(a) and not reserved under subsection (a) for any fiscal year are insufficient to fully satisfy the aggregate of the minimum allotments for all States for that purpose for such year, each of such minimum allotments shall be reduced ratably.

"(4) DATA.—The population of each State and of all the States shall be determined by the Director on the basis of the most recent data available from the Bureau of the Census.

"SEC. 222. ADMINISTRATION AND EVALUATION.

"(a) IN GENERAL.—Not more than 5 percent of the total funds received under this subtitle for any fiscal year by a State may be used for administration.

"(b) CONSTRUCTION.—Nothing in this section shall be construed to limit spending for evaluation costs under section 251 from sources other than this subtitle.

"SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE OF EFFORT REQUIREMENTS.

"(a) PAYMENTS.—The Director shall pay to each State library administrative agency having a State plan approved under section 224 the Federal share of the cost of the activities described in the State plan.

"(b) FEDERAL SHARE.—

"(1) IN GENERAL.—Except as provided in paragraph (3), the Federal share shall be 50 percent.

"(2) NON-FEDERAL SHARE.—The non-Federal share of payments shall be provided from non-Federal, State, or local sources.

"(3) SPECIAL RULE.—The Federal share—

"(A) for the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, shall be 66 percent; and

"(B) for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, shall be 100 percent.

"(c) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—The amount otherwise payable to a State for a fiscal year under chapter 2 shall be reduced if the level of State expenditures, as described in paragraph (2), for the previous fiscal year are less than the average of the total of such expenditures for the 3 fiscal years preceding that previous fiscal year. The amount of the reduction in allotment for any fiscal year shall be in exact proportion to the amount which the State fails to meet the requirement of this subsection.

"(2) LEVEL OF STATE EXPENDITURES.—The level of State expenditures for the purposes of paragraph (1) shall include all State dollars expended by the State library administrative agency for library programs that are consistent with the purposes of this subtitle. All funds included in the maintenance of effort calculation under this subsection shall be expended during the fiscal year for which the determination is made, and shall not include capital expenditures, special one-time project costs, or similar windfalls.

"(3) WAIVER.—The Director may waive the requirements of paragraph (1) if the Director determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a

natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

"SEC. 224. STATE PLANS.

"(a) STATE PLAN REQUIRED.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under this subtitle, a State library administrative agency shall submit a State plan to the Director not later than April 1, 1996.

"(2) DURATION.—The State plan shall cover a period of 5 fiscal years.

"(3) REVISIONS.—If a State library administrative agency makes a substantive revision to its State plan, then the State library administrative agency shall submit to the Director an amendment to the State plan containing such revision not later than April 1 of the fiscal year preceding the fiscal year for which the amendment will be effective.

"(b) CONTENTS.—The State plan shall—

"(1) specify priorities for improvement of library services so that all people in the State have convenient and appropriate access to information delivered by libraries through new and emerging technologies assisted under subchapter A of chapter 2;

"(2) identify those persons who need special services under subchapter B of chapter 2 and specify pri-

orities for meeting the purpose described in section 241(a);

"(3) describe how section 243 will be implemented within the State, specify the accountability and evaluation procedures to be followed by public libraries receiving funds under such section, and specify whether and how funds are to be aggregated under section 243(b)(2) to improve library services provided to children in the State described in section 243(a)(2);

"(4) describe the activities and services for which assistance is sought, including—

"(A) priorities for the use of funds under this subtitle; and

"(B) a description of the types of libraries and library entities that will be eligible to receive funds under this subtitle;

"(5) provide that any funds paid to the State in accordance with the State plan shall be expended solely for the purposes for which the funds are authorized and appropriated and that such fiscal control and fund accounting procedures have been adopted as may be necessary to assure proper disbursement of, and account for, Federal funds paid to the State (including any such funds paid by the State to any other entity) under this subtitle;

"(6) provide procedures to ensure that the State library administrative agency shall involve libraries and users throughout the State in policy decisions regarding implementation of this subtitle, and development of the State plan, including establishing the State advisory council;

"(7) provide satisfactory assurance that the State library administrative agency—

"(A) will make such reports, in such form and containing such information, as the Director may require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out the purposes of this subtitle, including reports on evaluations under section 251;

"(B) will keep such records and afford such access thereto as the Director may find necessary to assure the correctness and verification of such reports;

"(C) will provide to State advisory council members an orientation regarding the provisions of this subtitle and members' responsibilities, including clear, easily understandable information about the State plan; and

"(D) will report annually at a meeting of the State advisory council on the State library administrative agency's progress toward meeting the goals and objectives of the State plan;

"(8) describe the process for assessing the needs for library and information services within the State, and describe the results of the most recent needs assessment;

"(9) establish goals and objectives for achieving within the State the purposes of this subtitle, including the purposes in sections 212(a), 231(a), and 241(a); and

"(10) describe how the State library administrative agency, in consultation with the State advisory council, will—

"(A) administer this subtitle; and

"(B) conduct evaluations under section 251, including a description of the types of evaluation methodologies to be employed.

"(c) ACCOUNTABILITY.—Each State plan shall—

"(1) establish State-defined performance goals to set forth the level of performance to be achieved by an activity assisted under this subtitle;

"(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in

an alternative form in accordance with section 1115(b) of title 31, United States Code;

''(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources, required to meet the performance goals;

''(4) establish performance indicators in accordance with subsection (d) to be used in measuring or assessing the relevant outputs, service levels, and outcomes, of each activity assisted under this subtitle;

''(5) provide a basis for comparing actual program results with the established performance goals; and

''(6) describe the means to be used to verify and validate measured values.

''(d) PERFORMANCE INDICATORS.—Performance indicators described in subsection (c)(4) shall include—

''(1) evidence of progress toward the national library service goals under section 212(a)(3);

''(2) consultation with the State educational agency;

''(3) identification of activities suitable for nationwide replication; and

''(4) progress in improvement of library services provided to children described in section 243(a)(2).

"(e) APPROVAL.—

"(1) IN GENERAL.—The Director shall approve any State plan under this subtitle that meets the requirements of this subtitle and provides satisfactory assurances that the provisions of such plan will be carried out.

"(2) PUBLIC AVAILABILITY.—Each State library administrative agency receiving a grant under this subtitle shall make the State plan available to the public.

"(3) ADMINISTRATION.—If the Director determines that the State plan does not meet the requirements of this section, the Director shall—

"(A) immediately notify the State library administrative agency of such determination and the reasons for such determination;

"(B) offer the State library administrative agency the opportunity to revise its State plan;

"(C) provide technical assistance in order to assist the State library administrative agency to meet the requirements of this section; and

"(D) provide the State library administrative agency the opportunity for a hearing.

"CHAPTER 2—LIBRARY PROGRAMS

"Subchapter A—Information Access Through Technology

"SEC. 231. GRANTS TO STATES FOR INFORMATION ACCESS THROUGH TECHNOLOGY.

"(a) PURPOSE.—The purpose of this subchapter is to provide for the improvement of library services so that all people have access to information delivered by libraries through new and emerging technologies, whether the information originates locally, from the State, nationally, or globally.

"(b) GRANTS.—

"(1) IN GENERAL.—The Director shall award grants under this subchapter from allotments under section 221(b) to States that have State plans approved under section 224.

"(2) FEDERAL SHARE.—Grants awarded under paragraph (1) shall be used to pay the Federal share of the cost of activities under section 232 that are described in a State plan approved under section 224.

"SEC. 232. AUTHORIZED ACTIVITIES.

"Each State that receives a grant under section 231(b) may use the grant funds to provide statewide services and subgrants to public libraries, other types of libraries and library consortia, or library linkages with other entities, in

accordance with the State plan. Such services and subgrants shall involve—

"(1) organization, access, and delivery of information;

"(2) lifelong learning, and workforce and economic development; or

"(3) support of technology infrastructure.

"Subchapter B—Information Empowerment Through Special Services

"SEC. 241. GRANTS TO STATES FOR INFORMATION EMPOWERMENT THROUGH SPECIAL SERVICES.

"(a) PURPOSE.—The purpose of this subchapter is to provide for the improvement of library and information services targeted to persons of all ages and cultures who have difficulty using a library and to communities which are geographically disadvantaged in access to libraries, who or which need special materials or services, or who or which will benefit from outreach services for equity of access to library services and information technologies, including children (from birth through age 17) from families living below the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services

Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved).

"(b) GRANTS.—

"(1) IN GENERAL.—The Director shall award grants under this subchapter from allotments under section 221(b) to States that have State plans approved under section 224.

"(2) FEDERAL SHARE.—Grants awarded under paragraph (1) shall be used to pay the Federal share of the cost of the activities under section 242 that are described in a State plan approved under section 224.

"SEC. 242. AUTHORIZED ACTIVITIES.

"Each State that receives a grant under section 241(b) may use the grant funds to provide statewide services and subgrants to public libraries, other types of libraries and library consortia, or library linkages with other entities, in accordance with the State plan. Such services and subgrants shall involve activities that—

"(1) increase literacy and lifelong learning;

"(2) serve persons in rural, underserved, or inner-city areas; or

"(3) support the provision of special services.

"SEC. 243. SERVICES FOR CHILDREN IN POVERTY.

"(a) STATE LEVEL RESERVATION.—

"(1) IN GENERAL.—Except as provided in subsection (c), from the total amount that each State library administrative agency receives under this subchapter for a fiscal year, such agency shall reserve the amount of funds determined under paragraph (2) to provide assistance to public libraries in the State to enable such libraries to enhance the provision of special services to children described in such paragraph who are served by such libraries.

"(2) AMOUNT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of funds a State library administrative agency shall reserve under paragraph (1) shall be equal to the sum of—

"(i) $1.50 for every preschooler (birth through age 5) in the State from a family living below the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved); and

"(ii) $1.00 for every school-age child (ages 6 through 17) in the State from such a family.

"(B) MAXIMUM.—The maximum amount that a State library administrative agency may reserve under paragraph (1) for any fiscal year shall not exceed 15 percent of the total amount such agency receives under this subchapter for such year.

"(b) WITHIN STATE DISTRIBUTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each public library in a State shall receive under this section for a fiscal year an amount that bears the same relation to the amount the State library administrative agency reserves under subsection (a) for such year as the number of children described in subsection (a)(2) served by such public library for the preceding fiscal year bears to the number of such children served by all public libraries in the State for such preceding fiscal year.

"(2) EXCEPTION.—

"(A) IN GENERAL.—If a State library administrative agency determines that the amount available under paragraph (1) for a fiscal year for 2 or more public libraries is too small to be

effective, then such agency may aggregate such amounts for such year.

"(B) REQUIREMENTS.—Each State library administrative agency aggregating amounts under subparagraph (A) for a fiscal year—

"(i) shall only aggregate the amount available under paragraph (1) for a public library for a fiscal year if the amount so available for such year is $3,000 or less; and

"(ii) shall use such aggregated amounts to enhance the library services provided to the children described in subsection (a)(2) served by the public libraries for which such agency aggregated such amounts for such year.

"(c) ADJUSTMENTS.—

"(1) APPROPRIATIONS INCREASE.—For any fiscal year for which the amount appropriated to carry out this subtitle is greater than the amount appropriated to carry out this subtitle for the preceding fiscal year by a percentage that equals or exceeds 10 percent, the amount each State library administrative agency shall reserve under subsection (a)(2) for the

fiscal year for which the determination is made shall be increased by the same such percentage.

"(2) APPROPRIATIONS DECREASE.—For any fiscal year for which the amount appropriated to carry out this subtitle is less than the amount appropriated to carry out this subtitle for the preceding fiscal year by a percentage that equals or exceeds 10 percent, the amount each State library administrative agency shall reserve under subsection (a)(2) for the fiscal year for which the determination is made shall be decreased by the same such percentage.

"(d) PLAN.—Each public library desiring assistance under this section shall submit a plan for the expenditure of funds under this section to the State library administrative agency. Such plan shall include a description of how the library will—

"(1) identify the children described in subsection (a)(2);

"(2) collaborate with community representatives to ensure planning and implementation of appropriate, helpful library services; and

"(3) establish indicators of success.

"(e) PRIORITIES.—Priorities for the use of funds under this section may include activities for children described in subsection (a)(2) such as—

"(1) development of after-school homework support and summer and vacation reading programs;

"(2) development of family literacy programs;

"(3) extension of branch hours to provide space and resources for homework;

"(4) development of coalitions and training programs involving libraries and other service providers in the State;

"(5) development of technological resources;

"(6) hiring specialized outreach staff; and

"(7) development of peer tutoring programs.

"CHAPTER 3—ADMINISTRATIVE PROVISIONS

"Subchapter A—State Requirements

"SEC. 251. STATE EVALUATION.

"(a) IN GENERAL.—Each State receiving a grant under this subtitle shall annually evaluate, in accordance with subsections (b) and (c), the activities assisted under subchapters A and B of chapter 2.

"(b) SUBCHAPTER A ACTIVITIES.—Each evaluation of activities assisted under subchapter A of chapter 2 shall include a description of how effective such activities are in ensuring that—

"(1) every American will have affordable access to information resources through electronic networks;

"(2) every public library will be connected to national and international electronic networks;

"(3) every State library agency will promote planning and provide support for full library participation in electronic networks;

"(4) every public librarian will possess the knowledge and skills needed to help people obtain information through electronic sources; and

"(5) every public library will be equipped with the technology needed to help people obtain information in an effective and timely manner.

"(c) SUBCHAPTER B ACTIVITIES.—

"(1) IN GENERAL.—Each evaluation of activities assisted under subchapter B of chapter 2 shall include—

"(A) with respect to activities to increase literacy and lifelong learning—

"(i) an analysis of the current situation in the State;

"(ii) how such activities will meet the needs of the current situation in the State and the target groups to be served; and

"(iii) a report of the effect of such activities in relation to the objectives of such activities;

"(B) with respect to activities to serve people in rural and urban areas—

"(i) procedures used to identify library users within a community;

"(ii) a description of needs and target groups to be served;

"(iii) an analysis of the levels of success to be targeted;

"(iv) a report of the effect of such activities in relation to the objectives of such activities; and

"(v) a description of the background of the current level of library service to people in rural and urban areas, and how such activities will extend, improve, and further provide library resources to such people;

"(C) with respect to activities to support the provision of special services—

"(i) an analysis of the current situation in the State;

"(ii) how such activities will meet the needs of the current situation in the State; and

"(iii) a report of the effect of such activities in relation to the objectives of such activities; and

"(D) with respect to activities to serve children under section 243—

"(i) an analysis of the current local situations;

"(ii) a description of such activities, including objectives and costs of such activities; and

"(iii) a report of the effect of such activities in relation to the objectives of such activities.

"(2) INFORMATION.—Each public library receiving assistance under section 243 shall submit to the State library administrative agency such information as such agency may require to meet the requirements of paragraph (1)(D).

"SEC. 252. STATE ADVISORY COUNCILS.

"(a) COUNCILS REQUIRED.—Each State desiring assistance under this subtitle shall establish a State advisory council.

"(b) COMPOSITION.—Each State advisory council shall be broadly representative of the library entities in the State, including public, school, academic, special, and institu-

tional libraries, and libraries serving individuals with disabilities.

''(c) DUTIES.—Each State advisory council shall—

''(1) consult with the State library administrative agency regarding the development of the State plan;

''(2) advise the State library administrative agency on the development of, and policy matters arising in the administration of, the State plan, including mechanisms for evaluation;

''(3) assist the State library administrative agency in—

''(A) the dissemination of information regarding activities assisted under this subtitle; and

''(B) the evaluation of activities assisted under this subtitle; and

''(4) establish bylaws to carry out such council's duties under this subsection.

''Subchapter B—Federal Requirements

''SEC. 261. SERVICES FOR INDIAN TRIBES.

''(a) GRANTS AUTHORIZED.—From amounts reserved under section 221(a)(1) for any fiscal year the Director shall award grants to organizations primarily serving and representing Indian tribes to enable such organizations to

carry out the authorized activities described in subsection (b).

''(b) AUTHORIZED ACTIVITIES.—Grant funds awarded under this section may be used for—

''(1) inservice or preservice training of Indians as library personnel;

''(2) the purchase of library materials;

''(3) the conduct of special library programs for Indians;

''(4) salaries of library personnel;

''(5) transportation to enable Indians to have access to library services;

''(6) dissemination of information about library services;

''(7) assessment of tribal library needs; and

''(8) contracts to provide public library services to Indians living on or near reservations or to accomplish any activities described in paragraphs (1) through (7).

''(c) PROHIBITION.—No funds shall be awarded pursuant to this section unless such funds will be administered by a librarian.

''(d) DUPLICATION.—In awarding grants under this section, the Director shall take such actions as may be necessary to prevent the grant funds provided under this sec-

tion from being received by any 2 or more entities to serve the same population.

"(e) MAINTENANCE OF EFFORT.—Each organization that receives a grant under this section and supports a public library system shall continue to expend from Federal, State, and local sources an amount not less than the amount expended by such organization from such sources for public library services during the second fiscal year preceding the fiscal year for which the determination is made.

"(f) CONSTRUCTION.—Nothing in this section shall be construed to prohibit the dissemination of restricted collections of tribal cultural materials with funds made available under this section.

"(g) APPLICATION.—

"(1) IN GENERAL.—Any organization which desires to receive a grant under this section shall submit an application to the Director that—

"(A) describes the activities and services for which assistance is sought; and

"(B) contains such information as the Director may require by regulation.

"(2) CRITERIA.—The Director shall issue criteria for the approval of applications under this section, but such criteria shall not include—

"(A) an allotment formula; or

"(B) a matching of funds requirement.

"SEC. 262. NATIONAL LEADERSHIP PROGRAM.

"(a) IN GENERAL.—From the amounts reserved under section 221(a)(2) for any fiscal year the Director shall establish and carry out a program of national leadership and evaluation activities to enhance the quality of library services nationwide. Such activities may include—

"(1) education and training of persons in library and information science, particularly in areas of new technology and other critical needs, including graduate fellowships, traineeships, institutes, or other programs;

"(2) research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of new technologies, and dissemination of information derived from such projects; and

"(3) preservation or digitization of library materials and resources, giving priority to projects emphasizing coordination, avoidance of duplication, and access by researchers beyond the institution or library entity undertaking the project.

"(b) GRANTS OR CONTRACTS.—

"(1) IN GENERAL.—The Director may carry out the activities described in subsection (a) by awarding grants to, or entering into contracts with, library entities, agencies, or institutions of higher education.

"(2) COMPETITIVE BASIS.—Grants and contracts described in paragraph (1) shall be awarded on a competitive basis.

"(c) SPECIAL RULE.—The Director, with policy advice from the Museum Board shall make every effort to ensure that activities assisted under this section are administered by appropriate library and information services professionals or experts and science professionals or experts.

"SEC. 263. STATE AND LOCAL INITIATIVES.

"Nothing in this subtitle shall be construed to interfere with State and local initiatives and responsibility in the conduct of library services. The administration of libraries, the selection of personnel and library books and materials, and insofar as consistent with the purposes of this subtitle, the determination of the best uses of the funds provided under this subtitle, shall be reserved to the States and their local subdivisions.

"Subtitle C—Museum Services

"SEC. 271. PURPOSE.

"It is the purpose of this subtitle—

"(1) to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and postsecondary education and with programs of nonformal education for all age groups;

"(2) to assist museums in modernizing their methods and facilities so that the museums may be better able to conserve the cultural, historic, and scientific heritage of the United States; and

"(3) to ease the financial burden borne by museums as a result of their increasing use by the public.

"SEC. 272. DEFINITIONS.

"As used in this subtitle, the term 'museum' means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis.

"SEC. 273. MUSEUM SERVICES ACTIVITIES.

"(a) GRANTS.—The Director, subject to the policy direction of the Museum Board, may make grants to museums to pay for the Federal share of the cost of increasing and improving museum services, through such activities as—

"(1) programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve museum services to the public;

"(2) assisting museums in developing and maintaining professionally trained or otherwise experienced staff to meet their needs;

"(3) assisting museums in meeting their administrative costs in preserving and maintaining their collections, exhibiting the collections to the public, and providing educational programs to the public through the use of the collections;

"(4) assisting museums in cooperating with each other in developing traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

"(5) assisting museums in conservation of their collections; and

"(6) developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.

"(b) CONTRACTS AND COOPERATIVE AGREEMENTS.—

"(1) PROJECTS TO STRENGTHEN MUSEUM SERVICES.—The Director, subject to the policy direction of

the Museum Board, is authorized to enter into contracts and cooperative agreements with appropriate entities to pay for the Federal share of enabling the entities to undertake projects designed to strengthen museum services, except that any contracts or cooperative agreements entered into pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in appropriations Acts.

"(2) LIMITATION ON AMOUNT.—The aggregate amount of financial assistance made available under this subsection for a fiscal year shall not exceed 15 percent of the amount appropriated under this subtitle for such fiscal year.

"(3) OPERATIONAL EXPENSES.—No financial assistance may be provided under this subsection to pay for operational expenses.

"(c) FEDERAL SHARE.—

"(1) 50 PERCENT.—Except as provided in paragraph (2), the Federal share described in subsections (a) and (b) shall be not more than 50 percent.

"(2) 100 PERCENT.—The Director may use not more than 20 percent of the funds made available under this section for a fiscal year to make grants under subsection (a), or enter into contracts or agree-

ments under subsection (b), for which the Federal share may be 100 percent.

"(d) REVIEW AND EVALUATION.—The Director shall establish procedures for reviewing and evaluating grants, contracts, and cooperative agreements made or entered into under this section. Procedures for reviewing grant applications or contracts and cooperative agreements for financial assistance under this section shall not be subject to any review outside of the Institute.

"SEC. 274. ASSESSMENTS.

"(a) IN GENERAL.—The Director, subject to the policy direction of the Museum Board and in consultation with appropriate representatives of museums and other types of community institutions, agencies, and organizations, shall undertake an assessment of the collaborative possibilities museums can engage in to serve the public more broadly and effectively.

"(b) CONTENTS.—The assessment shall include—

"(1) an investigation of opportunities to establish collaborative programs between museums within a community, including an investigation of the role that larger institutions can play as mentors to smaller institutions;

''(2) an investigation of opportunities to establish collaborative programs between museums and community organizations;

''(3) an investigation of the potential for collaboration between museums on technology issues to reach a broader audience; and

''(4) an investigation of opportunities for museums to work with each other and with other community resources to serve the public better and to coordinate professional and financial development activities.

''(c) LIMITATION.—This section shall not apply in any fiscal year for which the amount appropriated under section 277(a) is less than $28,700,000.

''SEC. 275. AWARD.

''The Director, with the advice of the Museum Board, may annually award a National Award for Museum Service to outstanding museums that have made significant contributions in service to their communities.

''SEC. 276. NATIONAL MUSEUM SERVICES BOARD.

''(a) ESTABLISHMENT.—There is established in the Institute a National Museum Services Board.

''(b) COMPOSITION AND QUALIFICATIONS.—

''(1) COMPOSITION.—The Museum Board shall consist of the Director and 14 members appointed by

the President, by and with the advice and consent of the Senate.

"(2) QUALIFICATIONS.—The appointive members of the Museum Board shall be selected from among citizens of the United States—

"(A) who are members of the general public;

"(B) who are or have been affiliated with—

"(i) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; and

"(ii) museums that, collectively, are broadly representative of various types of museums, including museums relating to science, history, technology, and art, zoos, and botanical gardens; and

"(C) who are recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

"(3) GEOGRAPHIC AND OTHER REPRESENTATION.—Members of the Museum Board shall be appointed to reflect persons from various geographic regions of the United States. The Museum Board may not include, at any time, more than 3 members from a single State. In making such appointments, the

President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved with museums.

"(c) TERMS.—

"(1) IN GENERAL.—Each appointive member of the Museum Board shall serve for a term of 5 years, except that—

"(A) of the members first appointed, 3 shall serve for terms of 5 years, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 2 shall serve for terms of 1 year, as designated by the President at the time of nomination for appointment; and

"(B) any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

"(2) REAPPOINTMENT.—No member of the Museum Board who has been a member for more than 7 consecutive years shall be eligible for reappointment.

"(3) SERVICE UNTIL SUCCESSOR TAKES OFFICE.—Notwithstanding any other provision of this subsection, a member shall serve after the expiration

of the term of the member until the successor to the member takes office.

"(d) DUTIES AND POWERS.—The Museum Board shall have the responsibility for general policies with respect to the duties, powers, and authorities vested in the Institute relating to museum services, including general policies with respect to—

"(1) financial assistance awarded under this title for museum services;

"(2) projects described in section 204(c)(2); and

"(3) measures to ensure that the policies and activities of the Institute for Museum and Library Services are coordinated with other activities of the Federal Government.

"(e) CHAIRPERSON.—The President shall designate 1 of the appointive members of the Museum Board as Chairperson of the Museum Board.

"(f) MEETINGS.—

"(1) IN GENERAL.—The Museum Board shall meet—

"(A) not less than 3 times each year, including—

"(i) not less than 2 times each year separately; and

"(ii) not less than 1 time each year in a joint meeting with the Commission, convened for purposes of making general policies with respect to financial assistance for projects described in section 204(c)(2); and

"(B) at the call of the Director.

"(2) VOTE.—All decisions by the Museum Board with respect to the exercise of the duties and powers of the Museum Board shall be made by a majority vote of the members of the Museum Board who are present. All decisions by the Commission and the Museum Board with respect to the policies described in paragraph (1)(A)(ii) shall be made by a ⅔ majority vote of the total number of the members of the Commission and the Museum Board who are present.

"(g) QUORUM.—A majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official meetings of the Museum Board, but a lesser number of members may hold hearings. A majority of the members of the Commission and a majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the Museum Board.

"(h) COMPENSATION AND TRAVEL EXPENSES.—

"(1) COMPENSATION.—Each member of the Museum Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President, but not to exceed the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Museum Board. All members of the Museum Board who are officers or employees of the Federal Government shall serve without compensation in addition to compensation received for their services as officers or employees of the Federal Government.

"(2) TRAVEL EXPENSES.—The members of the Museum Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent, as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

"(i) COORDINATION.—The Museum Board, with the advice of the Director, shall take steps to ensure that the policies and activities of the Institute are coordinated with other activities of the Federal Government.

"SEC. 277. AUTHORIZATION OF APPROPRIATIONS.

"(a) GRANTS.—For the purpose of carrying out this subtitle, there are authorized to be appropriated to the Director $28,700,000 for the fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

"(b) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used to pay for the administrative costs of carrying out this subtitle.

"(c) JOINT PROJECTS.—Not less than 5 percent and not more than 7 percent of the funds appropriated under this section for a fiscal year may be made available for projects described in section 204(c)(2) for the fiscal year.

"(d) SUMS REMAINING AVAILABLE.—Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation until expended.".

SEC. 302. NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE.

(a) FUNCTIONS.—Section 5 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504) is amended—

(1) by redesignating subsections (b) through (d) as subsections (d) through (f), respectively; and

(2) by inserting after subsection (a) the following:

"(b) The Commission shall have the responsibility to advise the Director of the Institute of Museum and Library Services on general policies with respect to the duties and powers vested in the Institute of Museum and Library Services relating to library services, including—

"(1) general policies with respect to—

"(A) financial assistance awarded under the Museum and Library Services Act for library services; and

"(B) projects described in section 204(c)(2) of such Act; and

"(2) measures to ensure that the policies and activities of the Institute of Museum and Library Services are coordinated with other activities of the Federal Government.

"(c)(1) The Commission shall meet not less than 1 time each year in a joint meeting with the National Museum Services Board, convened for purposes of providing advice on general policy with respect to financial assistance for projects described in section 204(c)(2) of such Act.

"(2) All decisions by the Commission and the National Museum Services Board with respect to the advice on general policy described in paragraph (1) shall be made by a ⅔ majority vote of the total number of the members of

the Commission and the National Museum Services Board who are present.

''(3) A majority of the members of the Commission and a majority of the members of the National Museum Services Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the National Museum Services Board.''.

(b) MEMBERSHIP.—Section 6 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1505) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''Librarian of Congress'' and inserting ''Librarian of Congress, the Director of the Institute of Museum and Library Services (who shall serve as an ex officio, nonvoting member),'';

(B) in the second sentence—

(i) by striking ''special competence or interest in'' and inserting ''special competence in or knowledge of; and

(ii) by inserting before the period the following: ''and at least one other of whom shall be knowledgeable with respect to the library and information service and science needs of the elderly'';

(C) in the third sentence, by inserting ''appointive'' before ''members''; and

(D) in the last sentence, by striking ''term and at least'' and all that follows and inserting ''term.''; and

(2) in subsection (b), by striking ''the rate specified'' and all that follows through ''and while'' and inserting ''the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including traveltime) during which the members are engaged in the business of the Commission. While''.

SEC. 303. TRANSFER OF FUNCTIONS FROM INSTITUTE OF MUSEUM SERVICES.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code;

(2) the term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the Institute of Museum and Library Services established under section 203 of the Museum and Library Services Act all functions that the Director of the Institute of Museum Services exercised before the date of enactment of this section (including all related functions of any officer or employee of the Institute of Museum Services).

(c) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under subsection (b).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the Director of the Institute of Museum and Library Services may delegate any of the functions transferred to the Director of the Institute of Museum and Library Services by this section and any function transferred or granted to such Director of the Institute of Museum and Library Services after the effective date of this section to such officers and employees of the Institute of Museum and Library Services as the Director of the Institute of Museum

and Library Services may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Director of the Institute of Museum and Library Services under this section or under any other provision of this section shall relieve such Director of the Institute of Museum and Library Services of responsibility for the administration of such functions.

(e) REORGANIZATION.—The Director of the Institute of Museum and Library Services may allocate or reallocate any function transferred under subsection (b) among the officers of the Institute of Museum and Library Services, and may establish, consolidate, alter, or discontinue such organizational entities in the Institute of Museum and Library Services as may be necessary or appropriate.

(f) RULES.—The Director of the Institute of Museum and Library Services may prescribe, in accordance with chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Director of the Institute of Museum and Library Services determines to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this section, the personnel employed in connection with, and the

assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Institute of Museum and Library Services. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(i) EFFECT ON PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided by this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for 1 year after the date of transfer of such employee under this section.

(2) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this section, any person who, on the day preceding the effective date of this section, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Institute of Museum and Library Services to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(j) SAVINGS PROVISIONS.—

(1) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that were in effect before the effective date of this section, or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the Institute of Museum and Library Services or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PROCEEDINGS NOT AFFECTED.—This section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance

pending before the Institute of Museum Services on the effective date of this section, with respect to functions transferred by this section. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to the orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) SUITS NOT AFFECTED.—This section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(4) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the

Institute of Museum Services, or by or against any individual in the official capacity of such individual as an officer of the Institute of Museum Services, shall abate by reason of the enactment of this section.

(5) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Institute of Museum Services relating to a function transferred under this section may be continued by the Institute of Museum and Library Services with the same effect as if this section had not been enacted.

(k) TRANSITION.—The Director of the Institute of Museum and Library Services may utilize—

(1) the services of such officers, employees, and other personnel of the Institute of Museum Services with respect to functions transferred to the Institute of Museum and Library Services by this section; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Director of the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Director of the Institute of Museum and Library Services; and

(2) the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Institute of Museum and Library Services.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Director of the Institute of Museum and Library Services shall prepare and submit to the appropriate committees of Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the effective date of this section, the Director of the Institute of Museum and Library Services shall submit to the appropriate committees of Congress the recommended legislation referred to under paragraph (1).

SEC. 304. SERVICE OF INDIVIDUALS SERVING ON DATE OF ENACTMENT.

Notwithstanding section 204 of the Museum and Library Services Act, the individual who was appointed to the position of Director of the Institute of Museum Services under section 205 of the Museum Services Act (as such section was in effect on the day before the date of enactment of this Act) and who is serving in such position on the day before the date of enactment of this Act shall serve as the first Director of the Institute of Museum and Library Services under section 204 of the Museum and Library Services Act (as added by section 301 of this title), and shall serve at the pleasure of the President.

SEC. 305. CONSIDERATION.

Consistent with title 5, United States Code, in appointing employees of the Office of Library Services, the Director of the Institute of Museum and Library Services shall give strong consideration to individuals with experience in administering State-based and national library and information services programs.

SEC. 306. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) REPEALS.—

(1) LIBRARY SERVICES AND CONSTRUCTION ACT.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.

(2) HIGHER EDUCATION ACT OF 1965.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.) is repealed.

(b) REFERENCES TO LIBRARY SERVICES AND CONSTRUCTION ACT.—

(1) OMNIBUS EDUCATION RECONCILIATION ACT OF 1981.—Section 528 of the Omnibus Education Reconciliation Act of 1981 (20 U.S.C. 3489) is amended—

(A) by striking paragraph (12); and

(B) by redesignating paragraphs (13) through (15) as paragraphs (12) through (14), respectively.

(2) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Section 3113(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6813(10)) is amended by striking ''section 3 of the Library Services and Construction Act'' and inserting ''section 213(7) of the Library Services and Technology Act''.

(3) COMMUNITY IMPROVEMENT VOLUNTEER ACT OF 1994.—Section 7305 of the Community Improvement Volunteer Act of 1994 (40 U.S.C. 276d–3) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(4) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking ''Library Services and Construction Act;''.

(5) DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966.—Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(2)) is amended by striking ''title II of the Library Services and Construction Act;''.

(6) PUBLIC LAW 87–688.—Subsection (c) of the first section of the Act entitled ''An Act to extend the application of certain laws to American Samoa'', approved September 25, 1962 (48 U.S.C. 1666(c)) is amended by striking ''the Library Services Act (70 Stat. 293; 20 U.S.C. 351 et seq.),''.

(c) REFERENCES TO INSTITUTE OF MUSEUM SERVICES.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following:

''Director of the Institute of Museum Services.''
and inserting the following:

''Director of the Institute of Museum and Library Services.''.

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 301 of the Department of Education Organization Act (20 U.S.C. 3441) is amended—

(A) in subsection (a)—

(i) by striking paragraph (5); and

(ii) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(B) in subsection (b)—

(i) by striking paragraph (4); and

(ii) by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(3) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) Sections 2101(b), 2205(c)(1)(D), 2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and subsections (d)(6) and (e)(2) of section 10401 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621(b), 6645(c)(1)(D), 6648(d)(1)(H)(v), 6649(b)(1)(C)(vi), and 8091

(d)(6) and (e)(2)) are amended by striking ''the Institute of Museum Services'' and inserting ''the Institute of Museum and Library Services''.

(B) Section 10412(b) of such Act (20 U.S.C. 8102(b)) is amended—

(i) in paragraph (2), by striking ''the Director of the Institute of Museum Services,'' and inserting ''the Director of the Institute of Museum and Library Services,''; and

(ii) in paragraph (7), by striking ''the Director of the Institute of Museum Services,'' and inserting ''the Director of the Institute of Museum and Library Services,''.

(C) Section 10414(a)(2)(B) of such Act (20 U.S.C. 8104(a)(2)(B)) is amended by striking clause (iii) and inserting the following new clause:

''(iii) the Institute of Museum and Library Services.''.

(d) REFERENCES TO HIGHER EDUCATION ACT OF 1965.—

(1) HIGHER EDUCATION ACT OF 1965.—Paragraph (2) of section 356(b) of the Higher Education

Act of 1965 (20 U.S.C. 1069b(b)) is amended by striking ''II,''.

(2) HIGHER EDUCATION AMENDMENTS OF 1986.—Part D of title XIII of the Higher Education Amendments of 1986 (20 U.S.C. 1029 note) is repealed.

(e) REFERENCES TO OFFICE OF LIBRARIES AND LEARNING RESOURCES.—

(1) EDUCATION AMENDMENTS OF 1974.—Section 519 of the Education Amendments of 1974 (20 U.S.C. 1221i) is repealed.

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 413(b)(1) of the Department of Education Organization Act (20 U.S.C. 3473(b)(1)) is amended—

(A) by striking subparagraph (H); and

(B) by redesignating subparagraphs (I) through (M) as subparagraphs (H) through (L), respectively.

SEC. 307. ARTS AND ARTIFACTS.

The Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Arts and Artifacts Indemnity Act'.

"SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTIFACTS.

''The Director of the Institute of Museums and Library Services may enter into agreements to indemnify against loss or damage such items as may be eligible for such indemnity agreements under section 3—

''(1) in accordance with the provisions of this Act; and

''(2) on such terms and conditions as the Director shall prescribe, by regulation, in order to achieve the objectives of this Act and, consistent with such objectives, to protect the financial interest of the United States.

"SEC. 3. ELIGIBLE ITEMS.

''(a) TYPES OF ITEMS.—The Director may enter into an indemnity agreement under section 2 with respect to items—

''(1) that are—

''(A) works of art, including tapestries, paintings, sculpture, folk art, and graphics and craft arts;

''(B) manuscripts, rare documents, books, or other printed or published materials;

''(C) other artifacts or objects; or

''(D) photographs, motion pictures, or audio and video tape;

"(2) that are of educational, cultural, historical, or scientific value; and

"(3) the exhibition of which is certified (where appropriate) by the Secretary of State or the designee of the Secretary of State as being in the national interest.

"(b) ITEMS ON EXHIBITION.—

"(1) SCOPE.—An indemnity agreement made under this Act shall cover eligible items while on exhibition, generally when the items are part of an exchange of exhibitions. An item described in subsection (a) that is part of an exhibition that originates either in the United States or outside the United States and that is touring the United States shall be considered to be an eligible item.

"(2) DEFINITION.—For purposes of this subsection, the term 'on exhibition' includes the period of time beginning on the date the eligible items leave the premises of the lender or place designated by the lender and ending on the date such items are returned to the premises of the lender or place designated by the lender.

"SEC. 4. APPLICATIONS.

"(a) IN GENERAL.—Any person, nonprofit agency, institution, or government desiring to enter into an indem-

nity agreement for eligible items under this Act shall submit an application to the Director at such time, in such manner and in accordance with such procedures, as the Director shall, by regulation, prescribe.

"(b) CONTENTS.—An application submitted under subsection (a) shall—

"(1) describe each item to be covered by the agreement (including an estimated value of such item);

"(2) show evidence that the item is an item described in section 3(a); and

"(3) set forth policies, procedures, techniques, and methods with respect to preparation for, and conduct of, exhibition of the item, and any transportation related to such item.

"(c) APPROVAL.—On receipt of an application under this section, the Director shall review the application as described in section 5 and, if the Director agrees with the estimated value described in the application and if such application conforms with the requirements of this Act, approve the application and enter into an indemnity agreement with the applicant under section 2. On such approval, the agreement shall constitute a contract between the Director and the applicant pledging the full faith and credit of the United States to pay any amount for which the Director

becomes liable under such agreement. The Director, for such purpose, is authorized to pledge the full faith and credit of the United States.

"SEC. 5. INDEMNITY AGREEMENT.

"(a) REVIEW.—On receipt of an application meeting the requirements of subsections (a) and (b) of section 4, the Director shall review the estimated value of the items for which coverage by an indemnity agreement is sought.

"(b) AGGREGATE AMOUNT OF LOSS OR DAMAGE.—The aggregate amount of loss or damage covered by indemnity agreements made under this Act shall not exceed $3,000,000,000, at any one time.

"(c) INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.—No indemnity agreement for a single exhibition shall cover loss or damage in excess of $300,000,000.

"(d) EXTENT OF COVERAGE.—If the estimated value of the items covered by an indemnity agreement for a single exhibition is—

"(1) $2,000,000 or less, then coverage under this Act shall extend only to loss or damage in excess of the first $15,000 of loss or damage to the items covered;

"(2) more than $2,000,000 but less than $10,000,000, then coverage under this Act shall extend

only to loss or damage in excess of the first $25,000 of loss or damage to the items covered;

"(3) not less than $10,000,000 but less than $125,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $50,000 of loss or damage to the items covered;

"(4) not less than $125,000,000 but less than $200,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $100,000 of loss or damage to the items covered; or

"(5) $200,000,000 or more, then coverage under this Act shall extend only to loss or damage in excess of the first $200,000 of loss or damage to the items covered.

"SEC. 6. REGULATIONS AND CERTIFICATION.

"(a) REGULATIONS.—The Director shall prescribe regulations providing for prompt adjustment of valid claims for loss or damage to items that are covered by an agreement entered into pursuant to section 2, including provision for arbitration of issues relating to the dollar value of damages involving less than total loss or destruction of such covered items.

"(b) CERTIFICATION.—In the case of a claim of loss or damage with respect to an item that is covered by an agreement entered into pursuant to section 2, the Director

shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President pro tempore of the Senate.

"SEC. 7. REPORT.

''The Director shall prepare, and submit at the end of each fiscal year to the appropriate committees of Congress, a report containing information on—

''(1) all claims paid pursuant to this Act during such year;

''(2) pending claims against the Director under this Act as of the end of such year; and

''(3) the aggregate face value of contracts entered into by the Director that are outstanding at the end of such year.

"SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as may be necessary—

''(1) to enable the Director to carry out the functions of the Director under this Act; and

''(2) to pay claims certified pursuant to section 6(b).''.

Amend the title so as to read: ''An Act to consolidate Federal employment training, vocational education, and adult education programs and create integrated

statewide workforce development systems, and for other purposes.''.

Attest:

Secretary.

104TH CONGRESS
1ST SESSION

H. R. 1617

AMENDMENTS