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104TH CONGRESS
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HOUSE OF REPRESENTATIVES

REPORT
104–152

CONSOLIDATED AND REFORMED EDUCATION, EMPLOYMENT, AND REHABILITATION SYSTEMS ACT (CAREERS ACT)

R E P O R T

OF THE

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

together with

MINORITY, DISSENTING, AND ADDITIONAL VIEWS

[To accompany H.R. 1617]

JUNE 22, 1995.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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JUNE 22, 1995.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GOODLING, from the Committee on Economic and Educational Opportunities, submitted the following

R E P O R T

together with

MINORITY, DISSENTING, AND ADDITIONAL VIEWS

[To accompany H.R. 1617]

[Including cost estimate of the Congressional Budget Office]

The Committee on Economic and Educational Opportunities, to whom was referred the bill (H.R. 1617) to consolidate and reform workforce development and literacy programs, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the—

(1) "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act"; or

(2) "CAREERS Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

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Sec. 401. Findings.
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Sec. 441. National Institute for Literacy.
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Sec. 606. Technology for Education Act of 1994.
Sec. 607. Job Training Partnership Act.
Sec. 608. Stewart B. McKinney Homeless Assistance Act.
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SEC. 3. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The knowledge and skills of the United States workforce are fundamental to the economic competitiveness of the Nation today and in the future, however, the United States does not currently possess a comprehensive, effective, and efficient system of workforce preparation and development.

(2) Due to global competition, emerging technologies in the workplace, the emergence of quality managing, corporate realignments, and the loss of many low-skilled jobs, United States workers will increasingly need to enhance their skills on a continuing, lifelong basis through such a workforce preparation and development system.

(3) Reports from the Comptroller General of the United States have identified 163 different Federal programs, totaling $20,000,000,000, and administered by 14 different Federal agencies, that offer some form of education, job training, or employment assistance to youth and adults.

(4) Such reports point to the many problems of duplication and fragmentation that exist within the varied Federal workforce preparation and development programs, including—

(A) the additional costs of administering overlapping workforce preparation and development programs at the Federal, State, and local levels which divert scarce resources that could be better used to assist all individuals in preparing for and entering the workforce; and

(B) conflicting eligibility requirements, annual budgeting and operating cycles, planning and reporting requirements, and performance measurement systems which serve as barriers to the integration of Federal workforce preparation and development programs and result in an inefficient use of resources.

(5) Major goals of any reform of the Federal workforce preparation and development system must be—

(A) to streamline and consolidate individual workforce preparation and development programs, eliminating unnecessary duplication and fragmentation in such programs;

(B) to provide maximum authority and responsibility to States and local communities for operation of State and local workforce preparation and development programs;

(C) to stress private sector partnerships, including the use of private sector service providers and encourage increased leadership and responsibility on the part of the private sector through the use of creative incentives for investment in workforce training (which may include reduced regulatory burdens, tax incentives, and employer loans for the training of incumbent workers);

(D) to establish a system which is market-driven, accountable, provides customer choice and easy access to services, and reinforces individual responsibility;

(E) to improve education, literacy, job training, rehabilitation, and employment assistance programs in the United States, encouraging lifelong learning and skills upgrading through a seamless system connecting elementary, secondary, postsecondary, rehabilitation, adult, and work-based training and education; and

(F) to establish a comprehensive, integrated labor market information system to ensure that workforce preparation and development programs are related to the demand for particular skills in local labor markets, and to ensure that information about the employment and earnings of the local workforce, occupations in demand, skill requirements for such occupations, and the performance of education, rehabilitation, and training providers, are available to job seekers, employers, teachers, students, and decisionmakers.

(6) Early exposure to career opportunities, including opportunities in the practical arts or trade, can enrich the education experience and provide incentives for students to stay in school and achieve higher levels of learning.

(7) Millions of families in the United States are trapped in a cycle of poverty, dependency, and inadequate education that is linked to illiteracy and low educational achievement, for which adult education and family literacy programs have been shown to be successful in improving the educational attainment and job skills of parents and their children, contributing to reductions in crime, welfare dependency, and enhancing employment opportunities for such individuals.

(8) In recent years, a number of innovative States and local communities have begun successful efforts to integrate Federal workforce preparation and development programs through one-stop service delivery systems, however, without exception, such States and communities have experienced numerous Federal barriers to such program integration.

(9) An extremely high percentage of Americans with disabilities are unemployed, and need access to high quality, specialized rehabilitation services that lead to employment, independence, and full participation in the mainstream of life in America.

(b) PURPOSE.—The purpose of this Act is to transform the vast array of Federal workforce development and literacy programs from a collection of fragmented and duplicative categorical programs into a streamlined, comprehensive, coherent, high-quality, cost-effective, market-based, and accountable Federal workforce development and literacy system that is designed to meet the education, employment, and training needs of the workforce and the competitiveness needs of employers of the United States, both today and in the future.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated—

(1) for title II, $2,308,200,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title;

(2) for title III, $2,263,400,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title; and

(3) for subtitle A of title IV, $280,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such subtitle.

(b) PROGRAM YEAR.—

(1) IN GENERAL.—Beginning with fiscal year 1997, and thereafter, appropriations for any fiscal year for programs and activities under this Act 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) OBLIGATION.—Funds obligated for any program year under titles II, III, and IV, may be expended by each recipient during that program year and the two succeeding program years, except that the Secretary shall, in accordance with paragraph (3), reallot to eligible States the funds allotted to States from funds appropriated for reallotments.

(3) AMOUNTS AVAILABLE FOR REALLOTMENT.—The amount available for reallotment is equal to—

(A) the amount by which the unobligated balance of the State allotment at the end of the program year prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for the prior program year; plus

(B) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.

SEC. 5. DEFINITIONS.

For purposes of this Act:

(1) ADULT.—The term "adult" means an individual who is 16 years of age, or beyond the age of compulsory school attendance under State law, and who is not enrolled or required to be enrolled in secondary school.

(2) ADULT EDUCATION.—The term "adult education" means services or instruction below the postsecondary level for adults—

(A) who are not enrolled in secondary school;

(B) who lack sufficient mastery of basic educational skills to enable them to function effectively in society or who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education;

(C) who are not currently required to be enrolled in school; and

(D) whose lack of mastery of basic skills results in an inability to speak, read, or write the English language which constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, and thus are in need of programs to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others.

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

(A) a specialized high 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 high school exclusively or principally used for providing vocational education in not less 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 high school and who are available for study in preparation for entering the labor market; or

(D) the department or division of a junior college, community college or university operating under the policies of the State board and which provides vocational education in not less than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if, in the case of a school, department, or division described in subparagraph (C) or this subparagraph, it admits as regular students both individuals who have completed high school and individuals who have left high school.

(4) AT-RISK YOUTH.—The term "at-risk youth" means—

(A) an out-of-school, at-risk youth who is an individual age 24 or younger and who is not enrolled in a secondary or postsecondary education program, has not received a high school diploma or equivalent and must overcome barriers to employment such as economic disadvantages, disability, or limited English proficiency; or

(B) an in-school, at-risk youth who is an individual age 24 or younger who is enrolled in an accredited secondary or postsecondary education program but is at risk of dropping out of school or must overcome barriers to complete an education program, such as economic disadvantages, disability, or limited English proficiency.

(5) CAREER EXPLORATION AND GUIDANCE COUNSELING.—The term "career exploration and guidance counseling" means a program—

(A) which pertains to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities;

(B) which assists such individuals in making and implementing informed educational and occupational choices; and

(C) which is comprehensive in nature and provided through an educational program beginning in as early a grade as possible, including late elementary and middle school grades.

(6) CASE MANAGEMENT.—The term "case management" means the provision of a client-centered approach in the delivery of services designed to—

(A) prepare and coordinate comprehensive employment plans, such as service strategies for participants, to ensure access to necessary training and supportive services, using, where feasible, computer-based technologies; and

(B) provide job and career counseling during program participation and after job placement.

(7) CHIEF ELECTED OFFICIAL.—The term "chief elected official" means the chief elected executive officer of a unit of general local government in a workforce development area.

(8) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a private nonprofit organization that is representative of a community or significant segments of a community that provides education, vocational rehabilitation, job training, supportive services, or internship services and programs.

(9) DEMOGRAPHIC CHARACTERISTICS.—The term "demographic characteristics" means information on population, especially with reference to size, density, distribution, and vital statistics including, age, race, sex, ethnic origin, and income status.

(10) DISLOCATED WORKER.—The term "dislocated worker" means an individual who—

(A) has been terminated or laid off or who has received a notice of termination or layoff from employment, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to a previous industry or occupation;

(B) has been terminated, or has received a notice of termination of employment, as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;

(C) has been unemployed long-term and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides, including an older individual who may have substantial barriers to employment by reason of age; or

(D) was self-employed (including farmers and ranchers) but is unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters.

(11) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) is an adult; and

(B)(i) has worked as an adult primarily without remuneration to care for the home and family, and for that reason has diminished marketable skills;

(ii) has been dependent on public assistance or on the income of a relative but is no longer supported by such income;

(iii) is a parent whose youngest dependent child will become ineligible to receive assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act within 2 years of the parent's application for assistance under title II of this Act; or

(iv) is unemployed or underemployed and is experiencing difficulty in obtaining any employment or suitable employment, as appropriate.

(12) EARNINGS.—The term "earnings" means gross hourly wages before any deduction, plus the estimated hourly value of bonuses, tips, gratuities, commissions, and overtime pay either expected or received. In the case of individuals in subsidized employment, total hourly earnings include any wage subsidy paid to the individual.

(13) ECONOMIC DEVELOPMENT AGENCIES.—The term "economic development agencies" means State and local planning and zoning commissions or boards,

community development agencies, and other State and local agencies and institutions responsible for regulating, promoting, or assisting in State and local economic development.

(14) ECONOMICALLY DISADVANTAGED.—The term "economically disadvantaged" means an individual who—

(A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program;

(B) has, or is a member of a family which has, received a total family income for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of—

(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), or

(ii) 70 percent of the lower living standard income level;

(C) is receiving (or has been determined within the 6-month period prior to the application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977;

(D) qualifies as a homeless individual under subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act;

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

(F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of subparagraph (A) or (B), but who is a member of a family whose income does not meet such requirements; or

(G) is an individual meeting appropriate criteria approved by a State.

(15) EDUCATIONAL SERVICE AGENCY.—The term "educational service agency" means a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local education agencies, and is recognized as an administrative agency for such State's vocational or technical education schools or for vocational programs within its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction over a public elementary or secondary school.

(16) EMPLOYED.—The term "employed" means an individual who is currently—

(A) a paid employee;

(B) works in his or her own business, profession, or farm;

(C) works 15 hours or more per week as an unpaid worker in an enterprise operated by a family member; or is one who is not working, but has a job or business from which he or she is temporarily absent due to illness, bad weather, vacation, labor-management dispute, or personal reasons; or

(D) on active military duty.

(17) ENGLISH LITERACY PROGRAM.—The term "English literacy program" means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

(18) EXCESS NUMBER.—The term "excess number" means, with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

(19) GOVERNOR.—The term "Governor" means the chief executive of State.

(20) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term "individual of limited English proficiency" means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

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

(B) who lives in a family or community environment where a language other than English is the dominant language.

(21) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" has the meaning given such term in the Vocational Rehabilitation Act of 1973.

(22) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 481 of the Higher Education Act of 1965.

(23) JOB SEARCH ASSISTANCE.—The term "job search assistance" means a service that helps a job-ready individual seek, locate, apply for, and obtain employment. Such services may include, but are not limited to, job-finding skills, orientation to the labor market, resume preparation assistance, job finding clubs, job search workshops, vocational exploration, and other employability services.

(24) LABOR MARKET AREA.—The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

(25) LIBRARY.—The term "library" includes—

(A) a public library;

(B) a public elementary or secondary school library;

(C) an academic library;

(D) a research library; and

(E) a private library, but only if the State in which such private library is located determines that the library should be considered a library for purposes of this Act.

(26) LITERACY.—The term "literacy" means an individual's ability to read, write, and speak in English, and compute and solve problems, at levels of proficiency necessary—

(A) to function on the job, in the individual's family and in society;

(B) to achieve the individual's goals; and

(C) to develop the individual's knowledge potential.

(27) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the same meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(28) NATIVE AMERICAN.—The term "native American" means Indians, Alaskan natives, and Hawaiian natives.

(29) NONTRADITIONAL EMPLOYMENT.—The term "nontraditional employment" as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

(30) ON-THE-JOB TRAINING.—The term "on-the-job training" means training in the public or private sector that is provided to a paid employee while he or she is engaged in productive work that—

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

(B) provides reimbursement to employers, up to 50 percent of the participant's wage rate, for the costs of providing training and additional supervision; and

(C) is based on the Occupational Employment Statistics Program Dictionary.

(31) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965) which continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).

(32) PREEMPLOYMENT SKILLS TRAINING; JOB READINESS SKILLS TRAINING.—The terms "preemployment skills training" and "job readiness skills training" mean training that helps prepare individuals for work by assuring that they are familiar with general workplace expectations and exhibit work behavior and attitudes necessary to compete successfully in the job market.

(33) PUBLIC ASSISTANCE.—The term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

(34) RAPID RESPONSE.—The term "rapid response" means assistance that is directly provided by the State, or by local grantees with funds provided by the State, in the case of mass layoffs or plant closures, and that establishes on-site contact with employer and employee representatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

(A) provide information on, and facilitate access to, available public programs and services for workers losing jobs as a result of such layoff or closure;

(B) provide emergency assistance adapted to the particular closure or layoff;

(C) promote the formation of labor-management committees, where appropriate;

(D) collect information related to economic dislocation and available resources within the State for dislocated workers;

(E) provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocation; and

(F) assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

(35) REGISTERED APPRENTICESHIP.—The term "registered apprenticeship" means a program registered by the Bureau of Apprenticeship and Training in the United States Department of Labor, or a State Apprenticeship Agency recognized and approved by the Bureau of Apprenticeship and Training as the appropriate body for State registration or approval of local apprenticeship programs and agreements.

(36) SCHOOL DROPOUT.—The term "school dropout" means a youth who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(37) SKILL CERTIFICATE.—The term "skill certificate" means a portable, industry-recognized credential issued by programs authorized under this Act, that certifies that an individual has mastered skills at levels that are at least as challenging as skill standards endorsed by the National Skill Standards Board, except that until such skill standards are developed, the term "skill certificate" means a credential issued under a process determined by the State.

(38) STATE.—The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

(39) STATE EDUCATIONAL AGENCY.—The term "State educational agency" has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(40) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term "State library administrative agency" means the official agency of a State charged by the law of the State with the extension and development of public library services throughout the State.

(41) SUPPORTIVE SERVICES.—The term "supportive services" means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training or vocational rehabilitation program or job search activities funded under this Act. Such supportive services may include transportation, individual and family counseling, child care and dependent care, meals, temporary shelter, financial counseling, needs-based payments, and other reasonable expenses required for participation in a training, job preparation, or job placement program. Such services may be provided in-kind or through cash assistance, except that such services will be provided with funds provided under this Act only after alternative funding sources specifically designated for such services have been exhausted.

(42) UNEMPLOYED.—The term "unemployed" refers to an individual who is not employed, who is available for work, and who has made specific efforts to find a job within the prior 4 weeks. Included as unemployed are individuals who are not working, are available for work, and are waiting to be called back to a job from which they have been laid off.

(43) UNIT OF GENERAL LOCAL GOVERNMENT.—The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

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

(45) WORK EXPERIENCE.—The term "work experience" means a time-limited work activity that provides an individual with the opportunity to acquire the general skills and knowledge necessary to obtain employment.

(46) WORKPLACE MENTOR.—The term "workplace mentor" means an employee or other individual, approved by the employer at a workplace, who possesses the skills and knowledge to be mastered by a student or program participant, and who instructs, critiques the performance, and challenges the student or program participant to perform well, and works in consultation with classroom teachers, training providers, and the employer of the student or program participant.

(47) YOUTH.—The term "youth" means an individual under the age of 24.

SEC. 6. TRANSITION.

The Secretary of Education and the Secretary of Labor shall take such steps as they determine to be appropriate to provide for the orderly transition from any authority under provisions of statutes amended or repealed by this Act or any related authority under provisions of this Act.

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

SEC. 101. PURPOSE OF TITLE.

The purpose of this title is to provide for the establishment of an infrastructure within States on which to build a comprehensive system of workforce development and literacy.

Subtitle A—State and Local Responsibilities

SEC. 102. STATE REQUIREMENTS.

(a) IN GENERAL.—For fiscal year 1997 and subsequent fiscal years, a State that desires to receive a grant under one or more of the programs specified in subsection (b) shall—

(1) establish a collaborative process, pursuant to section 103;

(2) develop a State workforce development and literacy plan, pursuant to section 104; and

(3) otherwise comply with the requirements of this Act.

(b) WORKFORCE DEVELOPMENT AND LITERACY PROGRAMS.—

(1) IN GENERAL.—The programs referred to in subsection (a) are the following:

(A) The program under title II, the Youth Development and Career Preparation Consolidation Grant.

(B) The program under title III, the Adult Employment and Training Consolidation Grant.

(C) The program under subtitle A of title IV, the Adult Education and Family Literacy Consolidation Grant.

(D) The program amended by subtitle A of title V (relating to title I of the Rehabilitation Act of 1973).

(2) DEFINITION.—For purposes of this Act, the term "Workforce Development and Literacy programs" means the programs specified in paragraph (1).

SEC. 103. COLLABORATIVE PROCESS REGARDING STATE SYSTEM.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall certify to the Secretary of Education and the Secretary of Labor that a collaborative process, as described in subsection (b) or (c), has been used in complying with the applicable provisions of this Act.

(b) COLLABORATIVE PROCESS.—The collaborative process referred to in subsection (a) is a process for making decisions which includes as participants, at a minimum, the Governor and—

(1) representatives of the following (which representatives are appointed by the Governor)—

(A) business and industry;

(B) local chief elected officials (representing both cities and counties);

(C) local educational agencies (including vocational educators);

(D) postsecondary institutions (including community and technical colleges);

(E) the State rehabilitation advisory council;

(F) organizations representing individuals served by programs established under this Act (including community-based organizations); and

(G) employees.

(2) the lead State agency official or officials for—

(A) the State educational agency (including representatives of vocational education, adult education and literacy, and libraries);

(B) the State agency responsible for economic development;

(C) the State agency responsible for employment; security (and the State agency responsible for job training where different from such agency);

(D) the State agency responsible for postsecondary education;

(E) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation services for the blind;

(F) the State agency responsible for welfare; and

(G) the representative of the Veterans' Service assigned to the State under section 4103 of title 38, United States Code.

(c) RULE OF CONSTRUCTION.—With respect to compliance with subsection (b)—

(1) a State may use any existing State process (including any council or similar entity) that substantially meets the purposes of such subsection; or

(2) if prior to the date of enactment of this Act, a State has developed a one-stop career center system or a school-to-work system through a collaborative process substantially similar to the process described in subsection (b), the State may use such process.

SEC. 104. CONSOLIDATED STATE WORKFORCE DEVELOPMENT AND LITERACY PLAN.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall submit a strategic State workforce development and literacy plan to provide policy guidance with respect to workforce development programs operated in the State, and that meets the requirements of this section to—

(1) the Secretary of Education; and

(2) the Secretary of Labor.

(b) CONTENTS.—A State workforce development and literacy plan shall include the following:

(1) A description of the collaborative process under section 103 used in developing the plan.

(2) A statement of the goals of the State workforce development and literacy system, that includes—

(A) a description of how the State will progress toward achieving the goals and purpose of this Act as established in sections 3(a)(5) and 3(b);

(B) an assessment of the needs of the State with regard to current and projected demands for workers by occupation, the skills and education levels of the workforce, the vocational rehabilitation needs of individuals with severe disabilities residing in the State, the skill and economic development needs of the State, and an assessment of the type and availability of workforce development, adult education, vocational rehabilitation, and literacy programs in the State;

(C) the identification of progress indicators, based on the performance measures described in titles II and III, subtitle A of title IV, and title I of the Vocational Rehabilitation Act of 1973, and a model of continuous improvement, that the State will use to measure progress made by the State, local workforce development boards, and other applicable local entities who are recipients of financial assistance under this Act in meeting such goals; and

(D) a description of how performance measures are consistent across the 4 grant programs established in titles II and III, subtitle A of title IV, and title I of the Vocational Rehabilitation Act of 1973.

(3) A description of how the State has complied, or will comply, with the provisions of sections 105 through 108.

(4) A description of how a State will participate in the National Labor Market Information system pursuant to subtitle B.

(5) Any information required to be included in the plan under any of titles II through IV, and title I of the Vocational Rehabilitation Act of 1973, (in the case of a State that desires to receive a grant under any such title).

(6) A description of the measures that will be taken by the State to ensure coordination and consistency and avoid duplication among programs receiving assistance under this Act, including a description of common data collection and reporting processes (including the establishment of a common management information system) across such programs.

(7) A description of the process used by the State to provide an opportunity for public comment, and input into the development of the plan, prior to submission of the plan.

(8) A description of the process used by the State to consult with representatives of business and industry with respect to the requirements of subparagraphs (A), (B), and (C) of paragraph (2) of this subsection.

(9) Assurances that the State will provide for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State under this Act.

(10) A description of the sanctions which the State may impose (including restrictions from future participation or consideration for funding) in instances where recipients of funds under this Act fail to achieve agreed upon performance measures, fail to adhere to State mandated fiscal control and funds accounting procedures, or take or fail to take other actions required under the State plan, contracts, or other agreements.

(c) AUTHORITY OF GOVERNOR.—

(1) FINAL AUTHORITY.—If, after a reasonable effort, a Governor is unable to obtain agreement through the collaborative process described in subsection (b)(1), the Governor shall have final authority to make decisions and submit a plan for the design of a comprehensive system of workforce development and literacy for the State under subsection (a).

(2) DISAGREEMENT.—The Governor shall accept and include with the plan submitted under paragraph (1) any disagreeing views submitted by a participant of the collaborative process if such views represent disagreement in the area in which such participant was selected for representation.

(3) EXCEPTION.—Nothing in this Act shall be construed to negate or supersede the legal authority, under State law or other applicable law, of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official. Nothing in this Act shall be construed to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law.

(d) MODIFICATIONS TO PLAN.—A plan submitted by a State in accordance with this section remains in effect until the State submits to the Secretary such modifications as the State determines necessary. This section applies to the modifications to the same extent and in the same manner as this section applies to the original plan.

(e) ALLOCATION OF RESPONSIBILITIES OF SECRETARIES.—The Secretary of Education and the Secretary of Labor shall collaborate in establishing and using a common procedure in making determinations regarding compliance by the States with the requirements established in this title.

SEC. 105. ESTABLISHMENT OF WORKFORCE DEVELOPMENT AREAS.

The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall, through the collaborative process established under section 103 and after consultation with local chief elected officials, and after consideration of comments received through the public participation process as described in the State plan, designate local workforce development areas within the State. Such areas shall be designated taking into consideration the following:

(1) Existing labor market areas.

(2) Units of general local government.

(3) Geographic areas served by local educational agencies and intermediate educational agencies.

(4) Geographic areas served by postsecondary institutions and area vocational education schools.

(5) Service delivery areas established under section 101 of the Job Training Partnership Act (29 U.S.C. 1511) (as such Act was in effect on the day before the date of the enactment of this Act).

(6) The distance that individuals will need to travel to receive services from one-stop career centers.

SEC. 106. PROVISIONS REGARDING LOCAL WORKFORCE DEVELOPMENT BOARDS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall ensure the establishment of a local workforce development board in each local workforce development area within the State.

(b) STATE CRITERIA.—The Governor, through the collaborative process described under section 103, shall establish criteria for use by local chief elected officials in the workforce development area, in the selection of members of local workforce development boards, in accordance with requirements prescribed under subsections (c) and (d).

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

(1) a majority of members who are representatives of business and industry, including individuals who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policymaking authority in local businesses, selected from among nominees submitted by local business organizations and trade associations;

(2) an individual or individuals with disabilities, who have special knowledge or expertise in the area of vocational rehabilitation;

(3) representatives of education, including local educational agencies and postsecondary institutions, selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of postsecondary institutions (including community colleges), or general organizations of such institutions within the workforce development area; and

(4) representatives of community-based organizations, employees, and veterans as nominated or recommended to the board through a process established by the Governors through the collaborative process.

(d) ESTABLISHMENT OF BOARD.—

(1) SELECTION OF BOARD MEMBERS.—

(A) SINGLE UNIT OF LOCAL GOVERNMENT IN AREA.—In the case of a workforce development area that is comprised of only one unit of general local government, the chief elected official of such unit shall select the members of the local workforce development board for such area, in accordance with the State criteria developed pursuant to subsection (b).

(B) MULTIPLE UNITS IN AREA.—In the case of a workforce development area that is comprised of more than one unit of general local government, the chief elected official of such units shall select the members of the local workforce development board from the individuals so nominated or recommended for such area in accordance with an agreement entered into by such officials and with the State criteria developed under subsection (b). In the absence of such an agreement, the appointments shall be made by the Governor, through the collaborative process, from the individuals so nominated or recommended.

(2) CERTIFICATION.—The Governor shall biennially certify one local workforce development board for each workforce development area.

(3) EXCEPTION.—In any case in which a local workforce development area is a State, the individuals comprising the Governor's collaborative process as described in section 103, may be reconstituted to meet the requirements of this section.

(e) DUTIES OF LOCAL WORKFORCE DEVELOPMENT BOARD.—

(1) LOCAL WORKFORCE DEVELOPMENT PLAN.—Each local workforce development board shall develop a biennial strategic plan and provide policy guidance with respect to workforce development programs operated within their respective workforce development areas. Such strategic plan shall be consistent with the State's collaborative workforce development and literacy plan, shall be approved by the appropriate chief elected official or officials, and shall be submitted to the Governor for approval. If after a reasonable effort, a local workforce development board is unable to obtain the approval of the chief elected official or officials, the Board has the authority to forward the plan, with the comments of the chief elected official or officials, to the Governor for final approval or disapproval. Such local plan shall include the following:

(A) Both short-term and long-term goals, and related strategies, to ensure that workforce preparation and development programs, including programs established pursuant to this Act, title I of the Rehabilitation Act of 1973, and the Wagner-Peyser Act, contribute to a coherent workforce development system in the workforce development area.

(B) A description of the performance measures to be used by the local workforce development board for measuring the performance of local service providers under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and the performance of one-stop career center operators, with whom the Board contracts.

(C) A description of the local one-stop career center system to be established in the workforce development area, including—

(i) a description of the process the local workforce development board will use to designate or establish career center system which ensures that the most effective and efficient service providers are chosen;

(ii) an identification of the roles of individual workforce development programs, including programs authorized by the Wagner-Peyser Act; and

(iii) a description of the funding sources to be used in the operation of the career center system.

(D) A description of strategies the local workforce development board will undertake to fully involve local employers, local educational agencies, postsecondary education institutions, adult education and literacy providers, local service providers, and other consumers, including individuals with disabilities, in the development of the workforce development system.

(E) Such other information as requested by the State.

(2) IDENTIFICATION OF OCCUPATIONS IN DEMAND AND TRAINING NEEDS.—The local workforce development board shall use available labor market information and other appropriate methods in order to identify and assess the needs of the workforce development area with regard to—

(A) current and projected demand for workers by occupation;

(B) skill levels, including literacy and basic skills, of the local workforce and the needs of business and industry for a skilled workforce;

(C) economic development needs of the area;

(D) the type and availability of workforce preparation and development programs in the area; and

(E) the needs for vocational rehabilitation among individuals with disabilities.

Such information shall be used to develop the goals of, and activities provided by the workforce development programs in the local area.

(3) BUDGET AND PROGRAM OVERSIGHT.—

(A) BUDGETING.—

(i) The local workforce development board, working through the State administrative agent, shall develop a budget for the purpose of carrying out local programs established under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and for one-stop career center systems established or designated under section 107.

(ii) Such budget shall be subject to the approval of the appropriate chief elected official or officials in the workforce development area.

(B) PROGRAM OVERSIGHT.—The local workforce development board, in partnership with the chief elected official or officials in the workforce development area, shall conduct oversight of the workforce development programs listed in subparagraph (A), and of one-stop career centers established under this title.

(4) ADMINISTRATION.—

(A) FISCAL AGENT.—

(i) The local workforce development board may receive and disburse funds made available for carrying out programs authorized under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973 of this Act, or the local workforce development board may designate a fiscal agent (which may include the State through a mutual agreement between the local board and the State), for the purpose of disbursement of funds to one-stop centers and other service providers, as designated by the local workforce development board.

(ii) The Board may employ its own staff, independent of local programs and service providers, and may solicit or accept grants and contributions from sources other than from this Act.

(B) LIMITATION.—The workforce development board, or employees of such board, may not operate programs established under this Act.

(C) CONFLICT OF INTEREST.—A member of a workforce development board may not—

(i) discuss or participate in board consideration; or

(ii) cast a vote;

regarding the provision of services by such member (or by an organization that such member represents) or regarding any matter that would provide direct financial benefit to such member.

The Governor may enforce more rigorous conflict of interest standards, as determined appropriate.

(D) INDEPENDENT AUTHORITY.—

(i) The Board shall elect its own chairperson from among the members of the board.

(ii) The board may adopt bylaws and other operating procedures as consistent with the purposes of this Act, and with the policies established in the State workforce development and literacy plan.

(5) OTHER.—Each local workforce development board shall carry out such other duties as determined to be appropriate by the Governor and the individuals and entities described in section 103, through the collaborative process described in the State plan.

SEC. 107. ESTABLISHMENT OF ONE-STOP CAREER CENTER SYSTEMS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall ensure that each local workforce development board shall establish or designate a one-stop career center

system in the workforce development area of such board, consistent with criteria established under subsection (b).

(b) STATE CRITERIA.—The Governor, through the collaborative process described under section 103, shall establish statewide criteria for use by local workforce development boards in the designation or establishment of one-stop career center systems to ensure that the most effective and efficient service providers are chosen. Such criteria shall be consistent with the requirements prescribed under subsection (c).

(c) ONE-STOP CAREER CENTER SYSTEM REQUIREMENTS.—At a minimum, one-stop career center systems shall include—

(1) common intake;

(2) preliminary assessment;

(3) integrated job search assistance;

(4) to the extent practicable, as determined by the Governor, unified and linked computer systems, including the availability of labor market information as described under subtitle B, and linkages through uniform management information systems; and

(5) to the extent practicable, as determined by the Governor, at least one physical, co-located site which provides comprehensive and fully integrated workforce development services to any individual seeking such services.

Local workforce development areas are encouraged to establish a network of comprehensive and fully-integrated co-located one-stop career centers to provide the services described in subsection (f), supplemented with multiple affiliated sites or satellites that provide one or more of such services and are linked through electronic and technological access points. Such affiliated sites may include entities designated as having a specialization in addressing special needs, such as the needs of individuals with disabilities.

(d) COMMON ACCESS.—Information pertaining to the labor market which is compiled pursuant to the Wagner-Peyser Act, as described in subtitle B of this title, shall be available, to the extent practicable, through integrated electronic networks, at all one-stop career centers and affiliated sites.

(e) ELIGIBILITY FOR DESIGNATION.—Any entity or consortium of entities located in the workforce development area may be designated by the local workforce development board to operate a one-stop career center or to participate in a one-stop career center system. Such entities may include the following:

(1) Institutions of higher education.

(2) Local educational agencies.

(3) Area vocational education schools.

(4) Local employment service offices, established under the Wagner-Peyser Act.

(5) Private nonprofit organizations, (including community-based organizations).

(6) Private for-profit entities.

(7) Agencies of local governments.

(8) Other interested organizations and entities of demonstrated effectiveness, including local chambers of commerce and other business organizations, consistent with State criteria established pursuant to subsection (b).

(f) DUTIES.—Each one-stop career center shall carry out the following duties:

(1) PROVISION OF CORE SERVICES.—A center shall make available the following information and core services to individuals on a universal and nondiscriminatory basis, with reasonable accommodations to address the needs of individuals with disabilities, in the workforce development area in which such center is located:

(A) Outreach and intake for services provided under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973.

(B) A preliminary assessment of the skill levels and the need for services of the individual for programs under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973 of individuals, which may include such factors as basic skills, occupational skills, career development skills, prior work experience, employability, interests, aptitudes, vocational rehabilitation needs, and supportive service needs.

(C) Information relating to local and State, and if appropriate, to regional or national, occupations in demand and skill requirements for such occupations.

(D) Information relating to youth services, including information on at-risk youth workforce development programs authorized under title II, on school-to-work opportunities, and on youth apprenticeship opportunities.

(E) Career counseling and career planning based on a preliminary assessment of the individual.

(F) Job search assistance.

(G) Information related to vocational rehabilitation services, as provided for in title I of the Rehabilitation Act of 1973.

(H) Information relating to federally funded education and job training programs (including registered apprenticeships), and student aid programs, including the eligibility requirements of and services provided by such programs.

(I) Information on, and assistance in accessing referral to additional services through programs providing adult education and literacy services, vocational rehabilitation, workforce preparation and development, and supportive services, including those programs authorized in titles II through IV, title I of the Vocational Rehabilitation Act of 1973, available in the workforce development area.

(J) Information on the extent to which the services provided under titles II and III, subtitle A of title IV, and title I of the Vocational Rehabilitation Act of 1973, meet or exceed the performance standards described in the State plan, and the performance-based information provided by the State to local workforce development boards on certified providers of education and training, as required under section 108(d)(3).

(K) Information on industry-recognized skill standards and assessments.

(L) Job listings for local labor market opportunities.

(M) Acceptance of applications for unemployment compensation.

(N) Other appropriate activities to assist individuals into employment.

(2) DISTRIBUTION OF VOUCHERS AND SKILL GRANTS.—A center shall serve as the point of distribution of vouchers for education, training, and vocational rehabilitation services to eligible individuals in accordance with section 108.

(3) SPECIAL ARRANGEMENTS.—For the purpose of providing core services to individuals with severe disabilities in the most effective and efficient manner possible, the one-stop career center may arrange to have such core services provided to an individual by a certified provider, either on a contract basis or through the use of vouchers.

(g) ADDITIONAL SERVICES.—One-stop career centers may provide customized workforce development services to employers on a fee-for-service basis, as determined by the local workforce development board.

(h) ALTERNATIVE STATE PROCEDURE.—Through the collaborative process described in section 103, the Governor has the authority to develop alternative procedures to the one-stop career center system, which are designed to accomplish the full integration of workforce development programs. These alternative procedures shall be described in a proposal to the Secretaries of Education and Labor for joint review and approval or disapproval within 60 days.

SEC. 108. CERTIFICATION OF EDUCATION, TRAINING, AND VOCATIONAL REHABILITATION SERVICE PROVIDERS.

(a) ELIGIBILITY REQUIREMENTS.—A program offered by a provider of education and training services shall be eligible to receive funds under title III, and title I of the Vocational Rehabilitation Act of 1973 through the receipt of vouchers, skill grants, or through contract, if such program and provider—

(1) are either—

(A) eligible to participate in title IV of the Higher Education Act of 1965, or

(B) determined to be eligible under the procedures described in subsection (b); and

(2) provides the performance-based information required pursuant to subsection (c), except that providers eligible under subparagraph (A) only have to provide information for programs other than programs leading to a degree.

(b) ALTERNATIVE ELIGIBILITY PROCEDURE.—(1) The Governor shall establish an alternative eligibility procedure for providers of education, training, and vocational rehabilitation services in any State desiring to receive funds under title III of this Act and title I of the Vocational Rehabilitation Act of 1973, but that are not eligible to participate in title IV of the Higher Education Act of 1965. Such procedure shall establish minimum acceptable levels of performance for such providers, and shall be based on guidelines developed by the Secretaries of Labor and Education. The Governor shall utilize the local workforce development boards, for the identification and certification of qualified providers of education, training, and vocational rehabilitation services. During a transition period, not to exceed 2 years, certification of programs and providers under this subsection shall be based on the performance of such programs and providers under the Job Training Partnership Act, the Voca-

tional Rehabilitation Act, or other objective measures of previous performance, such as employer evaluations.

(2) Notwithstanding paragraph (1), if the participation of an institution of higher education in any of the programs under such title of such Act is terminated, such institution shall not be eligible to receive funds under this Act for a period of two years.

(c) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by providers of services for programs to be eligible under this section. Such information may include information, consistent with guidelines developed by the Secretaries of Education and Labor, relating to—

(1) the percentage of students completing the programs conducted by the provider;

(2) the rates of licensure of graduates of the programs conducted by the provider;

(3) the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act;

(4) the rates of placement and retention in employment, and earnings of the graduates of the programs conducted by the provider;

(5) the percentage of students who obtained employment in an occupation related to the program conducted by the provider;

(6) the warranties or guarantees provided by such provider relating to the skill levels or employment to be attained by students; and

(7) other information for providers of services under title I of the Rehabilitation Act of 1973 that reflects the priority of serving individuals with severe disabilities.

(d) ADMINISTRATION.—

(1) STATE AGENCY.—The Governor shall designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to subsection (c).

(2) APPLICATION.—A provider of education and training services that desires to be eligible to receive funds under this title shall submit the information required under subsection (c) to the State agency designated under paragraph (1) at such time and in such form as such State agency may require.

(3) LIST OF ELIGIBLE PROVIDERS.—The State agency shall compile a list of eligible programs and providers, accompanied by the performance-based information submitted, and disseminate such list and information to the local workforce development boards within the State.

(4) ACCURACY OF INFORMATION.—

(A) IN GENERAL.—If the State agency determines that information concerning a provider is inaccurate, such provider shall be disqualified from receiving funds under this title for a period of not less than two years, unless such provider can demonstrate to the satisfaction of the Governor or his or her designee, that the information was provided in good faith.

(B) APPEAL.—The Governor shall establish a procedure for a service provider to appeal a determination by a State agency that results in a disqualification under subparagraph (A). Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(5) ASSISTANCE IN DEVELOPING INFORMATION.—The State agency established pursuant to paragraph (1) may provide technical assistance to education, training, and vocational rehabilitation providers in developing the information required under subsection (b). Such assistance may include facilitating the utilization of State administrative records, such as unemployment compensation wage records, and other appropriate coordination activities.

(e) ON-THE-JOB TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training shall not be subject to the requirements of subsections (a), (b), (c), and (d).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—The Workforce Development Board shall collect such performance-based information from on-the-job training providers as the Governor may require, and shall disseminate such information to the one-stop career centers.

SEC. 109. MANAGEMENT INFORMATION SYSTEMS.

(a) IN GENERAL.—Each State shall use a portion of the funds it receives under this Act to design a unified management information system that is in accordance with guidelines established jointly by the Secretaries in consultation with the Governors.

(b) REQUIREMENTS.—Each unified management information system shall, to the extent practicable as determined by the Governor—

(1) be utilized for federally required fiscal reporting and monitoring for each of the programs authorized under this Act;

(2) be used by all agencies involved in workforce development activities, including one-stop career centers which shall have the capability to track the overall public investments within the State and workforce development areas, and to inform policymakers as to the results being achieved and the demographic characteristics of the individuals served through that investment;

(3) contain a common structure of financial reporting requirements, fiscal systems and monitoring for all workforce development expenditures included in the workforce development system that shall utilize common data elements and the definitions included in section 5;

(4) support local efforts to establish workforce development systems, including intake and eligibility determination for all services;

(5) contain data on the demographic characteristics on the individual participants served by programs authorized under this Act, which shall be collected, produced, and published by the Secretaries; and

(6) be in accordance with guidelines established jointly by the Secretaries in consultation with the States.

SEC. 110. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) IN GENERAL.—In order to promote high levels of performance and to ensure an appropriate return on the Nation's investment in the workforce development and literacy system, each State receiving funds under this Act shall develop, or have developed, a statewide performance accountability system in accordance with the provisions of this section.

(b) INDICATORS OF PERFORMANCE.—

(1) IN GENERAL.—Each State receiving funds under this Act shall identify indicators of performance for each of the programs established under titles II through IV of this Act and title I of the Vocational Rehabilitation Act of 1973, consistent with State goals as described in the State plan in accordance with section 104. Such indicators shall at a minimum include core indicators described in such titles. Such indicators may also take into account post-program surveys measuring customer satisfaction of both employers and program participants.

(2) TECHNICAL DEFINITIONS OF CORE INDICATORS.—In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, and other interested parties, shall promulgate technical definitions of each of the core indicators described in titles II through IV of this Act and in title I of the Vocational Rehabilitation Act. Such definitions shall be used under this Act in measuring performance.

(c) EXPECTED LEVELS OF PERFORMANCE.—

(1) IN GENERAL.—(A) Each State shall identify the level of performance, consistent with State goals described under section 104, that is expected for local workforce development areas and other applicable local administrative entities under this Act. In determining such levels, the State shall take into account the world class levels identified under paragraph (2), and shall initially develop baseline levels of performance upon which States will measure continuous improvement.

(B) The Governor, through the collaborative process, may adjust the expected level of performance with respect to each local area taking into account specific economic, demographic, and geographic factors, and the characteristics of the population to be served.

(2) WORLD CLASS LEVELS OF PERFORMANCE.—In order to encourage high levels of performance and advance the Nation's competitiveness in the global economy, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, and other interested parties, shall identify world class levels of performance with respect to appropriate core indicators selected from among the core indicators described in titles II through IV and in title I of the Vocational Rehabilitation Act of 1973. Where applicable, such world class standards shall reflect industry-recognized skill standards and the National Education Goals.

(d) REPORT ON PERFORMANCE.—

(1) IN GENERAL.—The State shall report to the Secretary of Labor and the Secretary of Education, the levels of performance achieved by local workforce development areas and other applicable local administrative entities with respect to the indicators identified pursuant to subsection (b)(1) for each program year. The Secretaries shall make such information available to the general public through publication and other appropriate methods, and shall disseminate State-by-State comparisons, and comparisons with other industrialized nations (where appropriate).

(2) REPORTING OPTIONS.—In the collection and reporting of such data, States are encouraged to utilize administrative reporting data on quarterly earnings, establishment and industry affiliation, and geographic location of employment, such as unemployment insurance wage-data records.

(e) CONSEQUENCES FOR POOR PERFORMANCE.—

(1) CRITERIA.—The Governor, through the collaborative process, shall establish criteria for determining whether local workforce development areas and other applicable local administrative entities have failed to meet expected levels of performance with respect to programs under this Act.

(2) CONSEQUENCES FOR POOR PERFORMANCE.—

(A) STATE CONSEQUENCES.—If a State fails to meet expected levels of performance for a program for any program year as established pursuant to subsection (a), the Secretary of Education or the Secretary of Labor, as appropriate to the particular program, may provide technical assistance, including assistance in the development of a performance improvement plan. If such failure continues for a second consecutive year, the appropriate Secretary may reduce by not more than 5 percent, the amount of the grant that would (in the absence of this paragraph) be payable to the State under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet expected levels of performance.

(B) LOCAL CONSEQUENCES.—(i) If a local workforce development area, or other applicable local administrative entity, fails to meet expected levels of performance for a program for any program year under the criteria established in paragraph (1), the Governor, through the collaborative process, may provide technical assistance, including the development of a performance improvement plan.

(ii) If such failure continues for a second consecutive year, the Governor may take corrective actions, such as the withholding of funds, the redesignation of a local administrative entity, or such other actions as the Governor, through the collaborative process, determines are appropriate, consistent with State law, section 104(c)(3) of this Act, and the requirements of this Act.

Subtitle B—Amendments to Wagner-Peyser Act

SEC. 131. GENERAL PROGRAM REQUIREMENTS.

(a) DEFINITIONS.—Section 2 of the Act of June 6, 1933 (commonly known as the "Wagner-Peyser Act") (29 U.S.C. 49a) is amended—

(1) in paragraph (1), by striking "Job Training Partnership Act" and inserting "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act";

(2) in paragraph (2) to read as follows:

"(2) the term 'local workforce development board' means a local workforce development board established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;";

(3) in paragraph (4) to read as follows:

"(4) the term 'local workforce development area' means a local workforce development area established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;";

(4) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following new paragraphs:

"(6) the term 'local public service office' means an office which provides employment services to the general public under a one-stop career center system; and

"(7) the term 'one-stop career center system' means a one-stop career center system established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.".

(b) DUTIES.—Section 3(a) of such Act (29 U.S.C. 49b(a)) is amended to read as follows:

"(a) The Secretary of Labor shall, pursuant to title II of the Wagner-Peyser Act—

"(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 system, in coordination with the public employment services;

"(2) assist in the development of performance standards, benchmarks, and continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers; and

"(3) ensure the continued services for individuals receiving unemployment compensation.".

(c) REQUIREMENTS FOR RECEIPT OF FUNDS.—Section 4 of such Act (29 U.S.C. 49c) is amended by striking "a State shall, through its legislature" and inserting "the Governor of a State, through the collaborative process described in title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 5 of such Act (29 U.S.C. 49d) is amended by inserting before the period at the end the following: ", of which not less than 25 percent shall be for carrying out both section 14 and title II of this Act".

(e) USE OF FUNDS UNDER THIS ACT.—Section 7(c)(2) of such Act (29 U.S.C. 49f(c)(2)) is amended by striking "any of the following provisions of law" and all that follows and inserting "the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.".

(f) STATE PLAN.—Section 8 of such Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:

"(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State workforce development and literacy plan authorized under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, detailed plans for carrying out the provisions of this Act within such State.";

(2) by striking subsections (b), (c), and (e); and

(3) by redesignating subsection (d) as subsection (b).

(g) ELIMINATION OF FEDERAL ADVISORY COUNCIL.—Section 11 of such Act (29 U.S.C. 49j) is hereby repealed.

(h) CONFORMING AMENDMENTS.—

(1) After section 2 of such Act insert the following new heading:

"TITLE I—GENERAL PROGRAM REQUIREMENTS"

(2) Section 4 of such Act is amended by striking "United States Employment Service" and inserting "Secretary of Labor".

(3) Section 7(b)(2) of such Act is amended by striking "private industry council" and inserting "local workforce development board".

(4) Section 7(d) of such Act is amended—

(A) by striking "United States Employment Service" and inserting "Secretary of Labor"; and

(B) by striking "Job Training Partnership Act" and inserting "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act".

(5) Section 12 of such Act is amended by striking "The Director, with the approval of the Secretary of Labor," and inserting "The Secretary of Labor".

SEC. 132. LABOR MARKET INFORMATION.

The Act of June 6, 1933 (commonly known as the "Wagner-Peyser Act"; 29 U.S.C. 49), as amended by section 131, is further amended by adding at the end the following new title:

"TITLE II—LABOR MARKET INFORMATION

"SEC. 21. PURPOSE.

"The purpose of this title is to ensure a comprehensive and coordinated system of labor market information which will provide locally based, accurate, up-to-date,

easily accessible, and user friendly labor market information through a cooperative Federal, State, and local governance structure which includes partnerships with the private sector at all levels.

"SEC. 22. SYSTEM CONTENT.

"The Secretary of Labor, in accordance with the provisions of this title, shall oversee the development, maintenance, and continuous improvement of a nationwide system of labor market information using data from all available and appropriate sources, which shall include—

"(1) statistical data from survey and projection programs and data from administrative reporting systems, which, taken together, shall enumerate, estimate, and project the supply and demand for labor at national, State, and local levels in a timely manner, including data on—

"(A) the demographic characteristics, as defined in title I of the Careers Act, socioeconomic characteristics, and current employment status of the population, including self-employed, part-time, and seasonal workers, and individuals with severe disabilities;

"(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 population by demographic characteristics such as unemployment insurance wage data records;

"(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 such 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 local employment and consumer information on—

"(A) job openings, locations, hiring requirements, and application procedures, as well as profiles of employers in the local labor market describing the nature of work performed, employment requirements, wages, benefits, and hiring patterns;

"(B) job seekers, including their education and training, skills, skill levels, employment experience, and employment goals; and

"(C) education courses, training programs, job placement programs, and vocational rehabilitation programs (where appropriate), including—

"(i) performance information, such as the ratio of program completion, acquisition of industry-recognized skill standards, job placement, earnings, and the level of satisfaction of the participants and their employers; and

"(ii) descriptive information, such as eligibility requirements, costs, financial support, or other supportive services, and other appropriate information which may be available with these courses and programs;

"(3) technical standards for data and information that will—

"(A) ensure compatibility and additivity of data and information from local to State and national levels;

"(B) support standardization and aggregation of data and information from the administrative reporting systems of employment-related programs; and

"(C) include—

"(i) classification and coding systems for industries, occupations, skills, programs, and courses;

"(ii) nationally standardized definitions of terms;

"(iii) a common system for designating geographic areas;

"(iv) quality control mechanisms for data collection and analysis; and

"(v) common schedules for data collection and dissemination;

"(4) analysis of data and information for uses including—

"(A) national, State, and local economic policymaking;

"(B) the implementation of Federal policies, including the allocation of Federal funds to States and localities and the facilitation of job search and hiring in local labor markets;

"(C) national, State, and local program planning and evaluation; and

"(D) research on labor market dynamics;

"(5) dissemination mechanisms for data and analysis, including mechanisms which may be standardized among the States and technical standards in the

design of automated databases, and the design of user interfaces and communications protocols;

"(6) programs of technical assistance for States and localities in the development, maintenance, and utilization of data, analysis, and dissemination mechanisms, including assistance in adopting and utilizing automated systems and improving the access, through electronic and other means, of youth, adults, and employers to labor market information for localities, States, and the Nation;

"(7) programs of research and demonstration, which may be carried out by States and other public or private entities, on ways to improve the products and processes authorized in this title; and

"(8) objective performance measures, which will allow for the continuous monitoring of the progress of the labor market information system at national, State, and local levels.

"SEC. 23. FEDERAL RESPONSIBILITIES.

"(a) IN GENERAL.—The Nation's labor market information system shall be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government and the States.

"(b) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information, shall carry out the following duties:

"(1) Ensure that all statistical and administrative data collection activities within the Department of Labor, including the Employment and Training Administration, Veterans' Employment and Training Service, Employment Standards Administration, and Occupational Health and Safety Administration, are consistent with those of the Bureau of Labor Statistics.

"(2) Assign responsibilities, as appropriate, to agencies such as the Employment and Training Administration to work with the Bureau of Labor Statistics in the collection, analysis and, particularly, in the dissemination of labor market information, and in the provision of training and technical assistance to users of information, including the States, employers, youth, and adults.

"(3) In cooperation with other Federal agencies, including but not limited to the Departments of Commerce, Defense, Treasury, Education, Health and Human Services, Agriculture, Veterans' Affairs, and the Office of Management and Budget, establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities, in order to ensure a comprehensive labor market information system.

"(4) Actively seek the participation of other Federal agencies, particularly the National Center for Education Statistics and the Division of Adult and Vocational Education, and the Rehabilitation Services Administration of the Department of Education, the Veterans' Employment and Training Service of the Department of Labor and the Department of Veterans' Affairs with respect to vocational rehabilitation programs in the design and provision of standardized information to the States to support section 22(2), and in the dissemination of labor market information.

"(5) Establish confidentiality standards for the labor market information system at national, State, and local levels, including such provisions as may be necessary, to be taken in coordination with the States, to ensure that privacy and confidentiality protections are guaranteed with respect to individuals and firm data.

"(c) ADDITIONAL DUTIES.—The Secretary, in collaboration with the Bureau of Labor Statistics, with the assistance of other agencies of the Department where appropriate, shall—

"(1) establish and maintain, with the cooperation of the States, elements of the system described in sections 22(1) and 22(3);

"(2) develop and promulgate standards, definitions, formats, collection methodologies, and other necessary system elements for the use of the States in their assembling and presentation of the employment information specified in section 22(2);

"(3) eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority;

"(4) recommend any needed improvements in administrative reporting systems to support the development of labor market information from their data; and

"(5) ensure that—

"(A) data are sufficiently timely and locally detailed for uses including those specified in section 22(4);

"(B) administrative records are standardized to facilitate the aggregation of data from local to State and national levels and to support the creation of new statistical series from program records; and

"(C) paperwork and reporting requirements on employers and individuals are reduced.

"SEC. 24. ANNUAL PLAN.

"(a) IN GENERAL.—The Secretary of Labor, working through the Bureau of Labor Statistics, and in consultation with other appropriate Federal agencies, shall prepare an annual plan, which shall be the operational mechanism for achieving a cooperative Federal/State governance structure for labor market information. The annual plan shall provide the verbal justification for the Department of Labor's budget request to Congress by describing the activities of the Bureau, other agencies of the Department of Labor, and other Federal agencies with regard to data collection, analysis, and dissemination of labor market information for fiscal years succeeding the fiscal year in which the plan is developed and shall include—

"(1) the results of a periodic review of users' needs, including the identification of new employment issues and the attendant emergence of new needs, on the part of Congress, the States, employers, youth, and adults, for data, analysis, and dissemination;

"(2) an evaluation, including the results of objective measures, of the performance of the labor market information system in meeting these needs and the steps to be taken to overcome deficiencies;

"(3) a summary of ongoing data programs and activities under section 22 and a description of the development of new data programs, analytical techniques, definitions and standards, dissemination mechanisms, training and technical assistance, governance mechanisms, and funding processes to meet new needs; and

"(4) the results of an annual review of the costs to the States of meeting contract requirements for data production under this title, including a description of how the Secretary's requested budget will cover these costs.

"(b) COOPERATION WITH THE STATES.—The Secretary shall involve the States with the Bureau of Labor Statistics in a cooperative manner in the development of the plan by—

"(1) establishing procedures and mechanisms for holding formal and periodic consultations on products and administration of the system, at least once each quarter, with representatives of the States from each of the 10 Federal regions of the Department of Labor, elected by and from among the State directors of labor market information, according to a process set forth by the Secretary; and

"(2) incorporating in the annual plan, for its submission to Congress, the results of these consultations, including any supplementary or dissenting views from representatives of the States.

"(c) REPRESENTATIVES OF STATES DEEMED TO BE FEDERAL EMPLOYEES.—For purposes of the development of the annual plan and to meet the provisions of Office of Management and Budget Circular A–11, the representatives of the States, elected in accordance with subsection (b)(1), shall be considered to be employees of the Department of Labor.

"SEC. 25. GOVERNOR'S RESPONSIBILITIES.

"(a) DESIGNATION OF STATE AGENCY.—The Governor of each State shall designate a single State agency to be the agency responsible for the management and oversight of a statewide comprehensive labor market information system and for the State's participation in the cooperative Federal/State governance structure for the nationwide labor market information system.

"(b) DUTIES.—In order to receive Federal financial assistance under this Act, the State agency shall—

"(1) develop, maintain, and continuously improve a comprehensive labor market information system, which shall—

"(A) include all the elements specified in section 22; and

"(B) be responsive to the needs of the State and its localities for planning and evaluative data, including employment and economic analyses and projections, as required by this Act, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Social Security Act, and other provisions of law under which Congress has required the use of labor market information;

"(2) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination;

"(3) conduct such other data collection, analysis, and dissemination activities as will ensure comprehensive State and local labor market information;

"(4) actively seek the participation of other State and local agencies, with particular attention 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; and

"(5) participate in the development of the national annual plan.

"(c) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed as limiting the State agency's ability to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this Act.".

Subtitle C—Worker Rights

SEC. 141. REQUIREMENTS.

The following requirements shall apply to programs under titles II and III of this Act:

(1) PROHIBITION ON DISPLACEMENT.—A participant in a program under titles II or III shall not displace any currently employed worker (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits).

(2) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A program under title II or III shall not impair existing contracts for services or collective bargaining agreements, and no such program that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(3) PROHIBITION ON REPLACEMENT.—A participant in a program under title II or III shall not be employed—

(A) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or any substantially equivalent job with the participating employer; or

(B) 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 with the student.

(4) WORKPLACES.—A participant in a program under title II or III shall be provided with adequate and safe equipment and safe and healthful workplaces in conformity with all health and safety requirements of Federal, State, and local law.

(5) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, ethnicity, national origin, gender, age, or disability, or to modify or affect any right to enforcement of this Act that may exist under other Federal laws, except as expressly provided by this Act.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

SEC. 201. PURPOSES.

It is the purpose of this title to provide States and local communities maximum flexibility in designing workforce preparation programs that—

(1) help individuals attain the academic skills, as well as occupational skills, needed to be successful in a global economy and for lifelong learning;

(2) best suit the needs of in-school and at-risk youth in their communities, as well as the skill needs of State and local employers;

(3) promote strong connections between in-school and at-risk programs, to ensure that youth are prepared for good jobs and further education opportunities, and promote youth development and career preparation programs that provide opportunities for individuals to receive postsecondary education and occupational training;

(4) promote the formation of business and education partnerships that are dedicated to linking the worlds of school and work; and

(5) promote high academic and occupational standards and quality vocational-technical education, including improved secondary and postsecondary programs, by focusing resources on program improvement initiatives that help prepare students for further education and training and high-wage jobs in high-performance workplaces.

SEC. 202. DEFINITIONS.

For purposes of this title:

(1) The term "administration" means activities of a State necessary for the proper and efficient performance of its duties under this title, including supervision, but does not include curriculum development activities, personnel development, or research activities.

(2) The term "all aspects of the industry" means strong experience in, and understanding of, all aspects of the industry the students are preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor issues, and health and safety.

(3) The term "articulation agreement" means a commitment to a program designed to provide students with a nonduplicative sequence of progressive coursework in secondary and postsecondary education.

(4) The term "cooperative education" means a method of instruction of vocational education for individuals who, through written cooperative arrangements between the school and employers, receive instruction, including required academic courses and related vocational instruction by alternation of study in school with a job in any occupational field. Such alternation shall be planned and supervised by the school and employers so that each contributes to the student's education and employability. Work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

(5) The term "corrections vocational education" means programs administered by the State to assist juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(6) The term "curricula" means instructional and related or supportive material, including materials using advanced learning technology, in any occupational field which is designed to strengthen the academic foundation and prepare individuals for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field, and appropriate counseling and guidance material.

(7) Except as otherwise provided, the term "eligible institution" means a local educational agency, an area vocational education school, an intermediate educational agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965), a State corrections educational agency, or consortia of such entities.

(8) The term "partnership" means a local entity that is responsible for local youth development and career preparation programs and may consist of employers, representatives of local educational agencies and local postsecondary educational institutions (including representatives of area vocational education schools, where applicable), local educators (such as teachers, counselors, or administrators), representative employee organizations, and students; and include other entities.

(9) The term "Secretary" means the Secretary of Education.

(10) The term "sequential course of study" means an integrated series of courses which are directly related to the educational and occupational skills preparation of individuals for jobs, or preparation for postsecondary education.

(11) The term "single parent" means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has a minor child or children for whom the parent has either custody or joint custody; or

(ii) is pregnant.

(12) The term "special populations" includes individuals with disabilities, economically disadvantaged individuals, individuals of limited English proficiency, and individuals in nontraditional training and employment.

(13) The term "tech-prep education program" means a program of study which—

(A) combines at least 2 years of secondary and 2 years of postsecondary education in a nonduplicative sequence;

(B) integrates academic and vocational instruction;

(C) provides technical preparation in at least 1 field of engineering technology, applied science, mechanical, industrial, or practical art or trade, or agriculture, health occupations, or business;

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

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

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

(G) enables a student to fulfill a career pathway plan relating to labor market needs.

(14) The term "vocational education" means organized educational programs offering a sequence of courses which are directly related to the preparation of individuals in paid or unpaid employment in current or emerging occupations, including nonbaccalaureate certificate and degree programs and baccalaureate vocational degree programs. Such programs include competency-based applied learning which contributes to an individual's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. Such term also includes applied technology education.

(15) The term "vocational student organizations" means those organizations for individuals enrolled in vocational education programs which engage in activities as an integral part of the instructional program. Such organizations may have State and national units which aggregate the work and purposes of instruction in vocational education at the local level.

Subtitle A—State Funding

SEC. 211. NATIONAL AND STATE FUNDING.

(a) NATIONAL PROGRAMS.—In each fiscal year, of the amounts made available under section 4, the Secretary shall reserve 20 percent or $25,000,000, whichever is less, to carry out the provisions of subtitle D.

(b) STATE ALLOTMENT.—

(1) IN GENERAL.—Of the funds remaining after the reservation under subsection (a), the Secretary shall allot to each State for each fiscal year an amount based on that State's allotment percentage.

(2) ALLOTMENT PERCENTAGE.—(A) Except as provided in subparagraph (B), the allotment percentage of a State for a fiscal year shall be the same percentage of funds allotted to the State under this section in the preceding fiscal year.

(B) The allotment percentage of a State for fiscal year 1996 shall be the percentage of funds allotted to the State in fiscal year 1995 under—

(i) section 101 or 101A of the Carl D. Perkins Vocational and Applied Technology Education Act as such Act was in effect on the day before the date of the enactment of this Act; and

(ii) the funding allotted in fiscal year 1995 under section 252 and 262 of the Job Training Partnership Act as such Act was in effect on the day before the date of the enactment of this Act.

(3) STATE MINIMUM.—Notwithstanding any other provision of law and subject to paragraph (1), any fiscal year for which the amounts appropriated for programs authorized by this title exceed the amounts available for fiscal year 1985, a State shall not receive less than one-quarter of one percent of the amount available for each such program for that fiscal year under this subsection. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

(4) DEFINITION.—For the purposes of this subsection the term "State" means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(c) FUNDING FOR STATE PROGRAMS.—Of the funds allotted to a State under subsection (b) for each fiscal year, the Governor, through the collaborative process, shall—

(1) make available not less than 90 percent to local providers;

(2) make available not more than 8 percent for State programs described in section 222; and

(3) make available not more than 2 percent for administrative purposes.

SEC. 212. WITHIN STATE ALLOCATION.

(a) IN GENERAL.—From the amounts made available pursuant to section 211(c)(1), the Governor, through the collaborative process, shall—

(1) allocate to eligible institutions an amount equal to not less than 40 percent of such amount for in-school youth programs described in section 241;

(2) allocate to local workforce development boards an amount equal to not less than 40 percent of such amount for at-risk youth programs described in section 245;

(3) provide an amount equal to 10 percent of the remainder to eligible institutions or local workforce development boards; and

(4) allocate the remainder of any amounts under this subsection to carry out the purposes of paragraph (1) or (2).

(b) WITHIN STATE FORMULA.—

(1) ESTABLISHMENT.—The Governor, through the collaborative process, and after consultation with local chief elected officials in the local workforce development area and, where appropriate, local educators in such area, shall develop a formula for the allocation of funds in accordance with paragraphs (1), (2), and (4) of subsection (a). Such formula shall take into account—

(A) poverty rates within each local community, as determined by the State;

(B) the proportion of the State's youth population residing within each local community; and

(C) such other factors as considered appropriate.

(2) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in paragraph (1) do not receive disproportionate weighting.

(c) MINIMUM GRANT AMOUNTS.—

(1) LOCAL EDUCATIONAL AGENCIES.—A local educational agency or consortium of such agencies that receives a subgrant from a State under this subtitle for any fiscal year shall receive not less than $15,000.

(2) POSTSECONDARY INSTITUTIONS.—A postsecondary institution or consortium of such institutions that receives a subgrant from a State under this subtitle for any fiscal year shall receive not less than $50,000.

(3) LOCAL DEVELOPMENT BOARD.—A local development board that receives a subgrant from a State under this subtitle for any fiscal year shall receive not less than $15,000.

(4) SECONDARY-POSTSECONDARY CONSORTIA.—One or more local educational agencies and one or more eligible institutions may enter into a consortium agreement. A consortium formed pursuant to this paragraph that receives a subgrant from a State under this subtitle shall receive not less than $50,000 in any fiscal year.

(d) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the minimum grant requirements of this section shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(e) WAIVER.—The State may waive the application of subsection (c) in any case in which a grant recipient—

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

(2) demonstrates an inability to enter into a consortium for purposes of providing services under this title.

Subtitle B—State Organizational, Planning, and Reporting Responsibilities

SEC. 221. STATE PLAN.

In addition to the requirements described in title I, a State that desires to receive funds for any fiscal year under this title shall, as part of the State Workforce Development and Literacy Plan under title I, submit to the Secretary of Education information that includes—

(1) a description of how the State will adopt, develop, or assist local providers to adopt or develop model curricula and innovative instructional methodologies, to be used in the postsecondary, secondary, and where possible, the elementary grades, and in programs for at-risk youth that integrate academic, vocational, and work-based learning, stressing applied and contextual learning, and promote career awareness;

(2) a description of how the State will expand and improve career exploration and guidance counseling for students in the elementary and secondary grades, which may include linkages to career exploration, guidance counseling and labor market information services outside of the school system and shall describe how the State will effectively demonstrate the system of career prepara-

tion for youth, which includes elements such as professional development, and secondary-postsecondary collaborations;

(3) a description of the strategy of the State for integrating academic, vocational, and work-based learning, including a description of how the State will promote collaboration between secondary and postsecondary occupational and academic programs and institutions;

(4) a description of the State's plan to develop the academic and occupational skills of students and provide the attainment of challenging vocational-technical education standards, including industry-approved skill standards and workplace competencies, and a description of how the State will develop a State process for issuing skill certificates that, to the extent feasible, are consistent with the skill standards certification systems endorsed by the National Skill Standards Board;

(5) a description of how the State will promote the active involvement of business (including small- and medium-sized businesses) in the planning, development, and implementation of youth development and career preparation programs authorized under this title; and

(6) a description of how the State will coordinate the Goals 2000: Educate America Act, and Improving America's Schools Act of 1994, and other State education improvement plans.

SEC. 222. STATE PROGRAMS AND STATE ACTIVITIES.

(a) GENERAL AUTHORITY.—From amounts made available to a State under section 211, each State shall conduct State programs and activities.

(b) REQUIRED USES OF FUNDS.—The programs and activities described in subsection (a) shall include an assessment of programs conducted with assistance under this title, including the development of—

(1) performance standards and measures for such programs; and

(2) program improvement and accountability with respect to such programs.

(c) ADDITIONAL USES OF FUNDS.—The programs and activities described in subsection (a) may include—

(1) the support for tech-prep education;

(2) support for workforce preparation programs for single parents, displaced homemakers, and single pregnant women;

(3) support for corrections vocational education;

(4) professional development activities for vocational teachers, academic teachers, school administrators, counselors, workplace mentors, and local providers regarding integration of vocational, academic, and work-based curricula, including—

(A) inservice and preservice training of teachers and faculty in state-of-the-art programs and techniques and nontraditional training and employment; and

(B) support of public teacher-education programs to ensure vocational teachers stay current with the needs, expectations, and methods of industry to meet employer standards;

(5) development, dissemination, and field testing of curricula, especially—

(A) curricula that integrate vocational, academic, and work-based methodologies;

(B) curricula that provide a coherent sequence of courses through which academic and occupational skills may be measured; and

(C) curricula for work-based learning;

(6) leadership and instructional programs in technology education;

(7) data collection, including support for management information systems as defined in section 109;

(8) support for 1-stop career centers described in section 107;

(9) support for cooperative education and family and consumer science programs;

(10) creative use of technologies, including professional development in the use of such technologies for instructional purposes and to increase counselors' and students' knowledge of, and use of, additional information resources to make career pathways and coursework decisions;

(11) support for vocational student organizations; and

(12) improving career guidance and counseling.

SEC. 223. INCENTIVE AWARDS.

The State, may, from the amount made available under section 211(c)(2) for any fiscal year make performance awards to 1 or more eligible institutions or local providers that have—

(1) exceeded in the performance goals described in section 224;

(2) implemented exemplary youth development and career preparation programs at the local level in accordance with the purposes described in section 201; or

(3) provided exemplary education services and activities for at-risk youth.

SEC. 224. CORE STANDARDS, PERFORMANCE GOALS, AND MEASURES.

(a) GENERAL AUTHORITY.—

(1) STANDARDS AND MEASURES.—In addition to the State's goals described in section 104, each State receiving funds under this title shall have developed or shall develop and implement a statewide system of core standards and measures of performance for youth development and career preparation programs in coordination with other titles of this Act.

(2) STATEWIDE SYSTEM.—Each statewide system, in accordance with the provisions of section 104, shall—

(A) establish or have established performance goals to define the level of performance to be achieved by youth served under this title and to evaluate the quality and effectiveness of services and activities under this title;

(B) express such goals in an objective, quantifiable, and measurable form;

(C) establish progress indicators that the State and local recipients will use in measuring or assessing progress toward achieving such goals; and

(D) provide biennial reports to the public and to the Secretary on the State's progress in achieving its goals.

(b) REQUIREMENTS.—Each system developed under subsection (a) shall include—

(1) measures of academic and occupational competency gains, including progress in the achievement of the following:

(A) Academic and occupational competency attainment which includes—

(i) attainment of challenging State academic standards;

(ii) attainment of challenging vocational-technical education standards; and

(iii) attainment of industry-recognized occupational standards, including basic workplace competencies and industry-recognized skill standards (endorsed by the National Skill Standards Board), which may include the receipt of a skill certificate in the occupation for which the student has been prepared;

(B) retention in school or completion of secondary school or the equivalent;

(C) placement into additional training or postsecondary education, military service, registered apprenticeship, or employment; and

(D) employment retention and earnings levels;

(2) reduction of the dropout rate; and

(3) success of special populations in meeting these performance standards, including nontraditional training and employment.

(c) PERFORMANCE GOALS AND MEASURES.—The Governor shall, acting through the collaborative process, work to ensure that the performance goals are consistent with challenging State academic standards, industry-recognized skill standards once established by the National Skill Standards Board and the State goals established under this title.

Subtitle C—Subgrants for In-School and At-Risk Youth

SEC. 231. PARTNERSHIP AGREEMENTS.

(a) PARTNERSHIP.—A local workforce development board and an eligible institution that desires to receive a subgrant from a State under this subtitle in any fiscal year shall form a partnership for the purposes of collaborative planning, coordination of in-school and at-risk programs, and effective public participation.

(b) PLAN.—The partnership referred to in subsection (a) shall, in collaboration, develop and submit for approval to the Governor through the State collaborative process a comprehensive youth development and career preparation plan for in-school and at-risk youth. Such plan shall describe how the youth development and career preparation system meets the requirements of sections 241 and 245 and shall address comments received through the collaborative process. The partnership shall assure the involvement of parents, teachers, and the community in the collaborative planning process which involves design of the standards, strategies, articulation, and cooperative agreements, assessments, and evaluation of program activities.

SEC. 232. DISTRIBUTION OF FUNDS.

(a) IN-SCHOOL PROGRAMS.—Based upon an application submitted by the partnership to the Governor through the State collaborative process, a State shall distribute funds made available in a fiscal year as provided in section 212(a)(1) to eligible institutions to carry out in-school youth programs described in section 241.

(b) AT-RISK YOUTH PROGRAMS.—A State shall distribute funds made available in any fiscal year as provided in section 212(a)(2) to local workforce development boards to carry out at-risk youth programs described in section 245.

CHAPTER 1—IN-SCHOOL YOUTH

SEC. 241. USES OF FUNDS FOR IN-SCHOOL YOUTH.

(a) GENERAL AUTHORITY.—Each eligible institution that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(a)(1) shall be used to provide in-school youth development and career preparation programs that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that youth achieve both academic and occupational competencies;

(3) involve employers in the design and implementation of programs, including the development of curriculum;

(4) establish effective linkages between at-risk youth programs, secondary and postsecondary education;

(5) provide work-based learning experiences with adult mentoring where appropriate; and, to the extent possible, with strong experiences and understanding of all aspects of an industry appropriately tied to the student's career major; and

(6) provide career exploration, including exploration in the practical arts or trade, career awareness and career guidance opportunities, beginning in the earliest grades possible.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), funds may be used by schools for in-school youth activities such as—

(1) purchasing, leasing, or upgrading of equipment, including instructional aides and material;

(2) inservice training of vocational instructors, academic instructors, employers, and workplace mentors, to integrate academic and vocational education, and provide high-quality work-based learning experiences;

(3) tech-prep education programs;

(4) supplementary services designed to meet the needs of special populations;

(5) adaptation of equipment;

(6) apprenticeship programs;

(7) comprehensive mentoring programs in institutions of higher education offering comprehensive programs in teacher preparation which seek to fully use the skills and work experience of individuals currently or formerly employed in business and industry who are interested in becoming classroom instructors and to meet the need of vocational educators who wish to upgrade their teaching competencies;

(8) local education and business partnerships for developing and implementing workforce preparation systems;

(9) support for vocational student organizations; and

(10) establishing effective activities and procedures to enable program participants and their parents to participate directly in decisions that influence the character of programs, including providing information and assistance needed for informed and effective participation.

CHAPTER 2—AT-RISK YOUTH

SEC. 245. USES OF FUNDS FOR AT-RISK YOUTH.

(a) GENERAL AUTHORITY.—Each local workforce development board that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(a)(2) shall be used to provide youth development and career preparation programs for at-risk youth that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that students and at-risk youth achieve both academic and occupational competencies;

(3) involve employers in the design and implementation of programs, including the development of curriculum;

(4) establish effective linkages between at-risk youth programs, and secondary and postsecondary education;

(5) provide work-based learning experiences, including experiences in the practical arts or trade, if applicable;

(6) provide adult mentoring as a core component of the program;

(7) provide an objective assessment of the academic and skill levels, and service needs of each participant; and

(8) provide career exploration and counseling.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), providers of at-risk youth programs, as selected by the local workforce development board, may provide activities such as—

(1) tutoring, study skills training and instruction leading to completion of high school;

(2) alternative high school services;

(3) training or education that is combined with community service, and service learning opportunities;

(4) paid work experience, including limited internships, entry-employment experience programs, and summer employment opportunities that are integrated with the year-round school-based or alternative school-based program;

(5) dropout prevention strategies and strategies to encourage at-risk youth to reenter high school or alternative high school programs and programs that encourage pregnant and parenting youth to stay in school;

(6) preemployment and work maturity skills training;

(7) peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours; and

(8) training-related supportive services.

(d) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this chapter to a local workforce development board may be used for administrative purposes.

SEC. 246. AT-RISK YOUTH PROVIDERS.

(a) ROLE OF WORKFORCE DEVELOPMENT BOARD.—A workforce development board that receives funds under this chapter shall not operate programs, but shall contract with eligible providers of demonstrated effectiveness, or with eligible providers utilizing service methodologies with demonstrated effectiveness in serving the workforce preparation needs of at-risk youth, for the purpose of providing services under this chapter.

(b) ELIGIBLE PROVIDERS.—For purposes of this chapter, eligible providers may include—

(1) an "eligible institution" as defined under section 202(7);

(2) a unit of local government;

(3) a private, nonprofit organization (including community-based organizations);

(4) a private, for-profit entity;

(5) a designated 1-stop career center; or

(6) other organizations or entities of demonstrated effectiveness and approved by the local Board.

Subtitle D—National Programs

SEC. 251. RESEARCH ACTIVITIES.

(a) GENERAL AUTHORITY.—

(1) IN GENERAL.—In order to carry out the purpose of this title, the Secretary may, directly or through grants, contracts, or cooperative agreements, carry out research, development, dissemination, replication of model programs, demonstration programs, evaluation, capacity-building, and technical assistance activities with regard to the services and activities carried out under this title.

(2) INFORMATION SYSTEMS.—Activities carried out under this section may include support for occupational and career information systems.

(b) DISSEMINATION.—The Secretary shall establish a system for disseminating information resulting from research and development activities carried out under this title.

SEC. 252. ASSESSMENT AND DATA COLLECTION OF YOUTH DEVELOPMENT AND CAREER PREPARATION PROGRAMS.

(a) IN GENERAL.—The Secretary, through the Office of Educational Research and Improvement, shall conduct a biennial assessment of services and activities assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) CONTENTS.—The assessment required under subsection (a) shall examine the extent to which services and activities assisted under this title have achieved their intended purposes and results, including the extent to which—

(1) State and local services and activities have developed, implemented, or improved systems established under this title;

(2) services and activities assisted under this title succeed in preparing students, including students who are members of special populations, for post-secondary education, further learning, or entry into high-skill, high-wage careers;

(3) students who participate in services and activities supported under this title succeed in meeting challenging State academic and industry-based skill standards; and

(4) the system improvement, participation, local and State assessment, and accountability provisions of this title, including the performance goals and indicators established under section 224, are effective.

SEC. 253. NATIONAL CENTER OR CENTERS FOR RESEARCH.

(a) GENERAL AUTHORITY.—

(1) NATIONAL CENTER.—The Secretary may, through a grant or contract, establish one or more national centers for conducting applied research, development, dissemination, and technical assistance activities which would focus on improving the career preparation of individuals. The Secretary shall consult with States prior to establishing one or more such centers.

(2) ELIGIBILITY.—Entities eligible to receive funds under this section are institutions of higher education, other public or private nonprofit organizations or agencies, and consortia of such institutions, organizations, or agencies.

(3) PREVIOUS CENTER.—The national center in existence on the day before the date of the enactment of the this Act shall continue to receive assistance under this section in accordance with the terms of its current award.

(b) ACTIVITIES.—

(1) IN GENERAL.—The applied research, development, dissemination, and technical assistance activities carried out by the national center or centers shall include—

(A) activities that assist recipients of funds under this title to meet the requirements of section 224;

(B) research and development of activities that combine academic, vocational education, and work-based learning;

(C) developing new models for remediation of basic academic skills which incorporate appropriate instructional methods;

(D) identifying ways to establish links among educational and job training activities at the State and local levels;

(E) new models for career guidance, career information, and counseling services;

(F) studies providing longitudinal information or formative evaluation on programs funded under this title, including an analysis of the effectiveness of youth development and career preparation programs in serving at-risk youth; and

(G) such other activities as the Secretary determines to be appropriate to achieve the purpose of this Act.

(2) DUTIES.—The center or centers shall—

(A) provide assistance to States and local recipients in developing and using systems of performance measures and standards for improvement of programs and services; and

(B) provide technical assistance and outreach.

(3) SUMMARY.—The center or centers conducting the activities described in paragraph (1) shall annually prepare a summary of key research findings of such center or centers and shall submit copies of the summary to the Secretaries of Education and Labor. The Secretary shall submit that summary to the Committee on Labor and Human Resources of the Senate, and the Committee on Economic and Educational Opportunities of the House of Representatives.

(c) CLEARINGHOUSE.—The center or centers shall maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of systems and programs funded under this title.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

Subtitle A—Adult Employment and Training Consolidation Grant

SEC. 301. PURPOSE.

The purpose of this title is to establish an efficient, high-quality, and equitable system of employment, job training, and related assistance designed to facilitate the transition of adults into productive, high skills, private sector employment.

SEC. 302. AUTHORIZATION.

(a) IN GENERAL.—In the case of each State that in accordance with the requirements of section 102 submits to the Secretary of Labor (hereinafter in this title referred to as the "Secretary") a State workforce development and literacy plan under section 104, the Secretary shall provide a grant to the State for the purpose of providing employment, job training, and related assistance for adults in the State.

(b) AMOUNT.—The grant shall consist of the allotment determined for the State under section 303.

SEC. 303. ALLOTMENT AMONG STATES.

(a) IN GENERAL.—Of the amount appropriated pursuant to section 4(a)(2) to carry out this title for a fiscal year, the Secretary shall—

(1) allot 85 percent of such amounts in accordance with subsection (b); and

(2) reserve 15 percent for use under subtitle B.

(b) ALLOTMENT AMONG STATES.—

(1) RESERVATION FOR THE TERRITORIES.—Of the amount allotted under subsection (a)(1), the Secretary shall allot not more than one quarter of one percent among the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Virgin Islands.

(2) STATES.—After determining the amount to be allotted under paragraph (1), the Secretary shall allot the remaining amount to the remaining States so that each State receives an amount that bears the same proportion to such remaining amount as—

(A) the amount allotted to each such State from allotments under sections 202 and 302 of the Job Training Partnership Act (29 U.S.C. 1602 and 1652) (as in effect before the date of the enactment of this Act) for fiscal year 1995; bears to

(B) the aggregate of the amounts allotted to all such States from allotments under such sections for such fiscal year.

Notwithstanding any other provision of law and subject to paragraph (1), in any fiscal year for which the amounts appropriated for programs authorized by title III exceed the amounts so available for fiscal year 1985, no State shall receive less than one-quarter of one percent of the amount available for each such program for that fiscal year under this subsection. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

SEC. 304. ALLOCATION WITHIN STATES.

(a) RESERVATIONS FOR STATE ACTIVITIES.—

(1) IN GENERAL.—The Governor of the State shall reserve not more than 20 percent of the amount allotted to the State under section 303(b) for a fiscal year for statewide activities for employment, job training, and related assistance for adults.

(2) MANDATORY ACTIVITIES.—Such activities shall include—

(A) rapid response activities; and

(B) additional assistance to areas that experience disasters, mass layoffs or plant closings, or other events which precipitate substantial increases in the number of unemployed workers, to be expended in accordance with the local plan of the relevant workforce development area.

(3) DISCRETIONARY ACTIVITIES.—

(A) IN GENERAL.—Such activities may include—

(i) subject to subparagraph (B), administration by the State of programs under this subtitle;

(ii) capacity building and technical assistance to local workforce development areas, one-stop career centers, and service providers, including the development and training of staff and the development of exemplary program activities;

(iii) incentives for program coordination, performance awards, and research and demonstrations;

(iv) implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading for non-managerial employees (in accordance with the requirements of section 314);

(v) implementation of experimentation model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act;

(vi) additional assistance for the development and implementation of the one-stop delivery system of the State established in accordance with title I of this Act; and

(vii) support for a common management information system as described in section 109.

(B) LIMITATION.—Not more than ¼ of the amount reserved by the Governor under paragraph (1) may be used for administration by the State of programs under this subtitle.

(b) WITHIN STATE ALLOCATION.—

(1) IN GENERAL.—The Governor of the State, based upon an allocation formula established in accordance with paragraph (2), shall allocate the remainder of the amount allotted to the State under section 303(b) to workforce development areas designated under title I of this Act for the purpose of providing employment, job training, and related assistance for adults in accordance with section 306.

(2) WITHIN STATE FORMULA.—

(A) ESTABLISHMENT.—The Governor, through the collaborative process, and after consultation with local chief elected officials in the local workforce development area, shall develop a formula for the allocation of funds to workforce development areas. Such formula shall take into account—

(i) poverty rates within each local workforce development area, as determined by the State;

(ii) unemployment rates within each local workforce development area;

(iii) the proportion of the State's adult population residing within each local workforce development area; and

(iv) such other factors as considered appropriate.

(B) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in subparagraph (A) do not receive disproportionate weighting.

(3) EXCEPTION.—Notwithstanding the provisions of paragraphs (1) and (2), the Governor shall provide 10 percent of the remainder described in paragraph (1) to local workforce areas designated under title I of this Act.

SEC. 305. ADDITIONAL STATE PLAN REQUIREMENTS.

The State shall, as part of the State workforce development and literacy plan under title I of this Act, submit to the Secretary the following additional information:

(1) A description of how the State will serve the employment and training needs of dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals with multiple barriers to employment (as determined by the State), including individuals who are basic skills deficient.

(2) A description of how the State will provide rapid response assistance to workers experiencing dislocation as a result of mass layoffs and plant closings, either through the direct provision of services or through the transfer of funds to local workforce development areas for the provision of such services.

SEC. 306. USE OF AMOUNTS.

(a) CORE SERVICES.—Amounts allocated under section 304(b) shall be used to provide core services to adults through one-stop career centers in accordance with title I of this Act.

(b) INTENSIVE SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 304(b) shall be used to provide intensive services to adults—

(A) who are unable to obtain employment through core services under subsection (a); and

(B) who have been determined to be in need of more intensive services in order to gain employment.

(2) DELIVERY OF SERVICES.—Such intensive services shall be provided—

(A) directly through one-stop career centers in accordance with title I of this Act; or

(B) through contracts through such centers with service providers approved by the local workforce development board, which may include private, for-profit providers.

(3) TYPES OF SERVICES.—Such intensive services may include the following:

(A) Comprehensive and specialized assessments of the skill levels and service needs of adults, which may include—

(i) diagnostic testing and other assessment tools; and

(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

(B) Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and the appropriate combination of services for the adult to achieve the employment goal.

(C) Group counseling.

(D) Individual counseling and career planning.

(E) Case management for adults receiving education and training services under subsection (c) or supportive services under subsection (d).

(F) Follow-up counseling for adults placed in training or employment, for up to 1 year.

(c) EDUCATION AND TRAINING SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 304(b) shall be used to provide education and training services to adults—

(A) who are unable to obtain employment through core services under subsection (a);

(B) who are in need of education and training services in order to gain employment as a result of determinations made through—

(i) preliminary assessments under section 107(f)(1)(B) of this Act; or

(ii) comprehensive and specialized assessments under subsection (b)(3)(A); and

(C) who are unable to obtain other grant assistance for such services, such as through Pell Grants established under title IV of the Higher Education Act.

(2) DELIVERY OF SERVICES.—Such education and training services shall be provided through education and training providers certified in accordance with title I of this Act.

(3) TYPES OF SERVICES.—Such education and training services may include the following:

(A) Basic skills training, including remedial education, literacy training, and English literacy program instruction.

(B) Occupational skills training, including training for nontraditional employment.

(C) On-the-job training.

(D) Programs that combine workplace training with related instruction.

(E) Training programs operated by the private sector.

(F) Skill upgrading and retraining.

(G) Entrepreneurial training.

(H) Employability training to enhance basic workplace competencies.

(I) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

(4) ADDITIONAL REQUIREMENTS.—

(A) USE OF SKILL GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii), education and training services under this section shall be provided through the use of skill grants in accordance with this subsection, and in accordance with section 108 regarding the certification of education and training providers.

(ii) EXCEPTIONS.—Education and training services authorized under this title may be provided pursuant to a contract for services in lieu of a skill grant if—

(I) such services are on-the-job training provided by an employer;

(II) the local workforce development board determines there are an insufficient number of certified providers of education and training services in the workforce development area to accomplish the purposes of a skill grant system;

(III) the local workforce development board determines that the certified providers of education and training in the workforce development area are unable to provide effective services to special participant populations; or

(IV) the local workforce development board decides to enter into a direct training contract with a community based organization serving special populations.

(B) LINKAGE TO OCCUPATIONS IN DEMAND.—Education and training services under this subsection shall be directly linked to occupations for which there is a demand in the local workforce development area, or in another area to which an adult receiving such services is willing to relocate.

(d) ADDITIONAL SERVICES.—

(1) SUPPORTIVE SERVICES.—Supportive services may be provided for individuals—

(A) who are receiving assistance under any of subsections (a) through (c); and

(B) who are unable to receive such services through other programs providing such services.

(2) NEEDS-RELATED PAYMENTS.—

(A) IN GENERAL.—Amounts allocated under section 304(b) may be used to provide needs-related payments to adults who are unemployed and do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such adults to participate in education and training programs under subsection (c).

(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has exhausted unemployment insurance benefits shall be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in education or training by the end of the 8th week of the worker's initial unemployment compensation benefit period, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will in fact exceed 6 months.

(e) PRIORITY.—Local workforce development boards shall establish a process through which priority is given to dislocated workers and economically disadvantaged individuals, for receipt of services provided under subsections (b) and (c), in the event that funds are limited within the workforce development area.

(f) PROHIBITION ON PRIVATE RIGHT OF ACTION.—Nothing in this section shall be construed to establish a right for a participant to bring an action to obtain services under a program established under this section.

(g) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this title to a local workforce development board may be used for administrative purposes.

SEC. 307. CORE STANDARDS, PERFORMANCE GOALS, AND MEASURES.

(a) GENERAL AUTHORITY.—

(1) STANDARDS AND MEASURES.—Each State receiving a grant under this title shall have developed or shall develop and implement a statewide system of core standards and measures of performance for programs established under this title, based upon performance standards described in paragraph (2), and consistent with the State's goals and objectives, and benchmarking process described in the State plan required under section 104.

(2) STATEWIDE SYSTEM.—Each statewide system shall—

(A) establish or have established performance goals to define the level of performance to be achieved by adults served under this title and to evaluate the quality and effectiveness of services and activities under this title;

(B) express such goals in an objective, quantifiable, and measurable form;

(C) establish performance indicators or benchmarks that the State and local recipients of funds will use in measuring or assessing progress toward achieving such goals; and

(D) provide biennial reports to the public and to the Secretary on the State's progress in achieving its goals.

(b) REQUIREMENTS.—Each system developed under subsection (a) shall include measures of—

(1) placement, retention, and earnings of participants in unsubsidized employment, including retention and earnings at 6 months, and at one year after program termination, respectively;

(2) the provision of services to dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals with multiple barriers to employment (as determined by the State), including individuals who are basic skills deficient; and

(3) acquisition of skills certificates pursuant to a skill standards and skill certification system endorsed by the National Skill Standards Board, once such system is established.

Subtitle B—Federal Programs

SEC. 311. NATIONAL DISCRETIONARY GRANTS.

(a) GRANTS FOR DISLOCATED WORKERS.—

(1) IN GENERAL.—From amounts reserved under section 303(a)(2) for any fiscal year, the Secretary is authorized to award national discretionary grants to address major economic dislocations that result from plant closures, base closures, or mass layoffs.

(2) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary determines is appropriate.

(3) ELIGIBLE ENTITIES.—Grants under this section may be awarded to—

(A) the State;

(B) a local workforce development board administering assistance under this Act;

(C) employers and employer associations;

(D) worker-management transition assistance committees and other employer-employee entities;

(E) representatives of employees;

(F) community development corporations and community-based organizations; and

(G) industry consortia.

(b) INCENTIVE GRANTS.—From amounts reserved under section 303(a)(2) for any fiscal year, the Secretary may provide awards to States—

(1) to assist in the implementation of exemplary statewide workforce development system designs; and

(2) for the achievement of exceptional performance in the statewide workforce development system.

SEC. 312. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) IN GENERAL.—From amounts reserved under section 303(a)(2) for any fiscal year, the Secretary may provide assistance to the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (referred to in this section as the "disaster area").

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds made available under this section—

(A) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations engaged in such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible to be offered disaster employment under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

SEC. 313. RESEARCH, DEMONSTRATION, EVALUATION, AND CAPACITY BUILDING.

(a) IN GENERAL.—From amounts reserved under section 303(a)(2) for any fiscal year, the Secretary shall establish and carry out research, demonstration, and capacity building activities in accordance with this section.

(b) ACTIVITIES.—The Secretary shall carry out the following activities under this section:

(1) RESEARCH.—The Secretary shall conduct continuing research, which may include studies and other methods and techniques, that will aid in the solution of the employment and training problems of the United States. Such studies may include the extent to which individuals who participate in programs established under this title achieve self-sufficiency as a result of such participation, including the identification by State and locality, to the extent practicable, of indicators measuring such self-sufficiency.

(2) DEMONSTRATIONS.—The Secretary shall conduct pilot and demonstration projects for the purpose of developing and improving methods and techniques for addressing employment and training needs which may include projects conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies. The Secretary may award grants and enter into contracts with appropriate entities to carry out such projects.

(3) EVALUATION.—

(A) ACTIVITIES.—

(i) JOB TRAINING ACTIVITIES.—The Secretary shall provide for the continuing evaluation of activities conducted under this Act, including the cost-effectiveness of such activities in achieving the purposes of this Act.

(ii) OTHER PROGRAMS.—The Secretary may conduct evaluations of other federally funded employment-related activities including programs administered under—

(I) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(II) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

(III) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(IV) the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

(B) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

(i) the statutory goals;

(ii) the performance standards established by the Secretary; and

(iii) the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

(4) NATIONAL PARTNERSHIP AND SPECIAL TRAINING.—The Secretary may award special grants to eligible entities to carry out activities that are most appropriately administered at the national level. Such activities may include—

(A) partnerships with national organizations with special expertise in developing, organizing, and administering employment and training services at the national, State, and local levels, such as industry and labor associations, public interests groups, community-based organizations representative of groups that encounter special difficulties in the labor market, in education and training; and

(B) activities that—

(i) address industry-wide skill shortages;

(ii) meet training needs that are best addressed on a multistate basis;

(iii) further the goals of increasing the competitiveness of the United States labor force; and

(iv) require technical expertise available at the national level to serve the needs of particular client groups that encounter significant barriers to employment and who the Secretary determines require special assistance; and

(v) promote and experiment with model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act.

(5) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall provide, through grants, contracts, or other arrangements, staff training and technical assistance to States, local workforce development boards, career centers, communities, business and labor organizations, service providers, industry consortia, and other entities, to enhance their capacity to develop and deliver effective employment and training services.

(B) ACTIVITIES.—The staff training and technical assistance authorized under subparagraph (A) may include—

(i) development of management information systems;

(ii) development and maintenance of a national capacity building, information and dissemination network; and

(iii) grants for the replication of successful employment and training models and activities.

SEC. 314. WORKFORCE SKILLS AND DEVELOPMENT LOANS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 303(a)(2) for any fiscal year, the Secretary of Labor may use a portion of such amounts to provide grants to States to provide loans to eligible entities described in paragraph (2) to assist such entities in providing skills upgrading.

(2) ELIGIBLE ENTITIES.—An eligible entity described in this paragraph is—

(A) an employer;

(B) a representative of employees;

(C) a business association;

(D) a trade organization; or

(E) a consortium consisting of—

(i) more than 1 of the entities described in subparagraphs (A) through (D); or

(ii) an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) which continues to meet the eligibility and certification requirements under section 498 of such Act) and 1 or more of the entities described in subparagraphs (A) through (D).

(b) APPLICATION.—The Secretary may provide a grant to a State under subsection (a) only if such State submits to the Secretary an application which contains such information as the Secretary may reasonably require.

(c) USE OF AMOUNTS.—A State shall use amounts received from a grant under subsection (a) to establish a loan guarantee program to assist eligible entities described in paragraph (2) of such subsection to provide skills upgrading for nonmanagerial employees. In carrying out such program, the State shall meet the following requirements:

(1) ESTABLISHMENT OF RESERVE FUND FOR LOAN GUARANTEES.—The State shall establish a reserve fund from amounts received from such grant for the purpose of making commitments to guarantee the payment of principal and interest on loans made by financial institutions to such eligible entities to provide skills upgrading for nonmanagerial employees.

(2) CRITERIA FOR LOAN GUARANTEES.—The State, in conjunction with appropriate financial institutions, shall establish and publish criteria for providing loan guarantees to eligible entities under the program, including criteria that provides for the following:

(A) A loan guarantee may be issued under the program only if, at the time such guarantee is issued the eligible entity agrees to pay as an insurance premium an amount equal to 1 percent of the principal received by such entity under the loan to the State's reserve fund.

(B)(i) Subject to clause (ii), the eligible entity will use amounts received from the loan to provide skills upgrading for mid- and lower-level employees, which may include—

(I) training in total quality management, statistical process control, production techniques, office automation, materials resource planning; and

(II) training to improve basic skills, including reading, writing, and arithmetic.

(ii) In providing such skills upgrading, the eligible entity shall give priority to nonmanagerial employees who—

(I) directly produce or deliver goods or services; or

(II) are in danger of being terminated or laid off as a result of modernization in the workplace, corporate downsizing, foreign or domestic

competition, or Federal policies adversely affecting 1 or more industries.

(C) Amounts from a loan shall not be used to pay the wages or other benefits of any employee receiving assistance under the program.

(3) PAYMENT BY STATE TO FINANCIAL INSTITUTIONS IN CASES OF DEFAULT.—

(A) IN GENERAL.—In accordance with criteria developed by the Secretary, the State shall make payments from the State's reserve fund to financial institutions that have provided loans to eligible entities that have defaulted on such loans for the purpose of reimbursing such institutions for the amount of principal and interest remaining unpaid to the institutions by reason of such default.

(B) NO FULL FAITH AND CREDIT OF THE UNITED STATES.—Loans provided by financial institutions to eligible entities under loan guarantee programs under this section shall not be obligations of, or guaranteed in any respect by, the United States.

(4) INTEREST FROM AMOUNTS IN RESERVE FUND.—Any interest earned from amounts in the State's reserve fund shall be credited to such fund.

(d) FEDERAL AND STATE SHARE.—

(1) FEDERAL SHARE.—The Federal share under this section may not exceed 50 percent of the total cost of the program established under subsection (c) for any fiscal year.

(2) STATE SHARE.—The State share shall be provided from non-Federal sources and may be in cash or in-kind, fairly evaluated.

SEC. 315. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR NATIVE AMERICANS.

(a) AUTHORIZATION.—From amounts reserved under section 303(a)(2) for any fiscal year, the Secretary of Labor shall provide grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, tribally-controlled colleges, tribally-controlled postsecondary vocational institutions, Indian-controlled organizations serving off-reservation areas, Alaska Native village and regional entities serving areas as described in the Alaska Native Claims Settlement Act and Hawaiian Native-controlled organizations to provide employment, training, vocational rehabilitation, library services, and education assistance for Native Americans.

(b) TRANSFER OF AUTHORITY FOR VOCATIONAL EDUCATION ACTIVITIES.—In carrying out subsection (a), the Secretary of Labor may enter into an agreement with the Secretary of Education to carry out any portion of assistance under such subsection devoted to vocational educational activities, including support for the United Tribes Technical College and Crownpoint Institute of Technology.

(c) CONSOLIDATION OF FUNDS.—Entities receiving assistance under subsection (a) 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 (Public Law 102–477).

(d) REGULATIONS.—The Secretary shall consult with Indian, Alaska Native and Hawaiian Native groups in establishing regulations to carry out this section, including performance standards for entities receiving assistance under subsection (a), taking into account the economic circumstances of such groups.

SEC. 316. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR MIGRANT AND SEASONAL FARMWORKERS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 303(a)(2) for any fiscal year, the Secretary of Labor shall provide grants to, or enter into contracts or cooperative agreements with, entities described in paragraph (2) to provide employment, training, and education assistance for migrant and seasonal farmworkers.

(2) ENTITIES DESCRIBED.—An entity described in this paragraph is an entity the Secretary determines to have the capacity to administer effectively a diversified development program for migrant and seasonal farmworkers.

(b) USE OF AMOUNTS.—An entity shall use amounts received under subsection (a) to provide employment, training, educational development, high school equivalency, postsecondary education assistance, vocational rehabilitation, literacy, English as a second language, work-based education and development, worker safety training, employability enhancements, emergency or other disaster relief, including housing, technical assistance, outreach, intake, assessment, follow-up, stipend support, supportive services, other needs-based assistance, self-employment and related business enterprise development education, and the management of a database on participating migrant and seasonal farmworkers.

(c) TRANSFER OF AUTHORITY FOR EDUCATION ACTIVITIES.—In carrying out subsection (b), the Secretary of Labor may enter into an agreement with the Secretary of Education to carry out assistance as described in—

(1) a secondary and postsecondary high school equivalency program to serve migrants and seasonal farmworkers; and

(2) a college assistance migrant program to provide outreach and recruitment services for migrants and seasonal farmworkers.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

SEC. 401. FINDINGS.

The Congress finds as follows:

(1) According to the 1990 census, 21 percent of our Nation's adults (more than 38 million persons) lack a high school credential or are limited English proficient.

(2) The National Adult Literacy Survey, conducted under the Adult Education Act, found that 20 percent of all adults in the United States, or about 40 million people, have minimal levels of literacy skills and that the lack of such skills is related to unemployment, low wages, and fewer weeks worked.

(3) The success of State efforts to reform and improve public education are dependent on the ability of the United States to break intergenerational cycles of illiteracy and inadequate education by ensuring that parents possess a strong educational foundation and, as the first and most continuous teachers of their children, model for, and instill in, their children a commitment to family literacy and life-long learning.

(4) Generations of immigrants have contributed to our communities and our economy, but for them to continue to do so given recent technologies and the competitive global economy, they must master English as rapidly as possible.

(5) Studies have found that incarcerated adults are twice as likely as nonincarcerated adults to lack a good education and that such lack is a significant statistical indicator of recidivism.

(6) Certain short-term and long-term goals of the Nation may not be met unless the United States improves its current system of adult education and life-long learning through Federal leadership.

SEC. 402. DEFINITIONS.

As used in this title:

(1) CORRECTIONAL EDUCATION AGENCY.—The term "correctional education agency" means an entity that provides programs for criminal offenders in corrections institutions and for other institutionalized individuals which include academic programs for basic education, special education, bilingual or English language instruction, vocational training, library development, corrections education programs, guidance and counseling, and other supportive services for criminal offenders which may emphasize coordination of educational services with educational institutions, community-based organizations of demonstrative effectiveness, and the private sector, designed to provide education and training.

(2) EDUCATIONALLY DISADVANTAGED ADULT.—The term "educationally disadvantaged adult" means an adult who—

(A) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

(B) 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.

(3) FAMILY LITERACY SERVICES.—The term "family literacy services" means services that integrate all of the following activities and are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents on how to be their children's primary teacher and full partners in the education of their children.

(C) Parent literacy training.

(D) Early childhood education.

(4) SECRETARY.—The term "Secretary" means the Secretary of Education.

Subtitle A—Adult Education and Family Literacy Consolidation Grant

SEC. 411. PURPOSES.

The purposes of this subtitle are to assist States to provide—

(1) to adults, the basic educational skills necessary for employment and self-sufficiency;

(2) to adults who are parents, the educational skills necessary to be full partners in the educational development of their children;

(3) to adults, the basic English language skills necessary to participate in the civic, social, and economic life of the United States; and

(4) to adults, the opportunity to attain a high school degree or its equivalent in order to permit them to pursue further education and training or improve their family and work situations.

CHAPTER 1—FUNDING

SEC. 421. RESERVATIONS FROM AMOUNTS APPROPRIATED.

(a) NATIONAL INSTITUTE FOR LITERACY.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to carry out the activities of the National Institute for Literacy described in section 441.

(b) NATIONAL LEADERSHIP ACTIVITIES.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to establish and carry out the program of national leadership and evaluation activities described in section 442.

SEC. 422. ALLOTMENT.

(a) INITIAL ALLOTMENT.—From the sums available for the purpose of making grants under chapter 2 for any fiscal year, the Secretary shall allot—

(1) $100,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(2) $250,000 to each of the other States.

(b) ADDITIONAL ALLOTMENT.—

(1) IN GENERAL.—From the remainder of the sums described in subsection (a) after the application of the subsection, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the number of qualifying adults in the State bears to the number of such adults in all States.

(2) QUALIFYING ADULT.—For purposes of this subsection, the term "qualifying adult" means an adult who—

(A) is at least 16 years of age, but less than 61 years of age;

(B) is beyond the age of compulsory school attendance under State law;

(C) does not have a certificate of graduation from a school providing secondary education (or its equivalent); and

(D) is not currently enrolled in elementary or secondary school.

CHAPTER 2—GRANTS TO STATES

SEC. 431. REQUIREMENT TO MAKE GRANTS.

For fiscal year 1997 and subsequent fiscal years, the Secretary shall make a grant to a State in an amount equal to the initial and additional allotments of the State for the year if the State—

(1) has satisfied the requirements of title I and section 433(a)(1);

(2) enters into a written agreement with the Secretary that the State—

(A) will not expend the grant for any purpose other than in accordance with section 432;

(B) will satisfy the grant requirements in section 433(a)(2) and 433(b); and

(C) will not expend the grant for the purpose of supporting or providing programs, services, or activities for individuals who are not adults, except if such programs, services, or activities are related to family literacy services.

SEC. 432. USES OF FUNDS.

(a) STATE USES OF FUNDS.—

(1) GRANTS TO SERVE TARGET POPULATIONS.—

(A) IN GENERAL.—Of the funds paid to a State under this title for fiscal year 1998 and subsequent fiscal years, 3 percent shall be distributed as performance grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers that have provided, during the immediately preceding fiscal year, adult education or family literacy services to the target populations described in subparagraph (C).

(B) LOCAL SERVICE PROVIDERS.—The local service providers referred to in subparagraph (A) may include the following:

(i) Local educational agencies.

(ii) Correctional educational agencies.

(iii) Community-based organizations.

(iv) Public or private nonprofit agencies.

(v) Institutions of higher education.

(vi) Libraries.

(vii) Other institutions that the State determines to have the ability to provide literacy services to adults and families.

(C) TARGET POPULATIONS.—The target populations referred to in subparagraph (A) are the following:

(i) Adults with more than one barrier to self-sufficiency, such as being unemployed or an educationally disadvantaged adult.

(ii) Families on public assistance (as determined by the State).

(iii) Parents who are educationally disadvantaged adults and who have a child who is less than 8 years of age.

(iv) Adults who are individuals with disabilities or who have similar special needs.

(2) GRANTS TO LOCAL SERVICE PROVIDERS.—Of the funds paid to a State under this subtitle for any fiscal year that remain after the application of paragraph (1), at least 85 percent shall be distributed as grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers to establish, conduct, or expand programs, services, or activities to achieve a purpose of this subtitle. Such local service providers may include the local service providers described in paragraph (1)(B).

(3) OTHER STATE ACTIVITIES.—A State may use not more than 12 percent of the funds paid to the State under this subtitle for any fiscal year that remain after the application of paragraph (1) for one or more of the following purposes:

(A) The establishment or operation of professional development programs to improve the quality of instruction provided in local adult education and literacy programs, including instruction provided by volunteers.

(B) The provision of technical assistance to local service providers.

(C) The provision of technology assistance to local service providers to enable them to improve the quality of their programs, services, and activities that achieve a purpose of this subtitle, including—

(i) providing hardware and software;

(ii) paying for service connection fees associated with gaining access to computerized databases; and

(iii) upgrading the technological capabilities of local service providers to improve the quality of their services and to assist them in providing services on a flexible schedule that meets the needs of diverse populations.

(D) The support of State or regional networks of literacy resource centers that—

(i) enhance the coordination of literacy services across public and private programs and State agencies;

(ii) enhance the capacity of the State and local service providers to provide literacy services through the diffusion and adoption of state-of-the-art teaching methods and technologies;

(iii) provide linkages between the National Institute for Literacy established under section 441 and local service providers for the sharing of literacy information, research, and resources;

(iv) encourage government and industry partnerships; and

(v) provide training and technical assistance to literacy instructors in reading instruction, the use of state-of-the-art methodologies, instructional materials, and technologies, and professional development.

(E) Monitoring and evaluating the quality of, and the improvement in, services and activities conducted with Federal financial assistance under this subtitle, including carrying out section 433(a)(2).

(F) The support of a common management information system as described in section 109.

(G) Carrying out other activities of statewide significance that promote the purposes of this Act.

(4) ADMINISTRATIVE EXPENSES.—For any fiscal year, a State may use not more than 3 percent of the funds paid to the State under this subtitle that remain after the application of paragraph (1) or $50,000, whichever is greater, for—

(A) planning, administration, and interagency coordination associated with a grant under this subtitle; and

(B) support for one-stop career center systems described in section 107.

(b) LOCAL USES OF FUNDS.—A State shall require that a local service provider that receives a grant from the State under paragraph (1) or (2) of subsection (a) use the grant to establish or operate one or more programs that provide instruction or services within one or more of the following categories:

(1) Adult basic education that is designed for an adult who—

(A) has minimal competence in reading, writing, or computation;

(B) is not sufficiently competent in reading, writing, or computation to meet the requirements of adult life in the United States; or

(C) is not sufficiently competent in speaking, reading, or writing the English language to obtain employment commensurate with the adult's intellectual abilities.

(2) Adult secondary education that is designed for an adult who is literate and can function in everyday life, but who—

(A) has not acquired basic educational skills, including reading, writing, and computation; or

(B) does not have a certificate of graduation from a school providing education to students in grade 12, or its equivalent.

(3) English literacy instruction that is designed for an adult—

(A) who—

(i) has limited ability in speaking, reading, writing, or understanding the English language and whose native language is a language other than English; or

(ii) lives in a family or community environment where a language other than English is the dominant language; and

(B) who, by reason of a condition described in subparagraph (A), has sufficient difficulty reading, writing, or understanding the English language that the adult is unable—

(i) to learn successfully in a classroom where the language of instruction is English; or

(ii) to participate fully in the society of the United States.

(4) Family literacy services.

SEC. 433. ADDITIONAL GRANT REQUIREMENTS.

(a) GOALS, PROGRESS INDICATORS, PERFORMANCE MEASURES.—

(1) PLANNING REQUIREMENTS.—A State that desires to receive a grant under this subtitle shall accomplish the following:

(A) Establish, through the collaborative process described in section 103, measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State.

(B) Based on such goals and the performance measures described in section 434, establish, through such collaborative process, progress indicators to be used to evaluate the performance of local service providers receiving a grant under paragraph (1) or (2) of section 432(a).

(C) Describe such goals and progress indicators in the State workforce development and literacy plan submitted to the Secretary under section 104.

(2) IMPLEMENTATION REQUIREMENTS.—A State that receives a grant under this subtitle shall accomplish the following:

(A) With respect to each local service provider receiving a grant under paragraph (1) or (2) of section 432(a), based on the goals and progress indicators established under paragraph (1), measure the performance measures described in section 434 and use the data produced by such measurement to improve the quality of services provided to program participants or service recipients.

(B) Beginning on the date that is 2 years after the first date that a local service provider receives a grant under paragraph (1) or (2) of section 432(a), annually assess the degree to which the provider is meeting or exceeding the progress indicators applicable to the provider.

(C) Annually report to the Secretary on the performance measures described in section 434 for each category described in such section.

(b) OTHER REQUIREMENTS.—A State that receives a grant under this subtitle shall ensure the following:

(1) EXPENDITURES OF NON-FEDERAL FUNDS.—For any fiscal year for which a grant is made to the State under this subtitle, the State shall expend, on programs and activities relating to adult education and family literacy services, an amount, derived from sources other than the Federal Government, equal to 25 percent of the State's initial and additional allotments for the year.

(2) PRIORITY FOR PLANNING WITH BOARDS AND SYSTEMS.—In awarding grants to local service providers under paragraph (1) or (2) of section 432(a), the State shall give priority to providers that demonstrate joint planning with local workforce development boards and one-stop career center systems.

(3) EQUITABLE ACCESS.—Local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, institutions of higher education, libraries, and institutions which serve educationally disadvantaged adults shall be provided direct and equitable access to Federal funds provided under this subtitle in accordance with this subtitle.

(4) PAYMENTS BY ONE-STOPS TO LOCAL SERVICE PROVIDERS.—A one-stop career center system in a State that refers an adult who is in need of adult education or literacy services in order to achieve such adult's career goals to a local service provider shall pay to such provider, in accordance with the biennial strategic plan of the local workforce development board pursuant to which such center is established or designated, an amount appropriate to pay for such services if such provider renders such services and—

(A) is receiving a grant from the State under paragraph (1) or (2) of section 432(a); or

(B) is not receiving such a grant but has been certified by the State as eligible to receive such amounts.

SEC. 434. PERFORMANCE MEASURES.

A State that receives a grant under this subtitle for a fiscal year shall measure the performance in the following categories for such year of the programs, services, and activities carried out by each local service provider receiving a grant under paragraph (1) or (2) of section 432(a):

(1) The percentage of adults served who, based on skills or abilities acquired through such a program, service, or activity—

(A) demonstrate skills necessary to assist their children to succeed in school, such as the ability to—

(i) read to their children;

(ii) provide support to their children in the completion of homework assignments; or

(iii) participate on an ongoing basis in activities that support their childrens' schools;

(B) enrolled in institutions of higher education or occupational training;

(C) obtained a job;

(D) advanced in their job; or

(E) performed new job requirements essential to retaining their job.

(2) The percentage of adults served who, based on skills or abilities acquired through such a program, service, or activity—

(A) obtained a high school diploma; or

(B) obtained a high school equivalency diploma.

(3) The percentage of adults served who, based on skills or abilities acquired through such a program, service, or activity—

(A) register to vote;

(B) obtain United States citizenship; or

(C) seek preventive health services.

(4) The percentage of incarcerated adults served who, based on skills or abilities acquired through such a program, service, or activity, during their term of incarceration or upon the termination of such term—

(A) enrolled in job training or education programs; or

(B) obtained employment.

CHAPTER 3—NATIONAL PROGRAMS

SEC. 441. NATIONAL INSTITUTE FOR LITERACY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be established a National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The Secretary may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

(2) BOARD RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the "Board") established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

(3) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

(b) DUTIES.—

(1) IN GENERAL.—The Institute shall—

(A) provide national leadership for the improvement and expansion of the system for delivery of literacy services;

(B) coordinate the delivery of such services;

(C) support the creation of new methods of offering improved services;

(D) serve as a national resource for adult education and family literacy services by providing to the public the best and most current information available on the subjects; and

(E) assist States in developing levels of performance.

(2) AUTHORIZED ACTIVITIES.—In order to carry out the duties described in paragraph (1), the Institute may—

(A) establish a national electronic database of information that includes—

(i) information on—

(I) effective practices in the provision of literacy and basic skills instruction;

(II) public and private literacy and basic skills programs and Federal, State, and local policies affecting the provision of literacy services at the national, State, and local levels; and

(III) technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

(ii) a communication network for literacy programs, providers, and students;

(B) coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local level;

(C) coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies and carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

(D) collect and disseminate information on methods of advancing literacy that show promise of success;

(E) work with the National Education Goals Panel established under Goals 2000: Educate America Act to assist local, State, and national organizations and agencies in making and measuring progress toward the National Education Goals established under such Act; and

(F) assist in the development of policy with respect to literacy and basic skills.

(3) GRANTS, CONTRACTS, AND AGREEMENTS.—The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private 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, in consultation with the Board, may award fellowships, with such stipends and allowances as 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) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

(d) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board. The Board 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; and

(ii) are representative of entities or groups described in subparagraph (B).

(B) ENTITIES OR GROUPS DESCRIBED.—The entities or groups referred to in subparagraph (A) are—

(i) literacy organizations and providers of literacy services, including—

(I) nonprofit providers of literacy services;

(II) providers of programs and services involving English language instruction; and

(III) providers of services receiving assistance under this subtitle;

(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 Board 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 Interagency Group and the Director.

(3) TERMS.—

(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year.

(B) VACANCY APPOINTMENTS.—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 members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(4) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

(5) CHAIRPERSON AND VICE CHAIRPERSON.—The chairperson and vice chairperson of the Board shall be elected by the members. The term of office of the chairperson and vice chairperson shall be 1 year.

(6) MEETINGS.—The Board shall meet at the call of the chairperson or a majority of its members.

(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

(f) MAILS.—The Board 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 Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director 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 maximum rate payable under section 5376 of title 5, United States Code.

(i) EXPERTS AND CONSULTANTS.—The Board 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 biennial report to the Interagency Group and the Congress.

SEC. 442. NATIONAL LEADERSHIP ACTIVITIES.

(a) IN GENERAL.—The Secretary shall establish and carry out a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy programs nationwide.

(b) REQUIRED ACTIVITY.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) shall include a national evaluation, conducted by the Secretary, of the programs and activities carried out by States and local service providers with Federal funds received under this subtitle. Such evaluation shall include information on the following:

(A) The manner in which States and local service providers use Federal funds, including the manner in which States allocate such funds among such providers.

(B) The manner in which States establish goals and performance standards and use such goals and standards to manage and improve programs.

(C) The effectiveness of the funds used under subparagraphs (B) and (C) of section 432(a)(3).

(D) The manner in which economically disadvantaged individuals and educationally disadvantaged adults are being served by States and local service providers.

(E) The coordination between programs and activities carried out with Federal funds received under titles II and III and programs and activities carried out with Federal funds received under this subtitle.

(F) The percentage of individuals receiving a service from a one-stop career center system who are referred by such system to a local service provider providing adult education or literacy services.

(2) REPORT.—Not later than September 30, 2001, the Secretary shall provide to the Congress and publicly publish the results of the evaluation conducted under paragraph (1).

(c) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) may include the following:

(A) Assisting States in developing levels of performance.

(B) Research and development.

(C) Demonstration of model and innovative programs.

(D) Evaluations, including independent evaluations of adult education and family literacy programs carried out with financial assistance received pursuant to this subtitle.

(E) Data collection.

(F) Professional development.

(G) Technical assistance to States and local service providers receiving Federal financial assistance pursuant to this subtitle.

(H) Making grants to State or regional networks of literacy resource centers described in section 432(a)(3)(D).

(I) Other activities to enhance the quality of adult education and family literacy programs nationwide.

(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary may carry out the activities described in paragraph (1) directly or through grants, contracts, and cooperative agreements.

Subtitle B—Library Services and Technology Consolidation Grant

SEC. 451. PURPOSES.

The purposes of this subtitle are—

(1) to consolidate Federal library service programs;

(2) to improve public access to information through electronic networks; and

(3) to provide linkages among and between libraries and one-stop career center systems.

SEC. 452. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle $110,000,000 for each of the fiscal years 1997 through 2002.

(b) ADVANCE NOTICE OF FUNDING.—For the purpose of affording adequate notice of funding available under this subtitle, an appropriation to carry out this subtitle is authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which such appropriation is first available for obligation.

SEC. 453. ALLOTMENTS.

(a) INITIAL ALLOTMENTS.—

(1) IN GENERAL.—From the sums appropriated under section 452 for any fiscal year, the Secretary shall allot—

(A) $40,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(B) $200,000 to each of the other States.

(2) RATABLE REDUCTION.—If the sums appropriated under section 452 for any fiscal year are insufficient to pay all of the allotments under paragraph (1), each such allotment shall be ratably reduced.

(b) ADDITIONAL ALLOTMENTS.—

(1) IN GENERAL.—From the remainder of the sums appropriated under section 452 for any fiscal year after the application of subsection (a), the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the population of the State bears to the population of all States.

(2) DETERMINATION OF POPULATION OF STATES.—For the purpose of this subsection, the population of each State, and the total population of all States, shall be determined by the Secretary on the basis of the most recent census data available to the Secretary, and the Secretary shall use for such purpose, if available, the annual interim current census data produced by the Secretary of Commerce pursuant to section 181 of title 13, United States Code.

SEC. 454. GRANTS TO STATES.

(a) IN GENERAL.—The Secretary shall make a grant for a fiscal year to a State if the State—

(1) has submitted to the Secretary for the year an annual application that has been approved by the Secretary under section 456; and

(2) has entered into a written agreement with the Secretary that—

(A) the State will provide 100 percent of the funds paid to the State under this subtitle for the year to the State library administrative agency for the State;

(B) such agency will be required to use such funds to carry out activities that—

(i) are described in such annual application;

(ii) achieve the purposes of this subtitle; and

(iii) satisfy the requirements of section 455;

(C) there will be available from State and local sources for expenditure by such agency to carry out such activities an amount that equals or exceeds 25 percent of the total cost (as determined by the Secretary) of carrying out such activities for the year; and

(D) such agency has the fiscal and legal authority and capability to administer all aspects of such activities.

(b) AMOUNT OF GRANTS.—The amount of a grant to a State under subsection (a) for a fiscal year shall equal the lesser of the following:

(1) The sum of the initial and additional allotments of the State for the year.

(2) 75 percent of the total cost (as determined by the Secretary) of carrying out the activities described in subsection (a)(2)(B) for the year.

SEC. 455. USES OF FUNDS.

(a) IN GENERAL.—Of the funds provided to a State library administrative agency under section 454(a)(2)(A), the agency shall expend at least 97 percent for one or more of the following purposes:

(1) Electronically connecting libraries with one-stop career center systems designated or established under section 107 and local service providers receiving grants under paragraph (1) or (2) of section 432(a).

(2) Establishing or enhancing linkages among libraries.

(3) Assisting libraries in accessing information through electronic networks.

(4) Encouraging libraries in different Federal, State, and local jurisdictions, and different types of libraries, to establish consortia and share resources.

(5) Paying costs for libraries to acquire or share computer systems and telecommunications technologies.

(6) Improving library and information services for individuals who have difficulty using a library or who need special library materials or services, including individuals under the age of 18.

(b) ADMINISTRATIVE EXPENSES.—In any fiscal year, a State library administrative agency may use not more than 3 percent of the funds provided to the agency under section 454(a)(2)(A) for planning, administration, evaluations, and interagency coordination associated with a grant under this subtitle.

SEC. 456. ANNUAL APPLICATIONS.

(a) SUBMISSION.—A State that desires to receive a grant under this subtitle for a fiscal year shall submit to the Secretary, in such form and manner and before such deadline as the Secretary shall specify in regulations, an application for such year. Such application shall—

(1) establish goals, and specify priorities, for the State consistent with the purposes of this subtitle;

(2) describe activities that are consistent with such goals and priorities, the purposes of this subtitle, and the requirements of section 455 that the State library administrative agency will carry out during such year using such grant;

(3) describe the procedures that such agency will use to carry out such activities;

(4) describe the methodology that such agency will use to evaluate the success of such activities in achieving such goals and meeting such priorities;

(5) describe procedures that such agency will use to involve libraries and library users throughout the State in policy decisions regarding implementation of this subtitle; and

(6) provide assurances satisfactory to the Secretary that such agency will make such reports, in such form and containing such information, as the Secretary may reasonably require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out its purposes.

(b) APPROVAL.—

(1) IN GENERAL.—The Secretary shall approve each application submitted under subsection (a) that satisfies the requirements of the subsection.

(2) RIGHTS OF STATES UPON DISAPPROVAL.—If the Secretary determines that an application submitted by a State under subsection (a) does not satisfy the requirements of such subsection, the Secretary shall—

(A) immediately notify the State of such determination and the reasons for such determination; and

(B) offer the State an opportunity to revise its application to correct any deficiencies.

TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

Subtitle A—Vocational Rehabilitation Consolidation Grant

CHAPTER 1—TRANSITION PERIOD

SEC. 501. TRANSITION.

With respect to the amendment made by section 511(4) to title I of the Rehabilitation Act of 1973, the Secretary of Education, acting through the Commissioner of the Rehabilitation Services Administration, shall administer the amendment in accordance with the following:

(1) During fiscal year 1996, the Secretary shall develop administrative policies for implementing the amendment.

(2) During the fiscal years 1997 and 1998, the Secretary shall begin implementing the amendment in accordance with paragraph (4).

(3) The Secretary shall ensure that, by the first day of fiscal year 1999, the amendment is fully implemented.

(4) For purposes of paragraph (2), the Secretary shall ensure that, before the first day of fiscal year 1999, the following requirements, administered as conditions on the receipt of grants under such title, have been met:

(A) The States have complied with section 103(b)(4) of such title (as amended by section 511) regarding the participation of certain providers.

(B) The States have established policies and made arrangements for the operation of the system of vouchers described in section 103(c) of such title, including with respect to the reimbursement of providers.

(C) The States have established policies and made arrangements under section 103(b)(12) of such title regarding the training of the management and staff of one-stop career centers with respect to individuals with disabilities.

(D) The States have established policies and made arrangements under section 104 of such title regarding the establishment of such centers, including providing for the significant participation of community-based providers in the program carried out by the State pursuant to such title.

(E) Such other requirements under the amendment as the Secretary determines to be appropriate.

(5)(A) Notwithstanding the amendment, during the fiscal years 1996 through 1998, the provisions of title I of the Rehabilitation Act of 1973 that were in effect on the day before the date of the enactment of this Act continue to be in effect, subject to paragraphs (1) through (4). In implementing the amendment, the Secretary shall seek to avoid unnecessarily disrupting the provision of services under such title to individuals who, as of the date of the enactment of this Act, were receiving services pursuant to an individualized plan under such title.

(B) On and after the first day of fiscal year 1999, the provisions referred to in the first sentence of subparagraph (A) do not have any legal effect.

CHAPTER 2—REVISION OF TITLE I OF REHABILITATION ACT OF 1973

SEC. 511. REVISION OF TITLE I.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) by transferring section 112 from the current placement of the section;

(2) by redesignating such section as section 510;

(3) by adding such section at the end of title V; and

(4) by amending title I to read as follows:

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"SEC. 100. PURPOSE.

"The purpose of this title is to assist States in making available to individuals with disabilities a program of employment, training, and rehabilitation services that is consistent with their strengths, resources, priorities, concerns, abilities, and capabilities; that maximizes individuals' control over their vocational and career choices; and that is in accordance with the goal of assuring equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals.

"SEC. 101. FORMULA GRANTS.

"(a) IN GENERAL.—

"(1) FORMULA GRANTS.—In the case of each State that submits to the Secretary a workforce development and literacy plan for fiscal year 1999 or any subsequent fiscal year that meets the requirement of section 104 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Secretary shall make a grant for the year to the State as the Federal share of carrying out the purposes specified in this title. The grant shall consist of the allotment determined for the State under section 107.

"(2) CONDITIONS FOR GRANT.—A State may receive a grant under paragraph (1) for a fiscal year only if the State meets the conditions described in this title for the State for the fiscal year.

"(b) ADMINISTRATOR OF FEDERAL PROGRAM.—The Secretary shall carry out this title acting through the Commissioner of the Rehabilitation Services Administration, except as indicated otherwise.

"(c) RULE OF CONSTRUCTION.—The purpose specified in section 100 shall be carried out only in accordance with the other provisions of this title.

"(d) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2002, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this subsection for the immediately preceding fiscal year, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

"(2) ADJUSTMENTS PURSUANT TO CONSUMER PRICE INDEX.—

"(A) Not later than November 15 of each fiscal year, the Secretary of Labor shall publish in the Federal Register the percentage change in the Consumer Price Index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

"(B) If in any fiscal year the percentage change published under subparagraph (A) indicates an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A) increased by such percentage change.

"(C) If in any fiscal year the percentage change published under subparagraph (A) does not indicate an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A).

"(D) For purposes of this paragraph, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

"(3) AUTOMATIC EXTENSION OF AUTHORIZATION.—

"(A) Unless, in the regular session that ends prior to the beginning of the last fiscal year for which an authorization of appropriations is provided in paragraph (1), legislation has been enacted that has the effect of extending such authorization, such authorization is automatically extended for one additional year.

"(B) The amount authorized to be appropriated for the additional fiscal year described in subparagraph (A) shall be an amount equal to the amount appropriated for such program for fiscal year 2002, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

"(C) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations that are necessary for the continuation of the program authorized by this title, and such acts or determinations are required during the last fiscal year for which an authorization of appropriations is provided in paragraph (1), such acts and determinations shall be required during any fiscal year for which subparagraph (A) is in operation.

"SEC. 102. ALLOCATION WITHIN STATE OF ADMINISTRATIVE RESPONSIBILITIES.

"(a) IN GENERAL.—For purposes of section 101(a), a State will—

"(1) subject to subsection (b), reserve not more than 20 percent of the grant under such section for the fiscal year involved for carrying out the responsibilities of a State administrative agent under section 103; and

"(2) reserve not less than 80 percent of the grant for carrying out the responsibilities under section 104 of local workforce development boards and one-stop career centers with respect to workforce development areas.

"(b) ADDITIONAL STATE RESPONSIBILITIES.—Amounts reserved by a State under subsection (a)(1) may be expended by the State administrative agent to carry out responsibilities that otherwise would be carried out under section 104 by local workforce development boards or one-stop career centers, if the State determines that such expenditures are justified to make available goods and services that could not otherwise be obtained within a local workforce development area, to provide services to individuals unable to utilize the one-stop career centers, or to otherwise ensure the efficient and equitable provision in the State of services under this title, including the provision of services for individuals in rural areas.

"(c) CERTAIN DEFINITIONS.—For purposes of this Act, the terms 'State administrative agent', 'local workforce development area', 'local workforce development board', and 'one-stop career center' have the meanings given such terms in sections 105 through 108, respectively, of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"SEC. 103. RESPONSIBILITIES OF STATE ADMINISTRATIVE AGENT.

"(a) STATE ADMINISTRATIVE AGENT.—In carrying out the requirements of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, a Governor may designate—

"(1) one State administrative agent to be responsible for carrying out this title for individuals who are blind; and

"(2) a different State administrative agent to carry out the remaining responsibilities in this title.

"(b) RESPONSIBILITIES.—For purposes of section 101(a) and the operation in a State of the program under this title:

"(1) This subsection, and the subsequent provisions of this section, will be carried out by State administrative agents designated by the Governor in accordance with subsection (a), through the collaborative process established under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(2)(A) The State will provide to the public an explanation of the methods by which the State will provide vocational rehabilitation services (as defined in section 104(b))—

"(i) to all eligible individuals (as defined in section 105(d)); and

"(ii) within all local workforce delivery areas in the State.

"(B) In the event that such services cannot be provided to all eligible individuals who apply for the services, the State will show and provide the justification for the order to be followed in selecting individuals to whom the services will be provided.

"(C) The order of selection under subparagraph (B) will be determined on the basis of serving first those individuals with the most severe disabilities, in accordance with criteria established by the State.

"(3) The State will establish guidelines providing that, in the case of an individual to whom the State will provide a service (in accordance with the order of selection under paragraph (2) and the assessment of needs under section 104(c)(1)), the individual will have the option of receiving the service from a provider designated by the center or from a provider selected by the individual pursuant to vouchers under subsection (c).

"(4) Pursuant to section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the State will make significant efforts to encourage the participation in the State program of community-based private providers, with special consideration given to providers who have received funds under this Act regarding projects with industry or supported employment services, or under the Act commonly known as the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) for employment and training services.

"(5) The State will establish provisions to govern determinations under section 105 (relating to the eligibility of individuals).

"(6) The State will establish standards to govern the conduct under section 104(c)(1) of assessments of need, including the development of a methodology that will be applied in a reasonably uniform manner to all individuals for whom such assessments are conducted, and that (subject to the order of selection under paragraph (2)) will be designed to prevent substantial disparities, among individuals with comparable circumstances, in the monetary value of the services to be provided pursuant to the assessments.

"(7)(A) The State will establish procedures through which an individual may request and obtain an impartial review, utilizing an impartial hearing officer, of whether standards for determinations of eligibility for services, assessments of vocational rehabilitation needs, and development of individualized rehabilitation and employment plans under this title were correctly applied to the individual by the one-stop career center involved.

"(B) The State will designate a number of days (applied uniformly to all individuals) within which review under subparagraph (A) will be conducted once a request for such review is made by an individual, subject to subparagraph (C).

"(C)(i) The State will provide that there may be an informal hearing, mediation, or alternatives to such review, if agreed upon by the individual and the one-stop career center involved.

"(ii) The State will provide that if, in a process utilized under clause (i) by an individual, there is a not a final disposition of the matter involved, review under subparagraph (A) will remain available to the individual.

"(8) The State will ensure that vocational rehabilitation services under this title, and related core services, are provided by personnel who are qualified to provide the services involved. For purposes of the preceding sentence, the term 'core services' has the meaning indicated for such term under title I of the Con-

solidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(9) The State will establish plans, policies, and procedures to be followed in carrying out the program under this title in the State (including entering into a formal interagency cooperative agreement with education officials responsible for the provision of a free appropriate public education to students who are individuals with disabilities). The State will ensure that such plans, policies, and procedures are designed in accordance with the following:

"(A)(i) To facilitate the development and accomplishment of the goals and objectives described in clause (ii) (including the specification of plans for coordination with the educational agencies in the provision of transition services), to the extent that the goals and objectives are included in an individualized education program of a student.

"(ii) The goals and objectives referred to in clause (i) are long-term rehabilitation goals; intermediate rehabilitation objectives; and goals and objectives related to enabling a student to live independently before the student leaves a school setting.

"(B) To facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under this title, including the specification of plans for coordination with educational agencies in the provision of transition services to an individual.

"(C) To provide for—

"(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

"(ii) procedures for outreach to and identification of youth in need of such services; and

"(iii) a timeframe for evaluation and follow-up of youth who have received such services.

"(10) The State will provide for coordination and working relationships with the Statewide Independent Living Council established under section 705 and independent living centers within the State.

"(11) The State will provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, and other programs for individuals with disabilities.

"(12) With respect to the one-stop career centers operated pursuant to section 104, the State will provide for the appropriate training of the management and staff of the centers regarding the effective provision of services to individuals with disabilities.

"(13) The State will provide technical assistance to local boards, one-stop career centers, and providers relating to the effective provision of vocational rehabilitation services under this title, including the effective development of individualized rehabilitation and employment plans, and will ensure that such technical assistance is provided through appropriate means.

"(c) AVAILABILITY OF VOUCHER SYSTEM REGARDING SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

"(1) The State will provide for the establishment of a system to carry out this subsection.

"(2) In the case of an eligible individual who (in accordance with the order of selection under subsection (b)(2) and the assessment of needs under section 105(b)(2)(A)) will receive vocational rehabilitation services under this title, the one-stop career center involved will, upon request of the individual, provide to the individual vouchers in accordance with this subsection.

"(3) Vouchers under this subsection will enable such individual to obtain the vocational rehabilitation services involved from providers selected by the individual from among a list of providers approved by the State for such purpose in accordance with section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(4) The monetary value of a voucher provided to the individual for a particular type of service will be calculated at a fair market value.

"(5) To the extent practicable, the list of providers under paragraph (3) will provide for the availability within each local workforce development area of a broad range of services.

"(d) STATE OPTIONS.—With respect to compliance with this section, a State may, in the discretion of the State, expend a grant under section 101 for the following:

"(1) To disseminate findings from research regarding vocational rehabilitation services, after consideration of requests from local workforce development

boards and one-stop career centers regarding the types of information needed by such boards and centers.

"(2) To conduct demonstration projects regarding improvements with respect to vocational rehabilitation services, subject to providing the results of such projects to the Commissioner and as appropriate disseminating the results within the State.

"(e) CORE STANDARDS, PERFORMANCE GOALS, AND MEASURES.—For purposes of section 101(a):

"(1) The State involved will develop and implement a statewide system of core standards and measures of performance for programs established under this title, based upon performance standards described in paragraph (3), and consistent with the State's goals and objectives and the benchmarking process described in the workforce development and literacy plan submitted by the State under section 104 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(2) The statewide system will—

"(A) establish performance goals to define the level of performance to be achieved by individuals served under this title and to evaluate the quality and effectiveness of services and activities under this title;

"(B) express such goals in an objective, quantifiable, and measurable form;

"(C) establish performance indicators or benchmarks that the State and local recipients of funds will use in measuring or assessing progress toward achieving such goals; and

"(D) provide biennial reports to the public and to the Secretary on the State's progress in achieving its goals.

"(3) The statewide system will include measures of—

"(A) placement, retention, and earnings of participants in integrated employment, including retention and earnings at 6 months, and at 1 year after program termination, respectively;

"(B) the percentage of individuals served who had severe disabilities, including those individuals determined to have a disability under title II or title XVI of the Social Security Act; and

"(C) other relevant measures of program performance included in the standards and indicators promulgated by the Commissioner under sections 621 and 106 (relating to projects with industry, and relating to evaluation standards and indicators for vocational rehabilitation, respectively), as such sections were in effect for fiscal year 1995.

"SEC. 104. RESPONSIBILITIES FOR LOCAL BOARDS AND SERVICE CENTERS.

"(a) PROVISION OF VOCATIONAL REHABILITATION SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

"(1) This section will be carried out by the one-stop career centers in the State, with each such center acting under the guidance of the local workforce development board for the local workforce area within which the center operates. Such centers will provide services under this section directly or through contract.

"(2) In accordance with the order of selection under section 103(b)(2), a one-stop career center will, in expending amounts provided to the center from a grant under section 101, carry out the following:

"(A) Make determinations under section 105 of the eligibility of individuals for vocational rehabilitation services (as defined in subsection (b)).

"(B) Provide for vocational rehabilitation services for eligible individuals.

"(C) In the case of individuals with severe disabilities, conduct outreach and intake activities for such individuals who are not able to directly access the one-stop career centers because of the nature of their disabilities.

"(3) A one-stop career center will, in expending amounts provided to the center from a grant under section 101, make vocational rehabilitation services available at a variety of locations and, as appropriate for particular populations, in a variety of environments.

"(b) DEFINITION.—For purposes of this title, the term 'vocational rehabilitation services' means such goods or services for eligible individuals as are—

"(1) necessary to render the individuals employable and achieve an employment outcome; and

"(2) provided in response to needs that arise, to a significant extent, from the disability involved and do not duplicate, to any significant extent, the core services available under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(c) CERTAIN SERVICES.—For purposes of section 101(a), the vocational rehabilitation services available through one-stop career centers will include the following:

"(1) An assessment of the needs of eligible individuals for such services.

"(2) Development, in accordance with section 105(b)(2), of an individualized rehabilitation and employment plan for the purpose of identifying employment goals, appropriate intermediate rehabilitation objectives, and an appropriate combination of goods and services for the individual to achieve the employment goals.

"(3) Counseling, guidance, and work-related placement services for individuals with disabilities, including job search assistance, placement assistance, job retention services, personal assistance services, and follow-up, follow-along, and specific postemployment services necessary to assist such individuals to maintain, regain, or advance in employment.

"(4) Vocational and other training services for individuals with disabilities, including personal and vocational adjustment, books, or other training materials, and such services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals.

"(5) Rehabilitation technology services.

"(6) Supported employment services.

"(7) Physical and mental restoration services.

"(8) Interpreter services for individuals who are deaf, and reader services for individuals who are blind.

"(9) Rehabilitation teaching services and orientation and mobility services for individuals who are blind.

"(10) Referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed under section 103(b)(10), if such services are not available under this Act.

"(11) Transportation in connection with the rendering of any vocational rehabilitation service.

"(12) Telecommunications, sensory, and other technological aids and devices.

"(13) On-the-job, or other related personal-assistance services, provided while eligible individuals are receiving other vocational rehabilitation services under this title.

"(d) CERTAIN ARRANGEMENTS.—For purposes of section 101(a), a one-stop career center will, with respect to the provision of vocational rehabilitation services to individuals with the most severe disabilities, provide for necessary arrangements with community-based providers, including arrangements regarding supported employment services and extended services, periodic reviews of individuals placed in extended employment, and services to promote movement from extended employment to integrated employment.

"(e) OPTIONAL PROVISION OF OTHER SERVICES.—For purposes of this title, a one-stop career center may provide such vocational rehabilitation services in addition to the services specified in subsection (c) as the center determines to be appropriate.

"(f) ALLOCATION FOR CORE SERVICES.—For purposes of section 101(a):

"(1) With respect to a fiscal year, a local workforce development board receiving amounts from a grant under section 101 will reserve an amount for the provision of core services under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

"(2) The amount so reserved will be based on the number of eligible individuals with disabilities in the local workforce development area and the costs of training employees of the one-stop career centers to provide high-quality services to individuals with disabilities.

"(g) PERFORMANCE PAYMENTS REGARDING VOUCHERS.—For purposes of section 101(a):

"(1) The local workforce development board involved will ensure that, in providing for the payment of services provided pursuant to vouchers, a portion of the total payment is withheld from the provider until the delivery of the services involved is completed in reasonable accordance with the outcome designated for the service pursuant to a prior understanding with the provider.

"(2) In the case of education, training, and placement services that are designed to lead to an employment outcome, a portion of the total payment will be withheld from the provider until—

"(A) the participant has successfully completed the training; and

"(B) the participant has been employed, and has retained employment for a period of not less than 90 days.

"(h) PAYOR OF LAST RESORT REGARDING MEDICAL SERVICES AND EDUCATIONAL ASSISTANCE.—For purposes of section 101(a), a State will not expend a grant under section 101 to pay for training services in institutions of higher education, or to pay

for medical services, unless significant efforts have been made to secure payments, in whole or in part, from other sources, except that such efforts are not required if making the efforts would delay the provision of such services to any eligible individual who is at extreme medical risk, or if making the efforts would result in the loss of a job placement that (but for the efforts) would be immediately available to an eligible individual.

"SEC. 105. ELIGIBLE INDIVIDUAL.

"(a) IN GENERAL.—For purposes of section 101:

"(1) An individual will not receive vocational rehabilitation services under this title unless the individual—

"(A) is an individual with a disability under section 7(8)(A); and

"(B) requires vocational rehabilitation services to prepare for, enter, engage in, or retain gainful employment.

"(2) If the individual has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act, the individual will be considered to have—

"(A) a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment under section 7(8)(A)(i); and

"(B) a severe physical or mental impairment which seriously limits one or more functional capacities in terms of an employment outcome under section 7(15)(A)(i).

"(3) It will be presumed that an individual can benefit in terms of an employment outcome from vocational rehabilitation services for purposes of section 7(8)(A)(ii), unless the one-stop career center involved can demonstrate by clear and convincing evidence that such individual is incapable of benefiting from vocational rehabilitation services in terms of an employment outcome.

"(b) PROCESS.—For purposes of section 101(a), a State will ensure that, subject to the order of selection under section 102(b)(2), the following applies to an individual:

"(1) Once the individual makes a request in person for a determination of eligibility:

"(A) A qualified rehabilitation adviser will be made available to the individual regarding the process of obtaining services under this title.

"(B) An initial interview will be conducted, followed by an initial assessment.

"(C) A final determination will be made not later than 30 days after the request (subject to the cooperation of the individual in the process of determination).

"(D) The determination of eligibility will be based on the review of existing data described in clause (i) of section 7(22)(A), and, to the extent necessary, the preliminary assessment described in clause (ii) of such section.

"(E) If it is determined that the individual is not an eligible individual, the individual will be provided a written statement explaining the following:

"(i) The basis of the determination.

"(ii) The availability of impartial review under section 103(b)(7).

"(iii) The availability of services under the client assistance program under section 510.

"(2)(A) If it is determined that the individual is an eligible individual—

"(i) the needs of the individual for vocational rehabilitation services will be assessed; and

"(ii) subject to subparagraph (D), an individualized rehabilitation and employment plan will be developed for the individual regarding the provision of services pursuant to clause (i).

"(B) The plan under subparagraph (A) will be developed and mutually agreed upon by the individual and an appropriate staff member of the one-stop career center involved.

"(C) A plan under subparagraph (A) is individualized if the plan is consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual for whom the plan is developed.

"(D) A plan under subparagraph (A) is not required for an individual if the individual signs a waiver stating that such a plan is not necessary for the individual.

"(c) RULE OF CONSTRUCTION.—This title may not be construed as establishing an entitlement in any individual.

"(d) DEFINITION.—For purposes of this title, the term 'eligible individual' means an individual described in subsection (a)(1).

"SEC. 106. STATE REHABILITATION ADVISORY COUNCIL.

"(a) IN GENERAL.—For purposes of section 101(a):

"(1) A State will establish a State Rehabilitation Advisory Council (referred to in this section as the 'Council') in accordance with this section.

"(2) The Council will be composed of the following:

"(A) Representatives of organizations within the State providing services to individuals with disabilities and their families, including representatives of the client assistance program under section 510.

"(B) Representatives of business, industry, and labor.

"(C) Representatives of disability advocacy groups representing a cross section of—

"(i) individuals with physical, cognitive, sensory, and mental disabilities; and

"(ii) parents, family members, guardians, advocates, or authorized representatives, of individuals with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves.

"(3) The State administrative agent will be an ex officio member of the Council.

"(4) Members of the Council will be appointed by the Governor or another entity that has appointment authority under State law.

"(5) A majority of Council members will be persons who are—

"(A) individuals with disabilities described in section 7(8)(B); and

"(B) not employed by the designated State administrative agent.

"(6)(A) Except as provided in subparagraph (B), the Council will select a chairperson from among the membership of the Council.

"(B) In States in which the Governor does not have veto power pursuant to State law, the Governor will designate a member of the Council to serve as the chairperson of the Council or will require the Council to so designate such a member.

"(7) Each member of the Council will serve for a term determined by the Governor or another entity that has appointment authority under State law.

"(8) Any vacancy occurring in the membership of the Council will be filled in the same manner as the original appointment. The vacancy will not affect the power of the remaining members to execute the duties of the Council.

"(b) FUNCTIONS OF COUNCIL.—For purposes of section 101(a), the Council will carry out the following:

"(1) Advise the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, and the State administrative agent, in the preparation of the State workforce development and literacy plan and other plans, reports, needs assessments, and evaluations required by this title.

"(2) To the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the delivery of core services and vocational rehabilitation services to individuals with disabilities within the State.

"(3) Prepare and submit an annual report to the collaborative process or appropriate State administrative agent and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public.

"(4) Coordinate with other councils within the State established to address the needs of individuals with disabilities.

"(5) Perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Advisory Council determines to be appropriate, that are comparable to the other functions performed by the Council.

"(c) RESOURCES.—

"(1) PLAN.—For purposes of section 101(a), the Council will prepare, in conjunction with the State administrative agent, a plan for the provision of such resources, including such staff and other personnel, as may be necessary to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

"(2) RESOLUTION OF DISAGREEMENTS.—For purposes of section 101(a), to the extent that there is a disagreement between the Council and the State administrative agent in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement will be resolved by the Governor or appointing agency identified in subsection (a)(4).

"(3) SUPERVISION AND EVALUATION.—For purposes of section 101(a), the Council will, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

"(4) PERSONNEL CONFLICT OF INTEREST.—For purposes of section 101(a), while assisting the Council in carrying out its duties, staff and other personnel will not be assigned duties by the State administrative agent or any other agency or office of the State, that would create a conflict of interest.

"(d) CONFLICT OF INTEREST.—For purposes of section 101(a), no member of the Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

"(e) MEETINGS.—For purposes of section 101(a), the Council will convene meetings and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums will be publicly announced. The meetings will be open and accessible to the general public unless there is a valid reason for an executive session.

"(f) COMPENSATION AND EXPENSES.—For purposes of section 101(a), the Council may use funds appropriated under this title to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing the duties of the Council.

"(g) RULE OF CONSTRUCTION.—Nothing in this section prohibits a State from establishing and providing funds to a separate council to carry out functions described in subsection (b) with respect to vocational rehabilitation services for individuals who are blind.

"SEC. 107. AMOUNT OF ALLOTMENT.

"(a)(1) Subject to the provisions of subsection (d), for each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under section 101(d) for allotment under this section as the product of (A) the population of the State, and (B) the square of its allotment percentage, bears to the sum of the corresponding products for all the States.

"(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

"(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized to be appropriated for such fiscal year under section 101(d) for allotment under this section in excess of the amount appropriated under such section for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

"(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

"(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

"(3) The sum of the payment to any State (other than Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 101(d), or $3,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

"(4) For each fiscal year beginning on or after October 1, 1984, for which any amount is appropriated pursuant to section 101(d), each State shall receive an allocation (from such appropriated amount) in addition to the allotment to which such State is entitled under paragraphs (2) and (3) of this subsection. Such additional allocation shall be an amount which bears the same ratio to the amount so appropriated as that State's allotment under paragraphs (2) and (3) of this subsection bears to the sum of such allotments of all the States.

"(b)(1) If the payment to a State pursuant to this section for a fiscal year is less than the total payments such State received under section 2 of the Vocational Rehabilitation Act for the fiscal year ending June 30, 1973, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this title) equal to the difference between the payment under this section and the amount so received by it.

"(2) If a State receives as its Federal share pursuant to this section for any fiscal year less than the applicable Federal share of the expenditure of such State for fiscal year 1972 for vocational rehabilitation services under the plan for such State approved under section 101 as in effect for such year (including any amount expended by such State for the administration of the State plan but excluding any amount expended by such State from non-Federal sources for construction under such plan), such State shall be entitled to an additional payment for such fiscal year, subject to the same terms and conditions applicable to other payments under this title, equal to the difference between such payment pursuant to this section and an amount equal to the applicable Federal share of such expenditure for vocational rehabilitation services.

"(3) Any payment attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.".

(b) CERTAIN FUNDING PROVISION.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by inserting after section 3 the following section:

"AVAILABILITY OF FUNDS

"SEC. 3A. Notwithstanding any other provision of law, funding to carry out titles II through VII for any fiscal year is available only to such extent as is provided, or in such amounts as are provided, in appropriations Acts.".

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by inserting after the item relating to section 3 the following item:

"Sec. 3A. Availability of funds.";

(2) by striking the items relating to sections 100 through 109, to sections 110 through 112, to sections 120 through 124, to section 130, and to sections 140 and 141;

(3) by striking the items relating to the title designation and heading for title I, and to the part designations and headings for parts A, B, C, D, and E of title I;

(4) by inserting after the item relating to section 21 the following items:

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"Sec. 100. Purpose.
"Sec. 101. Formula Grants.
"Sec. 102. Allocation Within State of Administrative Responsibilities.
"Sec. 103. Responsibilities of State Administrative Agent.
"Sec. 104. Responsibilities for Local Boards and Service Centers.
"Sec. 105. Eligible Individual.
"Sec. 106. State Rehabilitation Advisory Council.
"Sec. 107. Amount of Allotment."; and

(5) by inserting after the item relating to section 509 the following item:

"Sec. 510. Client assistance program.".

Subtitle B—Other Amendments to Rehabilitation Act of 1973

SEC. 521. TRAINING AND DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in title III—

(A) by striking section 303;

(B) by striking section 304;

(C) in section 311, by striking subsection (f);

(D) by striking section 312; and

(E) by striking section 316;

(2)(A) by transferring subsection (a) of section 802 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (f); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (1)(C) of this subsection);

(3)(A) by transferring subsection (g) of section 802 from the current placement of the subsection; and

(B) by inserting such subsection at the end of section 311 (as amended by paragraph (2)(C) of this subsection);

(4)(A) by transferring subsection (c) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (h); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (3)(B) of this subsection);

(5)(A) by transferring subsection (b) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (j); and

(C) by inserting such subsection at the end of section 302; and

(6) by striking the remaining provisions of title VIII.

(b) SECTION 311(c).—Effective October 1, 1998, section 311 of the Rehabilitation Act of 1973 (29 U.S.C. 777a), as amended by subsection (a) of this subsection, is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (h) as subsections (c) through (g), respectively.

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by striking the items relating to sections 303, 304, 312, and 316;

(2) by striking the items relating to sections 801 through 803 of title VIII; and

(3) by striking the item relating to the title designation and heading for title VIII.

SEC. 522. EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES.

(a) IN GENERAL.—Effective October 1, 1995, title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is amended—

(1) by striking part A;

(2) by striking part C;

(3) by striking part D; and

(4) in part B, by striking the part designation and heading.

(b) PROJECTS WITH INDUSTRY.—Effective October 1, 1998, title VI of the Rehabilitation Act of 1973, as amended by subsection (a) of this section, is repealed.

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section by striking the items relating to sections 611 through 617, to sections 631 through 638, and to section 641; and by striking the items relating to the part designations and headings for parts A, B, C, and D of title VI. Effective October 1, 1998, such table of contents is amended by striking the items relating to sections 621 through 623; and by striking the item relating to the title designation and heading for title VI.

TITLE VI—REPEALERS AND OTHER AMENDMENTS

SEC. 601. CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.

The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is repealed.

SEC. 602. SCHOOL-TO-WORK OPPORTUNITIES ACT.

The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) is repealed.

SEC. 603. ADULT EDUCATION ACT.

(a) IN GENERAL.—The Adult Education Act (20 U.S.C. 1201 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) ESEA.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(A) in section 1202(c)(1), by striking "the Adult Education Act," and inserting "title IV of the CAREERS Act,";

(B) in section 1205(8)(B), by striking "the Adult Education Act," and inserting "title IV of the CAREERS Act,";

(C) in section 1206(a)(1)(A), by striking "the Adult Education Act;" and inserting "title IV of the CAREERS Act;"; and

(D) in section 9161(2), by striking "section 312(2) of the Adult Education Act." and inserting "section 5 of the CAREERS Act.".

(2) TECHNOLOGY FOR EDUCATION ACT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(1) by striking "section 312 of the Adult Education Act;" and inserting "section 5 of the CAREERS Act;";

SEC. 604. NATIONAL LITERACY ACT.

The National Literacy Act of 1991, except section 101 of such Act, is repealed.

SEC. 605. LIBRARY SERVICES AND CONSTRUCTION ACT.

(a) IN GENERAL.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.

(b) CONFORMING AMENDMENT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(10) by striking "section 3 of the Library Services and Construction Act;" and inserting "section 5 of the CAREERS Act;".

SEC. 606. TECHNOLOGY FOR EDUCATION ACT OF 1994.

Part F of the Technology for Education Act of 1994 (20 U.S.C. 7001 et seq.) (relating to the library media resources program) is repealed.

SEC. 607. JOB TRAINING PARTNERSHIP ACT.

(a) IN GENERAL.—The Job Training Partnership Act (29 U.S.C. 1501 et seq.), except section 1, sections 421 through 439 (relating to the Job Corps), and section 441 of such Act (relating to veterans' employment programs), is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) SHORT TITLE.—Section 1 of the Job Training Partnership Act (29 U.S.C. 1501, note) is amended—

(A) in the heading, by striking "; TABLE OF CONTENTS"; and

(B) by striking all that follows after "Job Training Partnership Act".

(2) JOB CORPS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating sections 421 through 439 as sections 2 through 21, respectively;

(B) in section 2 (as redesignated), by striking "part" each place it appears and inserting "Act";

(C) in section 4(4) (as redesignated), by striking "sections 424 and 425" and inserting "sections 5 and 6";

(D) in section 5 (as redesignated)—

(i) in subsection (a), by striking "entities administering programs under title II of this Act,"; and

(ii) in subsection (b), by striking "part" and inserting "Act";

(E) in section 7 (as redesignated)—

(i) in subsection (a), by striking "section 428" and inserting "section 9"; and

(ii) by striking subsection (d);

(F) in section 8 (as redesignated)—

(i) by striking subsection (b); and

(ii) by redesignating subsection (c) as subsection (b);

(G) in section 14 (as redesignated)—

(i) in subsection (a)(4), by striking "part" and inserting "Act";

(ii) in subsection (c)(1), by striking "and activities authorized under sections 452 and 453"; and

(iii) in subsection (e), by striking "section 431" and inserting "section 12";

(H) in section 15 (as redesignated)—

(i) in subsection (a)—

(I) in the matter preceding paragraph (1), by striking "section 427" and inserting "section 8"; and

(II) in paragraph (4)(A), by striking "section 428" and inserting "section 9";

(ii) in subsection (c)(3), by striking "section 423" and inserting "section 4";

(iii) in subsection (d), by striking "sections 424 and 425" and inserting "sections 5 and 6"; and

(iv) in subsection (e), by striking ", pursuant to section 452(d),";

(I) in section 17 (as redesignated), by striking "purpose of this part" each place it appears and inserting "purpose of this Act";

(J) in section 20 (as redesignated), by striking "part" each place it appears and inserting "Act"; and

(K) in section 21 (as redesignated), by striking "part" and inserting "Act".

(3) VETERANS' EMPLOYMENT PROGRAMS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating section 441 as section 22;

(B) by striking the heading of such section 22 (as redesignated), and inserting the following:

"VETERANS' EMPLOYMENT PROGRAMS"; and

(C) in such section 22, by striking "part" each place it appears and inserting "section".

(4) AUTHORIZATION OF APPROPRIATIONS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 23. There are authorized to be appropriated such sums as are necessary to carry out this Act.".

SEC. 608. STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.

(a) ADULT EDUCATION.—

(1) IN GENERAL.—Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.) is repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended by striking the items relating to subtitle A of title VII of such Act.

(b) SUBTITLE C.—

(1) IN GENERAL.—Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.), except section 738, is hereby repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended—

(A) by striking the item relating to subtitle C of title VII of such Act; and

(B) by striking the items relating to sections 731 through 737 and sections 739 through 741.

SEC. 609. EFFECTIVE DATE.

The repeals and amendments made by this title shall take effect on October 1, 1996.

The provisions of the substitute are explained in this report.

PURPOSE

The purpose of this Act is to transform the vast array of Federal workforce development and literacy programs from a collection of fragmented and duplicative categorical programs into a streamlined, comprehensive, coherent, high-quality, cost-effective, market-based, and accountable Federal workforce development and literacy system that is designed to meet the education, employment, and training needs of the workforce and the competitiveness needs of employers of the United States, both today and in the future.

COMMITTEE ACTION

SUBCOMMITTEE ON POSTSECONDARY EDUCATION, TRAINING AND LIFE-LONG LEARNING

The Subcommittee on Postsecondary Education, Training, and Life-Long Learning held hearings on February 6, 1995, February 7,

1995, March 1, 1995, March 3, 1995, March 7, 1995, March 16, 1995, March 21, 1995, March 23, 1995, and May 3, 1995, to consider reforming the U.S. workforce preparation system. On February 9, 1995, the Subcommittee on Investigations and Oversight held a hearing on education block grants.

The February 6 and February 7, 1995, hearings in Washington, D.C., examined business perspectives on educational and training needs. The Subcommittee also heard testimony from the U.S. Departments of Education and Labor and the U.S. General Accounting Office. The Subcommittee received testimony from Clarence Crawford, Associate Director, U.S. General Accounting Office, Washington, D.C.; Jere Jacobs, Assistant Vice President, Pacific Telesis Group, San Francisco, California; Harry Featherstone, Chairman, the Will-Burt Company, Orville, Ohio; Wayne Rowley, Director of Human Resources Development, Tulsa, Oklahoma, Chamber of Commerce; Lawrence Katz, Professor of Economics, Harvard University, Cambridge, Massachusetts; Doug Ross, Assistant Secretary of Labor, Washington, D.C.; Marshall Smith, Undersecretary of Education, Washington, D.C.; Argeo Paul Cellucci, Lieutenant Governor of Massachusetts, Boston, Massachusetts; Peter Calderone, New Jersey Commissioner of Labor, Trenton, New Jersey; and Pam Anderson representing the U.S. Conference of Mayors.

The March 1, 1995, hearing in Washington, D.C., focused on the Carl D. Perkins Vocational and Applied Technology Education Act. The Subcommittee received testimony from John Polto, Vocational Administrative Director, and Jim Sweetheimer, English Teacher, Dauphin County Technical School, Harrisburg, Pennsylvania; William Ihlenfeldt, President, Chippewa Valley Technical College, Eau Claire Wisconsin; Lawrence Rosenstock, Executive Director, Rindge School of Technical Arts, Cambridge, Massachusetts; Pamela Neifert, Director of Federal Programs, York City Schools, York Pennsylvania; Jim This, Executive Vice President, Washington State Employees Credit Union, Olympia, Washington; and students Richard Gonzales of Covina, California, and Jonna Scott of Lacey, Washington.

The March 3, 1995, hearing in Washington, D.C., continued examination of educational and training issues including innovative State and local programs. The Subcommittee received testimony from Augusta Kappner, Assistant Secretary of Vocational and Adult Education, U.S. Department of Education, Washington, D.C.; John McKernan, Former Governor of Maine; Bruce Kimery, Acting Commissioner, Indiana Department of Workforce Development, Indianapolis, Indiana; Art Glatfelter, President and CEO, Glatfelter Insurance Group, York, Pennsylvania; Jack Van Newkirk, Superintendent of York City Schools, York, Pennsylvania; Susan Carreon, Dean of Vocational Education, Golden West Community College, Huntington Beach, California; Paul Mashburn, Westminster High School, Westminister, California; and Paul Weckstein, Co-Director, Center for Law & Education, Washington, D.C.

The March 7, 1995, hearing in Washington, D.C., continued examination of educational and training issues including programs for the disadvantaged. The Subcommittee received testimony from

Robert Ivry, Senior Vice President, Manpower Demonstration Research Corporation, New York, New York; Russ Tershy, Director, and Estaban Guzman, Program Graduate, Center for Employment Training (CET), San Jose, California; Brene Patrick, Assistant CEO, Youth Division, Private Industry Council, San Diego, California; Neil Derrough, President, KNSD–TV 39, Member of San Diego PIC, San Diego, California; William Johnson, Mayor of Rochester, New York; Cindy Dotson, Director, and Lester Westry, Student, Crispus Attucks YouthBuild Program, York, Pennsylvania.

The March 16, 1995, hearing in Washington, D.C., heard testimony on programs for disadvantaged youth and Job Corps programs. The Subcommittee received testimony from Nora Wang, Commissioner, New York City Department of Employment; Sharon Williams, Director, Opportunities Industrialization Center, Menlo Park, California; Gary Walker, President, Public Private Ventures, Philadelphia, Pennsylvania; Charles Masten, Inspector General, U.S. Department of Labor, Washington, D.C.; Charles Tetro, President, Training and Development Corporation, Bucksport, Maine; and Cathy Clendenning, Participant, Penobscot Job Corps Center, Bangor, Maine.

The March 21, 1995, hearing in Washington, D.C., dealt with governance issues related to training programs. The Subcommittee also heard testimony from service providers. The Subcommittee received testimony from Randy Johnson, County Commissioner, Hennepin County, Minnesota; James Dickerson, Private Industry Council Chair, Camdenton, Missouri; Rodo Sofranac, Chairman, Arizona Job Training Coordinating Council, Phoenix, Arizona; Debra Bowland, Ohio Bureau of Employment Services, Columbus, Ohio; Augustine Gallego, Chancellor, San Diego Community College District, San Diego, California; J. Handel Evans testifying for Molly Corbett Broad, Executive Vice Chancellor, California State University, Long Beach, California; Peter Cove, CEO, America Works, New York, New York; and Jose Perez, Executive Director, SER—Jobs for Progress, Inc., Houston, Texas.

The March 23, 1995, hearing in Washington, D.C., covered issues related to system infrastructure, forecasting, and special populations. The Subcommittee received testimony from Anthony Carnevale, Chairman, National Commission for Employment Policy, Washington, D.C.; Kevin Wheeler, Director, National Semiconductor University, Sunnyvale, California; Tom Gallagher, Manager of Research and Planning, Wyoming Department of Employment, Casper, Wyoming; Roy Vanderford, President, Indianapolis Network for Employment and Training, Indianapolis, Indiana; Calvin Johnson, AFL–CIO, Washington, D.C.; Patricia Jagiel, Seminole Tribe of Florida, Hollywood, Florida; Stuart Mitchell, Executive Director, Rural Opportunities, Inc., Rochester, New York; Graciela Pena, Former Farmworker and JTPA Section 402 Participant, Aspers, Pennsylvania; Ronald Drach, National Employment Director, Disabled American Veterans, Washington, D.C.; and Carolyn Stearnes, Vice President for Employment Division, Senior Citizen Services, Memphis, Tennessee.

The March 29, 1995 hearing focused on vocational rehabilitation. Witnesses testifying were: Mr. Frederic Schroeder, Commissioner, Rehabilitation Services Administration, U.S. Department of Edu-

cation, Washington, D.C.; Ms. Lenny Granger of Northern Virginia accompanied by, Harry Hall, Director, The Development Team, Jacksonville, FL.; Mr. Sam Serraglio, Commissioner, Kentucky Department of Vocational Rehabilitation, Frankfort, KY; Mr. Pat Kemp, Executive Director, RCH Technical Institute Inc., Seattle, WA.; Mr. Tony Young, Director, Residential Services & Community Supports American Rehabilitation Association on behalf of the Coalition for Citizens with Disabilities, Washington, D.C.

SUBCOMMITTEE ON EARLY CHILDHOOD, YOUTH, AND FAMILIES

On April 25, 1995, the Subcommittee on Early Childhood, Youth and Families conducted a field hearing on adult education, literacy, and library-related programs in San Diego, California. Witnesses focusing primarily upon libraries and library literacy programs were Anne Campbell, Director of the National City Public Library; John Corcoran, a literacy program participant from Oceanside, California; James Olson, Group Vice President, Toyota Motor Sales USA, Inc, Torrance, California; Rodgers Smith, Provost, Continuing Education Centers, San Diego Community College District, San Diego, California; Scott Himlestein, Executive Director, William Lynch Foundation for Children, San Diego, California; Dr. Barbara McDonald, San Diego Consortium for Workforce Education and Life-Long Learning (CWELL), San Diego, California; Jerry Rindone, Assistant Superintendent, Adult and Continuing Education, Sweetwater Union High School, Chula Vista, California; Jeffrey Stafford, Executive Director, San Diego Council on Literacy, San Diego, California.

On May 2, 1995, the Subcommittee on Early Childhood, Youth and Families conducted a second hearing on adult education, literacy, and library-related programs. Witnesses were Jean Hurley Simon, Chairperson of the U.S. Commission on Libraries and Informational Science; Dr. Augusta Kappner, Assistant Secretary, Vocational and Adult Education, U.S. Department of Education; Sharon Darling, President, National Center for Family Literacy, Louisville, Kentucky; Dr. Andrew Hartman, Director, National Institute for Literacy; Cheryl Keenan, Director, Bureau of Adult Basic and Literacy Education, Harrisburg, Pennsylvania; Bob Bickerton, Administrator, Adult and Community Learning Services; Massachusetts Department of Education, Malden, Massachusetts; Dr. Judith Crocker, Supervisor, Adult and Continuing Education, Cleveland Public Schools, Cleveland, Ohio; Maggie Gaines, Executive Director, Baltimore Reads, Baltimore, Maryland; Dr. Steve Steurer, Office of Correctional Education Maryland State Department of Education, Baltimore, Maryland; Minnie Mae Robinson, Program Participant, GROWS Literacy Council, Apopka, Florida.

INTRODUCTION OF WORKFORCE PREPARATION SYSTEM

On May 11, 1995, Representatives McKeon, Goodling, Cunningham, Gunderson, Riggs, DeLay, Boehner, Kasich, McIntosh, Petri, Roukema, Funderburk, Souder, Fawell, Ballenger, Barrett, Hoekstra, Castle, Meyers, Johnson (TX), Talent, Greenwood, Hutchinson, Knollenberg, Graham, Weldon (FL), Norwood, and Davis introduced H.R. 1617, the Consolidated and Reformed

Employment, Education and Rehabilitation Systems (CAREERS) Act. H.R. 1617 was designed to consolidate and reform workforce development and literacy programs.

LEGISLATIVE ACTION

On May 16, 1995, the Subcommittee on Early Childhood, Youth & Families approved the bill, as amended, by a voice vote.

On May 17, 1995, the Subcommittee on Postsecondary Education, Training and Life-Long Learning assembled to consider H.R. 1617, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems (CAREERS) Act. Chairman McKeon offered an amendment in the nature of a substitute to H.R. 1617. Further amendments to the amendment in the nature of a substitute were adopted, and the Subcommittee adopted the amendment in the nature of a substitute, as amended. H.R. 1617, as amended, was approved by the Subcommittee on Postsecondary Education, Training and Life-Long Learning on May 17, 1995, by voice vote, and ordered reported to the Committee on Economic and Educational Opportunities.

On May 24, 1995, the Committee on Economic and Educational Opportunities assembled to consider H.R. 1617, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems (CAREERS) Act. Chairman Goodling offered an amendment in the nature of a substitute to H.R. 1617. Further amendments to the amendment in the nature of a substitute were adopted, and the Committee adopted the amendment in the nature of a substitute, as amended. H.R. 1617, as amended, was favorably reported by the Committee on Economic and Educational Opportunities on May 24, 1995, by a recorded vote of 29–5.

BACKGROUND AND NEED FOR LEGISLATION

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

NEED FOR SYSTEM REFORM

The skill levels of the U.S. workforce are more important than ever before. Participation in the global economy requires that we move toward high-performance work organizations built around highly trained workers. Further, changes in our domestic economy highlight the need to focus on worker preparation. As stated by Mr. Jere Jacobs, Assistant Vice President of the Pacific Telesis Group, before the Subcommittee on Postsecondary Education, Training, and Lifelong Learning, on behalf of the California Business Roundtable, and the National Alliance of Business:

> The emerging age of information and telecommunications has changed the nature of work and the workplace for good. These changes demand a new kind of worker, a knowledge worker, with new sets of skills. Increasingly, jobs with a future and suitable pay require education and training that many current workers, employed and unemployed, do not have. At Pacific Telesis we want employees who are technologically capable and can show competence in problem solving, team work, initiative, and communica-

> tions skills. For workers in this new global economy, knowledge and skills will be the ultimate determinance of their economic success. It is no longer good enough to hire someone to show up on time and merely do what they are told to do day after day.

Ensuring employment, reemployment, and job security for workers and future workers, as well as U.S. competitiveness, will increasingly depend on an effective and efficient U.S. workforce development and literacy system. However, the United States currently does not possess such a system.

Reports from the U.S. General Accounting Office (GAO) highlighting the excessive number of Federally funded job training programs, as well as negative reports on the quality of the U.S. job training system have sparked both public and Congressional interest in system reform. To date, the GAO has identified 163 different programs, totaling $20 billion, administered by 15 different Federal agencies, which offer some form of career-related education, job training, or employment assistance to youth and adults.

While care must be taken when considering the GAO reports, as a number of the 163 programs listed do not have job training or employment assistance as their primary purpose, the report legitimately points out the duplication, fragmentation, and turf wars that permeate our current workforce preparation programs. In testimony provided to the Subcommittee on Postsecondary Education, Training, and Lifelong Learning, Mr. Clarence Crawford, Associate Director for Education and Employment Issues, of the U.S. General Accounting Office, stated that:

> Despite spending billions of dollars each year, most Federal agencies do not know if their programs are really helping people find jobs. The current "system" wastes resources and confuses and frustrates clients, employers, and administrators." Crawford continued, "The current system for providing employment training assistance suffers from a variety of problems that arise from a multitude of narrowly focused programs that often compete for clients and funds. * * * This extensive overlap raises questions about the system's efficiency.

In its studies, the GAO has found that the additional costs of administering overlapping workforce development programs at the Federal, State, and local levels, diverts scarce resources that could be better spent to assist individuals in preparing for and entering into work. The studies have further concluded that conflicting eligibility requirements, annual budgeting and operating cycles, planning and reporting requirements, and performance measurement systems, which serve as barriers to program integration, also result in an inefficient use of taxpayer dollars. In fact, the GAO claims that the amount of money spent administering employment training programs cannot be readily quantified, finding that estimates of administrative costs range from as low as 7 percent for some programs to as high as 15 or 20 percent for others. On this subject, Mr. Crawford in his testimony stated that:

> Eliminating duplicate bureaucracies will reduce administrative costs, saving money that can be used instead for client services. Eliminating separate staffs to administer, monitor, and evaluate programs at the State and local levels could also save resources.

Mr. Crawford provided the Subcommittee with the GAO's recommendations for system reform, as follows:

> We are convinced that a major overhaul and consolidation of programs is needed to create an effective and efficient employment training system that: (1) provides easy access to services; (2) encourages the efficient use of resources; (3) offers a wide variety of employment training services; and (4) holds program administrators accountable for results, while allowing States and local agencies the flexibility to determine how best to meet the needs of their communities.

The overwhelming number of witnesses who came before the Subcommittee to testify on reform of the U.S. workforce development system, agreed with Mr. Crawford's account of the problems and with his initial recommendations for reform. In fact, everyone including representatives from the Administration, State officials, local officials, business leaders, educators, program providers, researchers, and organized labor, agreed that significant program consolidation and reform is in order.

Mr. Doug Ross, Assistant Secretary for the Employment and Training Administration at the U.S. Department of Labor, expressed support for reform that is built on individual choice and a free market. Summarizing the shortfalls of the current job training system as: being too inflexible—providing little customer choice; having inadequate consequences for poor performance; being too complex and bureaucratic; and being little known, Mr. Ross stressed the need for universality, customer choice, program integration, and accountability in a new workforce development system. Specifically, he recommended: a one-stop system that makes available an array of job finding and employment development services to all populations; a system that provides customers with options and choice of where to get the services that best meet their needs; program, service and governance structures that are fully integrated; and a system with clear performance outcomes, and consequences for failure to achieve such outcomes, including measures of customer satisfaction.

Mr. Harry Featherstone, Chairman of the Will-Burt Company, Orville, Ohio, who testified on behalf of the National Association of Manufacturers, urged the Subcommittee:

> Not to just tinker with this system, not just consolidate programs, but to be bold, be expansive, be innovative, be creative, to radically restructure our workforce system.

Mr. Featherstone continued,

> One clear goal is to enhance U.S. competitiveness globally. * * * Let's structure a system that is based on local knowledge and local conditions, let's include from the beginning the business community in its leadership role. It

is ready to share its knowledge about skill training in new and innovative ways.

As was the goal of several workforce preparation reform initiatives introduced by Members of the Committee last Congress, there is no doubt that we must eliminate unnecessary duplication and fragmentation in these systems, in order to provide the highest quality of services to the largest number of individuals, as well as identifying Federal savings. In 1989, the Job Training Partnership Act Advisory Committee concluded that "In this era of budget stringency, particularly, we should no longer accept a fragmented, uncoordinated approach to the delivery of human services." Yet up until now, the number of Federal workforce development programs has continued to grow.

As summed up in the publication "Toward a Workforce Investment System" issued by the National Alliance of Business:

> As a Nation, we are faced with a paradox: competitive pressures are placing unprecedented demands on our workforce in an environment of severe budgetary constraints, and yet at the same time, we are not efficiently managing those resources that are already at our disposal for investing in the future productivity of our labor force. The challenge to business and industry is to build in partnership with public officials, a cohesive management system at the State and local levels that will achieve significant progress in each of three key areas of human resource investment: building a strong foundation of basic skills for workforce entrants through education reform; providing lifelong learning opportunities for employed workers; and streamlining the delivery of employment and training services for youth and adults who face special barriers to employment.

The idea of an integrated workforce investment system is not new, but has been evolving throughout the history of Federal training and employment assistance programs. The Comprehensive Employment and Training Act (CETA), remembered for its controversial public service employment component, was originally established to coordinate existing job training programs under the control of locally elected officials. Throughout the history of the Job Training Partnership Act (JTPA), as well as in amendments added to authorizing legislation for vocational education, the Employment Service, and welfare employment programs, provisions for program coordination have been added and embellished; nevertheless, program fragmentation persists. In fact, as late as 1992, in amendments enacted to the Job Training Partnership Act, language was included with the purpose of strengthening coordination between workforce development systems, but as was recognized in the House Report on that legislation, "coordination of related programs has been a long-standing goal of Federal employment and training policy; however, this goal has never been fully or consistently realized."

Last Congress, the School-to-Work Opportunities Act was enacted with bi-partisan support. A major premise of that legislation was to coordinate school-to-work initiatives with other Federal job

training activities, such as vocational education and JTPA. Thus, a major step was taken in bringing some coordination to job training strategy. This bill builds on that and significantly advances efforts at developing an integrated and coordinated workforce investment system.

FRAMEWORK FOR A NATIONAL WORKFORCE DEVELOPMENT AND LITERACY SYSTEM

As included in the findings section of H.R. 1617, the major goals of any reform of Federal workforce development legislation must be to:

Streamline and consolidate programs, eliminating unnecessary duplication and fragmentation;

Provide maximum authority and responsibility to States and to local communities for the design and operation of workforce development and literacy programs;

Increase the involvement of the private sector in the design and implementation of workforce preparation programs;

Establish a system which is market-driven, provides customer choice, and easy access to services;

Reinforce individual responsibility and ensure accountability; and

Establish a comprehensive, integrated labor market information system to ensure that workforce development programs are related to the demand for particular skills in local labor markets, and to ensure that information about the employment and earnings of the local workforce, occupations in demand, skill requirements for available jobs, and the performance of education and training and rehabilitation providers is available to job seekers, employers, teachers, students, and decision-makers.

H.R. 1617 is designed to achieve these goals.

The CAREERS legislation consolidates (and eliminates) over 90 existing education, employment, and job training programs into 4 consolidation grants. This consolidation eliminates unnecessary duplication and fragmentation within programs, while redesigning programs serving youth, adults, the disabled, and individuals with basic skills deficiencies. The bill transfers authority for the design and operation of programs to the States and to local communities, with limited direction on the establishment of an infrastructure to support State and local workforce development systems. The bill establishes a system which is market-driven, provides customer choice, and is easily accessible, by: strongly encouraging service delivery through a one-stop career center system—or single points of entry into local workforce development programs; by involving employers in the design and implementation of systems; by strongly encouraging the use of vouchers or skill grants for receipt of training and educational services; through the provision of information on the performance of local service providers as well as enhanced labor market information; and through an enhanced performance measurement system, that takes into account customer satisfaction (both of employers and of participants).

In development of the CAREERS Act, a great deal of thought and care went into the design of a system infrastructure. Starting

with the CAREERS legislation introduced by Chairman Goodling and other Committee Republicans in the last Congress, Members deliberated over how far to go with program consolidation, elimination, and reform. After considerable study and in-depth conversations with, and consideration of testimony from experts around the country, in the Postsecondary Subcommittee's nine hearings solely devoted to this bill, and the Youth Subcommittee's two hearings devoted to the issue of adult education and literacy program reform, Members decided to establish a workforce development and literacy system composed of 4 consolidation grants.

These grants include: a Youth Development and Career Preparation Consolidation Grant (consolidating Vocational Education, School-to-Work, and youth programs established under the Job Training Partnership Act); an Adult Employment and Training Consolidation Grant (consolidating programs for Disadvantaged Adults and for Dislocated Workers, among others); a Vocational Rehabilitation Consolidation Grant; and an Adult Education and Literacy Consolidation Grant (consolidating all Adult Education and Literacy programs). The Committee believes that the very different and important missions of the four consolidation grants, as well as the very different needs of the populations being served, are necessary functions of the Federal government to support a comprehensive and effective workforce development system in States and communities throughout our Nation.

STATE AND LOCAL RESPONSIBILITIES

In a report entitled "Advancing America's Workforce," issued this year by the National Association of State Workforce Investment Policy Council Chairs (business leaders who advise Governors on the design of State workforce development systems), the State chairs addressed the issue of governance over the U.S. workforce development system, by stating:

> The system must be governed through a new Federal-State-local partnership with clearly defined roles and responsibilities at each level. Overall direction and oversight for the system should be provided at the Federal level, with less policing of process and procedures. States and localities should have greater flexibility in the design of the system and the delivery of services, with increased accountability for achieving outcomes across the system.

Specifically, the report explains that the Federal role should be framing the vision for the system; developing broad policy; establishing national priorities and performance standards. The report cites the appropriate role of the State as defining a State vision; establishing statewide priorities, policies and performance standards; developing a statewide strategic plan; building Federal-State and State-local partnerships; determining funding needs in consultation with localities; deciding on substate funding allocations based on needs; providing technical assistance and capacity building; and overseeing the State system. And finally, the report states that the local role should be developing a strategic plan, based on local priorities; designing and administering the local delivery system, including establishing performance measures, overseeing and

evaluating performance of local providers; determining customer satisfaction; and implementing processes to continually improve the quality of services. This is consistent with the provisions of H.R. 1617.

A major objective of this bill is to shift the authority for the design and operation of workforce development and literacy programs to States and to local communities. Clearly, the intent of H.R. 1617, is to transfer such responsibilities out of Washington, closer to the individuals being served. The CAREERS legislation does, however, establish a broad framework or infrastructure around which States and local communities may build their individual workforce development systems.

Members of the Committee believe that the role of States, and in particular the role of Governors, is of paramount importance in the overall design and implementation of statewide workforce development efforts. However, the Committee believes that this will work best through a collaborative process that involves a variety of concerned participants. Such a collaborative process is essential to the development of a successful statewide workforce development strategy. There is no question that the Committee intent is for Governors to take the lead in determining the workforce needs of their States and in designing their statewide systems. In fact, the CAREERS legislation provides a great deal more flexibility and authority for Governors for the overall policy guidance and design of the workforce system than now is provided under current law.

The Committee also recognizes, however, that many States place jurisdiction for education in the hands of statewide elected officials other than the Governor. By no means does this Committee intend to interfere with or supersede these State decisions. It is not the Committee's intent to impose its will, or any one organizational structure, on States through this bill, particularly if such an imposition would violate State Constitutions.

CAREERS allows Governors through the collaborative process to develop a single State plan and a single performance measurement system across all 4 block grants, as well as consolidating the reporting and data collection requirements of the 4 programs. While setting some parameters for design of the system infrastructure (building on what some of the most innovative States have already done), the CAREERS Act transfers authority for the actual design and operation of federally funded workforce development programs to States and local communities:

Governors have final authority for decision-making and submission of the State workforce development plan (except in States with State constitutions that prevent such authority);

Governors have authority to withdraw funding or redesignate administrative entities for local programs that do not meet State developed performance measures—providing an increased role for the Governor both in setting the performance standards and in enforcing such standards at the local level;

Governors have total authority to designate/redesignate workforce development areas, free from population requirements as under current law;

Governors have authority to set criteria for the selection of local, employer-led, workforce development boards, to bienni-

ally certify such boards, and have approval authority over local plans—an increased role over the makeup and function of local workforce development boards;

Governors have authority to set criteria for the overall design of local one-stop career center systems, and can design alternative strategies to the one-stop, if such strategies achieve full integration of Federal, State and local workforce development programs, and meet with the approval of the Secretaries of Education and Labor;

Governors have the authority to establish a certification mechanism to identify legitimate providers of education and training who are eligible to receive vouchers or skill grants or contracts under the adult training and vocational rehabilitation systems—providing an increased role for the Governor in certifying qualified providers; and

Governors have the authority to establish substate formulas for driving Federal dollars to local workforce boards and to local schools under the adult training and the youth titles of the bill—no longer a prescriptive, federally directed formula.

This legislation transforms our current system, or "non-system" of Federal job training and employment assistance programs. We have developed a bill that significantly increases the role of the Governor in the overall design of all federally-funded workforce preparation programs, while establishing a necessary balance between the State and local levels. In his testimony before the Committee, Lt. Governor Paul Cellucci, of Massachusetts strongly recommended a block grant approach for funding workforce development programs, and explained that "States should be expected to set policy for and oversee job-related and training activities, and to allocate the block grant funds to local boards." He further explained "that's why we see the Regional Employment Boards in Massachusetts as an important infrastructure to have in place." H.R. 1617 appears to be consistent with this recommendation.

Mr. Peter Calderone, Commissioner of Labor in the State of New Jersey, also expressed support for block grants which "best serve the needs of each particular State." Both Commissioner Calderone and Lt. Governor Cellucci testified that their States are building workforce development systems around local employer-led workforce investment, or regional employment boards. And both spoke of their efforts in the establishment of a one-stop delivery system within their respective States, with Commissioner Calderone describing one-stop career centers as the kind of delivery system that "would offer workers and employers easy access and a direct route to the total array of available employment, education, and training information and services." Again, consistent with the direction in H.R. 1617.

Committee Members also believe that programs at the local level will not be successful unless local communities are involved in the design and delivery of local programs. As much as we believe in a strong State role, we believe as strongly in the necessity for local communities to make job training decisions that are consistent with, and appropriate to, local needs. The Committee bill provides a great deal of authority to locally elected officials in the selection of Members of the local workforce development boards; in the ap-

proval of local workforce plans and budgets; and in joint oversight, with the boards, in the area at-risk youth, adult training, and vocational rehabilitation programs. As was stressed in testimony provided to the Subcommittee by representatives of the U.S. Conference of Mayors, including the Honorable William A. Johnson, Mayor of Rochester, New York, locally elected officials know their individual communities best and need the flexibility to design local programs based upon the needs that exist in their communities. In testimony provided by County Commissioner Randy Johnson, on behalf of the National Association of Counties, Mr. Johnson stated:

> Localities must be responsible for: developing shared governance responsibilities between local elected officials and representatives of the private sector; developing and implementing locally based intake and assessment procedures and practices that allow for universal access to programs and services by those who need them most; developing and implementing specific workforce development programs that are responsive to the particular needs of trainees and the business community; and coordinating activities, including waivers, and establishing locally based collaborative efforts between the various educational, social services and human resource programs within our communities.

THE ROLE OF LOCAL EMPLOYERS AND THE ESTABLISHMENT OF LOCAL WORKFORCE DEVELOPMENT BOARDS

Perhaps the most convincing argument for placing such responsibility at the local level as seen by the Committee, however, is the vital role that local employers are intended to play under the CAREERS legislation.

As stated throughout this report, the Committee sees the role of employers, at all levels—Federal, State and local—as essential to the success of our reform efforts in the area of workforce development. In fact, business must take a leadership role in the design, management, and evaluation of workforce training programs.

As pointed out by James Dickerson, Chair of the Central Ozarks Private Industry Council in Rolla, Missouri, testifying on behalf of the National Association of Private Industry Councils: "Our greatest challenge is to turn our publicly financed education and training institutions from supply-driven ones to market-driven ones." The full involvement of business in development of workforce development systems is essential if we are to establish a system that is truly market-driven, accountable, and one that provides the skills and education levels needed in the workforce.

The National Alliance of Business in "Toward a Workforce Investment System," pointed to a number of approaches designed to incorporate market requirements into a workforce investment system, including: "planning education and training programs on the basis of up-to-date labor market information; setting local educational standards based on direct employer input, as has been done by the SCANS commission effort; and providing training vouchers or skill grants for use by individuals in purchasing the

education and/or training services of their choice." CAREERS incorporates all of these elements.

As the ultimate consumer of the products of the workforce development system, the employer community has a vital interest in the quality of the education, training and related services being provided, as well as the efficient utilization of resources. Private sector leaders, at both the State and local levels, play a key role in establishing a common framework that helps governmental entities rethink the categorical structure of workforce programs, to overcome turf issues and resource concerns.

In providing reform recommendations to the Subcommittee, Mr. Dickerson from the National Association of Private Industry Councils explained that local workforce development boards must have real authority, add real value to the employment and training enterprise, or "they will find more productive ways to support their communities." The Committee bill provides employers with this authority, purposely elevating the role of local workforce development boards over that currently provided to private industry councils under JTPA. Under the bill, local employer-led boards will have the authority to: develop local workforce development plans, setting goals and objectives for their workforce development areas (consistent with State workforce development plans); select and monitor the performance of local one-stop operators and program providers in the local system; design the local area's one-stop career center system, consistent with State-established criteria; and develop budgets and conduct oversight over the local system. The bill clearly establishes that local workforce development boards have the authority to elect the board chair from among its members, and develop bylaws and operating procedures that are consistent with the State plan. In "Toward a Workforce Investment System," published by the National Alliance of Business, the point was well made that "a system that is shaped by too many rules and regulations and that bogs down business volunteers with the minutia of program management drives the private sector away." As a result, the bill prohibits local boards from operating programs.

THE ROLE OF EDUCATORS

The Committee also recognizes the importance of educators in the design and implementation of workforce development and literacy systems. We need the active involvement and participation of educators and other service providers, at the State and local levels, especially since successful workforce development efforts can only be built on strong education and training initiatives. Not to involve the education community in the development of a workforce training system would be counterproductive in our opinion.

STATE COLLABORATION

At the State level, as well as in local communities, the role of employers is key to success. It is the intent of the Committee that representatives of business and industry, appointed by the Governor, comprise a substantial number of the individuals involved in the State's collaborative process. In those leading-edge States who have already utilized a collaborative process through the establishment of broad-based, State Human Resource Investment councils

(or workforce investment councils as some are called), the leadership provided by those bodies has been key to statewide system reform.

While the Committee decided not to require the establishment of these councils, the spirit of collaboration behind the establishment of such councils in large part led Congress to utilize a collaborative process under the School-to-Work Opportunities Act, during the last Congress. And it was this model, developed in a bipartisan manner, that the Committee adopted under the CAREERS Act, for State level consideration and development of State workforce development and literacy policies.

The workforce development system must be designed in a way that enables the various stakeholders of the system to work collaboratively within a competitive environment. It is the hope that the collaboration required in this legislation will build support and acceptance of system-wide reform. While the Committee recognizes the Governor as taking the lead role in establishing the overall State workforce development and literacy system, Governors cannot be solely responsible for such reform efforts. To effect truly meaningful reform, all stakeholders must be integrally involved in this collaborative effort.

ONE-STOP CAREER CENTER SYSTEMS

A key principle stressed by nearly all witnesses testifying before the Postsecondary Subcommittee during hearings on this issue, was the need for a workforce development system that is easily accessible and provides customer choice. Customers should have access to all available information and services in the system without regard to the point of entry, and access should be conveniently located within the community. Customer choice through good information on the labor market, provider performance, and the availability of vouchers or skill grants for training, where appropriate, should be paramount. Customers should have the option to select the best service providers available in their community and service providers should be accountable for providing high quality services and meeting high performance standards.

H.R. 1617 requires States and local workforce development areas to establish one-stop career center systems where individuals would be provided with the services and delivery structure described above. The intent of requiring establishment of these systems was not meant to be prescriptive, as States and localities determine how best to develop such systems to meet their individual needs. The intent is, however, to require the integration of workforce delivery programs into a comprehensive, user friendly system, that is easily accessible, regardless of the point of entry—whether through a comprehensive, co-located one-stop center, or through an electronically-linked affiliated site. The intent is that the system also provide customer choice as described above. While the Committee bill does not require the establishment of one-stop centers, their establishment is encouraged. In fact, the bill encourages the establishment of networks of comprehensive and fully-integrated co-located one-stop career centers, combined with multiple affiliated sites that are linked through electronic and technological access points. Although a large number of States are moving in the

direction of one-stop delivery of services, most communities do not yet have a single place for individuals to go to find information about available jobs, about what skills are needed to do a job or advance in a career, or how to find the training needed for such jobs. It is the hope that by the end of the authorization period, that all communities will have established such systems.

PERFORMANCE MEASUREMENT, ACCOUNTABILITY, AND SHARED INFORMATION

In recommendations made to the Committee on reform of the U.S. workforce development system, the Business Roundtable (BRT) stressed:

> A quality assurance system, based on high standards for program performance and skill attainments, is essential for job training programs. * * * Performance and skill standards-based accountability must become a fundamental principle of any new workforce development system. Training programs should provide the competencies employers need and prepare workers for jobs in the high performance workplace. It is critical to benchmark current programs to determine their effectiveness in achieving employability outcomes.

The Roundtable went on to say:

> Program performance standards are essential for administrators and service providers. Standards should correspond to private sector total quality requirements, including specifying well-defined processes and capabilities and promoting continuous improvement. Standards should permit realistic measurement of program effectiveness in terms of key outcomes, such as employment, earnings, and customer satisfaction. Occupational skill standards, or workplace competency standards, should drive program design, be defined by customers and be established at world-class levels. A starting point should be the workplace readiness skills developed by the Labor Secretary's Commission on Achieving Necessary Skills (SCANS). Programs must make special efforts to achieve standards endorsed by the National Skill Standards Board.

In line with these recommendations of the business community and elsewhere, H.R. 1617 contains accountability language that encourages States to meet world class standards, without establishing prescriptive, "one-size-fits-all" national standards. The bill requires States to establish their own, individual performance measurement systems, recognizing the individual characteristics and needs of the different States. Such systems must include goals, and benchmarks set by the State for measuring the continuing progress of its workforce development and literacy programs in meeting such goals, building on performance measures included for each of the 4 consolidation grants established or amended under this legislation. States are also encouraged to take into account post-program surveys measuring customer satisfaction of both employers and

program participants in the establishment of such goals and indicators.

At the national level, the Secretaries of Education and Labor, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, and others, are required to develop technical definitions of each of the core indicators described in this Act (such as the definition of job placement and retention), that are to be used in measuring performance, and to identify world class levels of performance with respect to appropriate core indicators of performance. The bill states that where appropriate, such standards shall reflect industry-recognized skill standards and national education goals.

Finally, the bill includes technical assistance and corrective action provisions for States and for local entities that continue to fail to meet the State-set performance standards.

AMENDMENTS TO THE WAGNER-PEYSER ACT

The U.S. Employment Service (ES), also known as the Job Service, was established by the Wagner-Peyser Act of 1933 during the worst economic depression in the Nation's history. The Act established a nationwide network of State-operated, Federally-financed employment service offices to serve as a labor exchange to match available workers with available jobs. Currently the Employment Service is a joint Federal-State government administered job placement and referral system. The ES registers unemployed workers seeking employment, solicits job openings from employers, and refers job seekers to jobs. During the 1960s, ES was directed to give special attention to the needs of the poor among job seekers. Today, ES serves all individuals seeking employment, regardless of income.

FEDERAL FUNDING ASSOCIATED WITH THE ES

The total FY95 Federal appropriation for ES is $845 million. Pursuant to the Social Security Act, these funds are drawn from the Unemployment Insurance Trust Fund, collected from employers under the Federal Unemployment Tax Act. In addition, for FY95, $120 million has been appropriated to the ES to provide grants for the establishment of one-stop career systems. However, because this Committee feels that due to the fact that the Wagner-Peyser Act is financed almost exclusively by employers through the Federal Unemployment Tax Act (FUTA), there is an obligation to ensure that these funds are used for their intended purpose which is to maintain a national system of employment services.

SERVICES PROVIDED BY THE ES

In addition to job referral and placement, local ES offices may offer job seekers and employers a range of services and assistance—including testing, counseling, job search workshops, resume-writing instruction, interviewing techniques, job fairs, labor market information, mass screening, analysis for restructuring jobs, outplacement assistance, and specialized recruitment to meet affirmative action plans.

The ES is also responsible for carrying out several Federal and State mandates. Specifically, certifying the need for alien workers; providing vouchers or skill grants to job seekers in connection with the Targeted Jobs Tax Credit (TJTC) program and certifying employer eligibility for the TJTC; recruiting domestic migrant and seasonal farmworkers and monitoring ES services to this group of workers for regulatory compliance; and certifying individual eligibility for such programs as Federal guaranteed loans and work programs.

ADMINISTRATION OF THE ES

Currently, 54 State Employment Security Agencies (SESAs) and their network of over 1,700 local offices jointly administer the public Employment Service with the Department of Labor. In 1982, amendments to Wagner-Peyser gave State governments primary responsibility for ES program design and operation. At the Federal level, the ES is administered out of the Employment and Training Administration within the Department of Labor. The primary advocacy groups for this program include: the Interstate Conference of Employment Security Agencies (ICESA); and the American Federation of Federal, State, County, and Municipal Employees (AFSCME), who represent State ES workers.

ASSESSMENT OF THE ES

A study released in 1993 by the Upjohn Institute of Employment Research found that the ES had a positive effect on shortening the period of unemployment for Unemployment Insurance (UI) claimants that were considered long-term unemployed. UI claimants who had been unemployed for 30 weeks or more returned to work 9 weeks sooner than they would have had they not used the ES. In comparison, UI claimants who had been unemployed for roughly 12 weeks only reduced their unemployment, at most, by 2 weeks. The authors concluded that the shift from a 2-to-9 week reduction in unemployment suggested that the ES is particularly effective in aiding a relatively small segment of the claimants who have trouble finding work on their own.

Further, the study shows that most ES users accept jobs after exhausting UI benefits, suggesting that jobs obtained through the ES are preferable to remaining jobless, but do not compare favorably with jobs held prior to becoming unemployed. Thus, the study concludes that the ES primarily acts as a backstop to prevent large earnings losses.

Over the past 6 years the GAO has released two different studies on the Employment Service. In 1989 they examined variations in local ES office performance and found significant variations in placement rate, permanent placement ratio, and placement wage ratio. Specifically, placement rate ranged from over 30 percent in some offices to below 10 percent in others. Similarly, the percentage of those placements that were in permanent jobs ranged among offices from 80 percent or more to less than 40%.

A 1992 GAO report found that ES placement performance was better in States that guided ES program performance through (1) measurable goals reinforced by achievement awards and (2) annual on-site evaluations of local office operations. Even in areas of high

unemployment, local office placement rates were 80 percent higher in States that adopted both management practices compared with offices in States that did not use either practice. Further, the GAO study found better results in ES offices that: placed greater emphasis on meeting the needs of job seekers and employers, including consistent outreach to employers; who had more interaction with JTPA and other training programs; who were separated from local UI offices; and who offered self-service job information as well as services focused on individualized attention.

In order for our U.S. employment/training system to be successful, we need a labor exchange function in each local community that is truly effective. This is increasingly important as many want to move toward an "employment first" workforce policy, where emphasis in all of our employment/training programs is placed on employment for job-ready participants first, and training is only provided to those individuals who are determined to be in need of such training in order to become employable.

Although ES provides services to millions of workers at a relatively low cost—with one study estimating the benefit-cost ratio at 1.8%—evaluations by the Department of Labor have found that ES accounts for only a small percent of total job placements in the American economy; a majority of job vacancies listed with the ES are relatively low paying, entry-level positions in domestic services, clerical occupations, and high turnover blue collar occupations; and the applicant pool of the ES consists primarily of persons with special labor market difficulties, limited work experience, and few vocational skills—underrepresenting workers from the "mainstream" labor force. As a result, employers tend not to utilize the system. However, many States are developing innovative practices to expand and improve their systems, for example, North Carolina and a handful of other States have pioneered placing their information on the INTERNET, greatly expanding the access to the information they provide. It is initiatives such as these that the CAREERS Act hopes to build upon and expand throughout the nation.

LABOR MARKET INFORMATION

Labor market information (LMI) is an essential structural element supporting all other programs and services under the CAREERS Act. The legislation builds on the foundation of existing national data programs to create a nationwide system for information that will be integrated from local to State to national levels and where data will be consistent across States, enabling Governors to compare the effectiveness of workforce development efforts and employers and jobseekers to make informed choices.

BACKGROUND

Labor market information, (LMI) as defined in a recent report commissioned by the Department of Labor, is "The body of knowledge that describes employment, unemployment and the factors that relate to labor demand and supply. These factors include trends in industrial and occupational structure, wage levels, job requirements, and the demographics of the labor force and population. The many users of this information include employers, job seekers, policymakers and analysts, economic developers, econo-

mists and planners of employment, training and education programs."

The Manpower Development and Training Act of 1968 called for the creation of a comprehensive labor market information system to meet the needs of public and private users in recruitment, counseling, education, training, placement, job development and other activities.

In the 1970's, there was an effort to meet the requirements set forth under MDTA. The LMI division of the Employment and Training Administration (ETA) funded labor market information intended to address State and local information needs. This emphasis was important—it was driven in part by an understanding that the ultimate decisions on how Federal funds are used to support human resource development programs are made at the State and local levels, and it made sense to support information that assisted in making these decisions. National data do not meet these needs, because labor markets by their nature are local in most instances.

During the period from 1978 to 1982, funding for some data activities moved from ETA to the Bureau of Labor Statistics (BLS). For a short period, BLS continued to support some of the State and local information needs, such as processing of State occupational projections. (BLS also continued the State and area component of the Current Employment Statistics, Local Area Unemployment Statistics and Occupation Employment Statistics programs.)

The National Occupational Information Coordinating Committee (NOICC) and its State counterparts (SOICCs) were created in 1976 and 1977. The main purpose of the NOICC/SOICC network was to coordinate and deliver occupational information. During the period from 1979 to 1981, Occupation Information Systems were developed, and some States began to put such systems into place.

The NOICC/SOICC currently continues to be very much focused on the State and local customer. It is not, however, a developer of new information in the sense that it does not support data collection activities. Rather, it focuses on delivery and technical support, including training.

From 1982 to 1992, support for State and local LMI decreased significantly in terms of funding and technical support. Because of funding limitations, BLS discontinued support for State occupational projections. The Federal-State cooperative data programs were driven to a large degree by national needs. ETA-LMI funding declined significantly during the 1980s. NOICC funding during the mid-1980s went down significantly, rose again, and then the Department of Labor proposed eliminating NOICC in the early 1990s. What has since developed is a fragmented and inconsistent patchwork of information programs. According to the "Legislative Funding Guide," published by the Interstate Conference of Employment Security Agencies (ICESA), there are currently 26 statutory requirements for labor market information, including 35 labor market products.

Within this context, the Department of Labor has recently focused increased attention upon labor market information. Currently, efforts are underway in the establishment of America's Labor Market Information System (ALMIS). This initiative is centered around four principal initiatives including: grants to all

States for core products and services; creation of research and development consortia to develop and support LMI gathering and dissemination; creation and expansion of a job/talent/help wanted bank network to make labor exchange information more readily available to job seekers and employers; and, support for one-stop implementation States and common systems.

The Committee assumes that the initiatives in establishing a comprehensive system of LMI under the CAREERS Act will build upon the work of these initiatives, the work of the NOICC/SOICC system, as well as those elements of the past efforts in this area which have proven to be successful.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

NEED FOR THE LEGISLATION

Our existing system to prepare young people for the future world of employment is not a system at all, but rather a collection of strategies, programs, and initiatives delivered by three levels of government and a confusing array of education, training, and social service institutions. There is no clear national vision or inter-institutional strategy in this area. The most significant programs serving the career-related education, employment, and training needs of youth in this country are authorized under the Carl D. Perkins Vocational and Applied Technology Education Act, the Job Training Partnership Act, and the School-to-Work Opportunities Act—all with differing missions, different approaches to service delivery, and differing levels of success. However, the common thread between these programs is that they are intended to educate or train young people to prepare them for employment and self-sufficiency. In an effort to reform these programs, H.R. 1617 repeals these three statutes, and in their place, establishes a new comprehensive Youth Development and Career Preparation Consolidation grant program.

As noted by David A. Gruber in his report for Jobs for the Future, entitled, "Toward a Seamless System for Youth Development: A New Strategy for Integrating Resources, Programs, and Institutions," among the public schools, the postsecondary educational system, JTPA providers, social service organizations, and the employer community, especially after the changes begun under the School-to-Work efforts of the past several years, there exists an impressive institutional base and significant resources for serving young people more effectively. When we enacted the School-to-Work Opportunities Act last Congress, with bi-partisan support, we laid the groundwork for a coordinated approach to youth training initiatives. H.R. 1617 builds on this approach. Although this bill repeals the Carl Perkins Act, JTPA and the School-to-Work Opportunities Act, it builds on the school-to-work framework and incorporates its basic components while establishing a new Comprehensive Youth Development and Career Preparation Consolidation grant program.

HISTORY OF FEDERAL VOCATIONAL EDUCATION PROGRAMS

The Federal government has directly supported vocational education for close to 80 years. Beginning in 1917 with the Smith-Hughes Act, a permanent appropriation was allocated to States for limited program areas such as agriculture and home economics. It also detailed program requirements such as hours per week and hours per year to be spent on instruction.

Current vocational education law can be traced to the Vocational Education Act of 1963 (VEA). This Act continued general support for high school vocational education but also directed funds for programs to serve special groups (i.e. disadvantaged students). In addition, the VEA increased requirements for planning and more strongly encouraged new programs. Funding for postsecondary vocational education and for workers' training and retraining programs was also instituted under the 1963 VEA.

The 1968 and 1976 Amendments to the Vocational Education Act expanded many of the programs and ideas introduced in the 1963 Act. The 1968 Amendments incorporated the Smith-Hughes Act into the VEA. The 1968 Amendments also required that Federal vocational education funds should be used for programs serving disabled students. The 1976 Amendments expanded requirements for State and local planning and evaluation. In 1984, the Carl D. Perkins Vocational Education Act amended and replaced the VEA. The Perkins Act, while similar to its predecessor, differed in regard to increased funding for special populations and program improvement. For example, the Perkins Act required that 57% of each States' basic grant be used for vocational education needs for special populations, such as disadvantaged and disabled students and the remaining 43% was required to be used for improving vocational education in general.

The 1990 Amendments renamed the Perkins Act the Carl D. Perkins Vocational and Applied Technology Education Act. The 1990 Amendments made several major changes to the Act requiring more integration of vocational and academic courses, eliminating specific dollar set-asides for select groups and created the Tech-Prep program. The 1990 Amendments began to focus vocational education more on broader skills combining academics and vocational skills.

While the 1990 Amendments made changes in the system, we are now in 1995 at a crossroads with vocational education. It is time to advocate change and to chart a new course. As the National Assessment of Vocational Education (NAVE) Report to Congress states:

> We advocate that the new Perkins Act break with the past. While many of the goals of the 1990 Act were set in the right direction, the results have been disappointing in many areas. We recommend a major change in the nature of the Federal government's involvement in vocational education. We propose a radical new role for the Federal government in supporting vocational education: fostering a truly comprehensive system of preparation for work.

HISTORY OF FEDERAL JOB TRAINING PROGRAMS FOR DISADVANTAGED YOUTH

The Job Training Partnership Act (JTPA), first enacted in 1982, is the authorizing statute for the Nation's programs with the primary purpose of providing employment and training assistance to disadvantaged and out-of-school youth. JTPA's title II–C, year-round program for disadvantaged youth provides direct training and training-related services to help prepare economically disadvantaged youth (ages 14–21) for participation in the workforce. The program requires an assessment of skills and service needs for each participant, the development of a service strategy to determine employment and achievement goals and appropriate services, and a review of participant progress. While progress has been made in recent years in serving harder-to-serve youth, and providing longer-term interventions, the JTPA youth program has been criticized for providing short-term employment and training assistance that has not proven effective for at-risk youth. In fact, one of the few major Department of Labor-sponsored national studies on the JTPA system (conducted in the mid-1980's)—the Abt Study—found JTPA's youth programs to be ineffective, and in some cases, resulting in negative earnings outcomes for disadvantaged male youth.

In addition to the title II–C Year-Round Youth Program, title II–B of JTPA, the Summer Youth Employment and Training Program, provides employment and training activities during the summer months for economically disadvantaged youth to strengthen basic educational skills, encourage school completion, provide work exposure, and enhance citizenship skills. This program also requires an assessment of skills and service needs for each participant, the development of a service strategy to determine employment and achievement goals and appropriate services, and a review of participant progress. Young people receive wages for work performed, and those who have been assessed as needing basic and remedial education or preemployment and work maturity skills training, must be provided such services. In the summer of 1993, the Summer Youth Employment Program provided summer jobs to 620,000 disadvantaged youth.

There has been a growing concern over the years that individuals served under JTPA's youth programs were less responsive to service interventions than their adult counterparts. The amendments to JTPA in 1992 separated the year-round youth program and the summer youth employment program, and focused services on harder-to-serve populations and increased numbers of out-of-school youth. However, JTPA's short-term approach for at-risk youth continues to raise significant concerns.

In testimony provided to the Committee by Dan Bloom, on behalf of the Manpower Demonstration Research Corporation (MDRC), Mr. Bloom explained that during the past 20 years, after rigorous tests of programs and policies designed to improve the education attainment, employment, and the earnings of disadvantaged youth, the results have been pretty discouraging. However, several programs, as pointed out by Bloom, that combined sustained services, adult role models, and financial incentives succeeded in raising

school completion rates among youth who are in school but who are at risk of dropping out. In fact, one small-scale demonstration program noted by Mr. Bloom, the Quantum Opportunities Programs, run by the Occupational Industrialization Centers of America, has achieved dramatic results through an intensive 4-year program, including education supports like tutoring, community college and college planning, sustained adult mentoring, and modest stipends.

It has been more difficult to find promising second chance models for out-of-school youth. The MDRC has found positive results with the Job Corps program. The Center for Employment Training, (CET) program, headquartered in San Jose, California, and replicated in 40 cities throughout the country, has also achieved strong results for school dropouts by operating relatively short-term, but highly intensive hands-on training programs with high growth industries, and building close linkages with the local business community. MDRC's findings indicate that programs that integrate classroom-based instruction with experiential learning at the workplace can transform the education experience of young people, both in-school and out-of-school, and can lead to career opportunities and postsecondary education. The linking of work and training also hold promise for school dropouts, as proven in the successful Youth Build program.

Representatives from both the CET and the Youth Build programs testified before the Subcommittee on Postsecondary Education, Training and Life-Long Learning on what makes their programs successful in reaching at-risk, out-of-school youth. Russ Tershy, President of CET, testified that CET's success is due in large part to their emphasis on learning by action (contextual learning) that is tied to workbased learning. He further explained that CET challenges and has high expectations for even the hardest to serve individuals. That the program is tightly linked with industry, and hires teachers right out of industries, developing curricula and teaching students on up-to-date training techniques and equipment. He stressed that CET's teaching is holistic, intensive, individualized, and self-paced. Cindy Dotson, testifying on behalf of the York Cripus Attucks YouthBuild program, also stressed the need to integrate workbased and academic learning. YouthBuild focuses on teaching out-of-school youth to achieve their GEDs, at the same time as working and learning on construction sites rehabilitating public buildings for the community, stressing community involvement and pride. Again, YouthBuild students work with local contractors (employers) to gain hands-on experience and to further their vocational education. With YouthBuild as with CET, the program is holistic.

Testifying as to the success of work-based learning programs serving the needs of at-risk in-school youth, Mr. Neil Derrough and Ms. Brene Patrick of the San Diego Private Industry Council, stressed the importance of employer involvement, and strong ties between school-based and work-based learning. Under the San Diego Private Industry Council's school-to-work program, JTPA's summer youth employment program has provided a valuable tool for providing work experience that is complementary to disadvantaged youths' school-based learning experiences. And Ms. Sharon Robinson, Director of OIC West in Menlo Park, California, testified

about the success of their after-school SASSY program, encouraging and assisting at-risk youth to stay and to succeed in school through academic and vocational tutoring and complimentary supportive services.

In particular, it appears that longer-term interventions, with the core components contained in school-to-work transition programs, such as integrated academic and work-based learning, a paid work experience, and a strong emphasis on mentoring—can have positive results with at-risk and disadvantaged youth. This sort of approach can also work with out-of-school youth, in an alternative education setting. Building on this assumption, the Committee has built the Youth Development and Career Preparation program around this model. While consolidated into a single block grant to States, 2 subsystems are envisioned at the State and local levels—one for in-school youth, and one for at-risk and out-of-school youth.

HISTORY OF SCHOOL-TO-WORK PROGRAMS

The School-to-Work Opportunities Act, signed into law in 1994, established a national framework for all States to create statewide systems that help young people move from school to jobs and further education. It is not a program. Rather, it was designed to help facilitate the creation of a national, high-quality school-to-work transition system that enables students to identify and progress through well defined pathways that lead to productive and challenging employment. This was done through a joint effort between the Department of Labor and the Department of Education in administering grants to States for the development of highly structured systems that improve schools and move students into jobs and careers.

The Act required components and goals of school-to-work transition systems which included:

A work-based learning component—a program of job training and work experience which included: (1) skills to be mastered that lead to the award of a document which certifies that the skills have been attained; (2) work experience for students while they learn on the job; (3) workplace mentoring; (4) instruction in general workplace competencies; and (5) instruction in a variety of elements of an industry;

A school-based learning component which included: (1) career exploration and counseling to help students to identify, select, or reconsider their interests, goals, and career majors; (2) a program of study that meets high academic standards and meets the requirements necessary to earn a skill certificate; (3) regularly scheduled evaluations to identify academic strengths and weaknesses; and

A work and school connecting activities component which required: (1) matching students with employers' work-based learning opportunities; (2) a person to serve as a liaison among employers, schools, teachers, parents, and students; (3) technical assistance and services for employers to help them design work-based learning components; (4) training for teachers, business mentors, and school counselors; (5) help for students who complete school-to-work programs to find a job or to continue their education; (6) linking youth development activities

under the Act with employer strategies for upgrading worker skills; and (7) collection and analyzing information about what happens to students who participate in school-to-work programs.

Efforts in the development of the school-to-work model began under the Bush Administration, and were continued under President Clinton with the support of a bi-partisan Congress. H.R. 1617 retains the core components of school-to-work. The Committee envisions the activities under this to be activities that are consistent with a school-to-work approach.

DIRECTION OF REFORM

Developing a highly skilled workforce is an issue of national priority. This Committee believes there is a Federal role in supporting State and community workforce preparation and education programs. There is nothing more important to the success of business than human capital. The need to develop the skills of the American workforce is critical to our success in the world marketplace.

The Federal government has a vital interest in investing in education and employment assistance programs that develop a skilled workforce of the future. Every dollar invested in the skills of a future American worker through quality career preparation programs is returned to the Federal Treasury, to States, and to local communities by increased revenues from workers in higher wage jobs.

Various studies, including the National Assessment of Vocational Education, have found that students who concentrate in occupational areas earn more after graduation than students enrolled in a general education track. They are also more likely to continue their education after high school, and continue to earn more than general track students throughout their careers. Studies show that vocational-technical students are less likely to drop out of school, thus saving the Federal government, as well as State and local governments, the additional costs incurred through higher welfare payments, unemployment benefits, retraining and remediation programs. Furthermore, policies to increase the years of schooling at mainstream educational institutions (high schools, vocational institutions, community colleges, and universities) for low- and moderate-income youth appear to have a high economic payoff. Card's 1994 survey in this area indicates that an additional year of schooling increases the future earnings for those from disadvantaged families by approximately 8 percent to 12 percent per year. In his testimony before the Subcommittee, Dr. Lawrence Katz of Harvard University noted that "These high returns to mainstream schooling combined with more disappointing results from interventions for out-of-school youth indicate that interventions to reduce high school dropout rates and school-to-work programs linked to community colleges and employer-training are fruitful areas for investment and further research and experimentation."

The NAVE report concurs:

> Technical and occupational skills are critical to building a high-skill, high-wage American workforce. Individuals with vocational training (especially at the postsecondary level) who obtain related jobs enjoy higher wages than

> their peers with a general secondary education. On a broader scale, many of the firms that have used highly skilled workers to transform their enterprise to a high-performance work organization have benefitted on their bottom line. A desire to meet world-class levels of productivity and competitiveness should propel us toward better vocational education, not less. The definition of vocational education may need to change, to embrace an integrated mixture of cognitive, industry-related and occupationally specific skills, but vocational education will remain a vital part of this nation's preparation of individuals for work.

While there is a Federal role in helping to support creating a quality youth development and workforce preparation system, it must change from our past history. In order to meet the challenges presented by a global workforce and the goals of educational reform, change is a necessary event. As stated by Assistant Secretary Augusta Souza Kappner during the March 3, 1995 hearing before the Subcommittee on Postsecondary Education, Training and Life-Long Learning: "The change taking place in vocational education is directly related to the rapidly changing needs of today's economy. Jobs are requiring a higher level of academic and technical skills. Employers are telling us clearly that too many young people cannot meet the rigorous demands of today's workforce. To keep America competitive in the global economy, we must educate our young people to much higher standards and prepare them to be lifelong learners."

Vocational education and Federal training programs for youth, as we know them today must change—and must change dramatically. The education community must join with local business and community leaders to reinvigorate old programs. Vocational education has failed in efforts to adequately or consistently meet the needs of businesses and they must reach out to local employers and work with them. Employment and training programs for youth have not sufficiently focused on the education and skill needs of youth participants. Business and education must form partnerships to ensure that our nation's youth—our future leaders—are prepared to enter the working world and will succeed. The Committee envisions a partnership that strengthens our school systems, strengthens local businesses and strengthens local communities.

NAVE outlined several principles critical to any reform initiative developed regarding workforce preparation for youth. Two of those principles were:

> First and foremost, the vocational/career-related education should become an integral part of a reformed American system of education and training. A comprehensive system would provide all students with access, multiple entry and exit points, clear education pathways, quality program, high standards, information, and linkage to the labor market.
>
> Vocational/career-related education should be high quality: It should be competency-based, with industry involvement. Industry-oriented skill standards should be used as the mechanism for connecting vocational education to the

system of education and training. In combination with academic and employability skills, skill standards will provide all students with a rigorous preparation for work and life.

And these principles apply to the newly reformed system in CAREERS.

The efforts begun over the past several years in the area of establishing school-to-work transition programs have attempted to move the system in the right direction. By repealing the School-to-Work Opportunities Act enacted last Congress, the Committee does not want to send the signal that it does not like that direction, or want these efforts to cease. Quite the contrary, school-to-work is what CAREERS is about in this newly reformed youth program. The Committee's intent however, is to develop a comprehensive system, where school-to-work, or school-to-career education and training is at the center for all youth. While the leveraging approach taken under the School-to-Work Act was a laudable approach, it has been determined by the Committee that there is no time to wait for the encouragement of such reforms in existing programs. Now is the time to force change in our major programs serving the career-related needs of youth today.

The primary purpose of Title II, the Youth Development and Career Preparation Consolidation Grant, is to provide States and localities with maximum flexibility in designing career preparation programs that help youth attain both the academic and occupational skills necessary to succeed in a global economy. The focus must be on the students and competencies achieved, not the process. In preparing for a high-skilled, high-performance workplace, every young person must have access to high quality educational programs that meet employer standards and that take place in a variety of learning environments including school, the workplace and the community.

At the core of this new system, for in-school, and for at-risk (including out-of-school) youth alike, funding will be used for programs that:

Integrate academic, vocational, and work-based learning, stressing applied and contextual learning through a coherent sequence of courses resulting in the achievement of academic and occupational competencies;

Involve employers in the design and implementation of programs, including in the development of curriculum;

Establish effective linkages between at-risk youth programs, secondary, and postsecondary education;

Provide work-based learning experiences with adult mentoring, and to the extent practicable, that provide an understanding of all aspects of an industry as tied to the student or participant's career major; and

Provide career exploration, career awareness, and career guidance opportunities, beginning in the earliest grades possible.

In addition, the same high performance goals are provided for in-school and for at-risk youth. Such goals stress the importance of positive outcomes tied to high academic and skills attainment; retention in school or the return to an alternative education program resulting in a diploma or its equivalency, or a skill certificate;

placement and retention in employment; or other positive outcomes.

Development of a highly skilled workforce is an issue of national importance. The Federal investment should be a catalyst for change for State and local efforts. The CAREERS Act will have a significant impact on the vocational education system currently in place. The opportunity for flexibility, adaptation and change are essential to the continuous improvement of a comprehensive workforce development system.

As Governor John R. McKernan, Jr. stated in testimony before this Committee:

> Let me say, first, that with the advent of the 104th Congress, there is an unprecedented opportunity to review, eliminate and consolidate ineffective employment, training and education programs. We should look ahead to our changing workforce needs and design a new, comprehensive, innovative and flexible workforce development system accountable to all the key stakeholders. Current government programs have become obsolete because they are not driven by results nor accountable for success. Today's federally supported training and education programs are largely isolated in separate categorical programs and designed with no real relationship to local labor market needs. The old way of creating individual programs for specific needs and population is no longer appropriate. Under a new system, all workers employed, unemployed, and disadvantaged, would have access to a comprehensive system that delivers the education and training demanded for jobs in the rapidly changing modern workplace.

We have consolidated and eliminated programs. We have to provide a foundation upon which States and localities can serve the roughly 75% of youth who do not complete a four year college degree, and those who are at-risk of dropping out or who have already dropped out of school. It is these students who are often forgotten. We want them to succeed. We want them to have productive lives and enjoy life. We are trying to prepare the youth of today for the jobs of tomorrow and trying desperately to give them the skills they will need to succeed. To quote Robert Maynard Hutchins, an American educator, "The object of education is to prepare the young to educate themselves throughout their lives."

Our current system is fragmented. It is not serving our youth well and it is not serving business.

> Unlike many other industrialized nations, this country still lacks a comprehensive system of workforce preparation. Educational programs and institutions operate in loosely coordinated, sometimes disconnected ways, and individuals are left on their own to navigate their way through them and into the labor market. (NAVE Report, June, 1994)

As pointed out in an article written for the National Youth Employment Coalition and the American Youth Policy Forum, Joan

Wills, Director of the Center for Workforce Development at the Institute for Educational Leadership stated:

> The past decade has been a period in which U.S. workforce preparation policymakers have been engaged in a substantial amount of collective soul searching in an effort to find more cost efficient ways to organize and manage our governmental services * * *. We have learned a great deal from this period which can help guide the next generation of workforce preparation programs. Some of the key lessons from the past which should be used to help guide the future include: (1) for young people short-term interventions are insufficient—multi-year investment that begin early and are age and stage appropriate are essential and adult mentors are indispensable; (2) most individuals learn better through active applied learning situations (for example, it is often the case academic learning has double the impact when it is job related; (3) the quality of curriculum and the form of instruction can be more efficient and effective if computer assisted technologies are used) * * *; (4) career preparation programs need to be organized as staged programs of study based upon required knowledge of the workplace which ignore the institutional boundaries where learning takes place; (5) both youth and adults can meet high expectations (standards) if the learning environment promotes self-respect and responsibility; (6) the knowledge and skills of the instructors and other service staff is a key variable in the quality of programs; (7) a program for every problem will not promote positive youth and adult learning; (8) quality information is essential for customers of workforce preparation services to make prudent choices. Yet our government education and labor market information services is a patchwork of incomplete and disjointed data with marginal quality; (9) the past mechanisms to involve the employer community in the wide array of workforce preparation programs have placed an undue emphasis on corporate social responsibility activities and insufficient attention on the central importance of learning within the workplace and assisting in the development of programs of study based on skill standards; and (10) the current intergovernmental planning, resource allocation process, management information systems, case management procedures, performance measures, and institutional incentives utilized in most government-supported programs are woefully inadequate and contribute substantially to the fragmented non-system of workforce preparation throughout the country.

The solution is a seamless system that strengthens education and training. One that integrates academic, vocational and workbased learning, stressing high academic and skills attainments for all youth, involving employers with educators at all levels. Education and training should be married so that they complement each other and are thought of as "one" and not "two". Education is a life-long event. It does not stop the day a student grad-

uates from school. Education and training are continual and necessary events in our adult lives. As Gunnar Myrdal, a Nobel prize-winning economist stated, "Education has in America's whole history been the major hope for improving the individual and society."

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

HISTORY

Efforts by this Committee and its predecessor, the Committee on Education and Labor, to assist adults in securing stable, high paying jobs, extend as far back as the 1930's with the passage of the Fitzgerald Act, which to this day, provides the statutory language for the Federal involvement in apprenticeship training. The Job Training Partnership Act (JTPA), which is the primary legislation providing adult training services today, has its roots back to 1961, when Congress enacted the Manpower Development and Training Act (MDTA). This was President Kennedy's approach to addressing upward creep of unemployment and the impacts of automation which demanded higher skilled workers. MDTA assisted unemployed individuals in qualifying for existing jobs demanding specific skills. Eventually, amendments increased targeting to hard-to-serve adult populations and established "skill centers" that provided remedial education and skill training.

This program was followed by the Comprehensive Employment and Training Act (CETA) in 1973. CETA was established as a result of the Nixon Administration's widespread support for decentralization and decategorization of employment and training programs. CETA consolidated and coordinated training programs and initiated localized planning and implementation processes subject to broadly designated Federal criteria. CETA also instituted a public service employment component which eventually contributed to CETA's demise.

In 1983 the Job Training Partnership Act (JTPA) was established by the Reagan Administration, replacing CETA with JTPA and leaving in place many of the basic features except for public service employment which was seen as resulting in widespread abuse of the program. State and local control was maintained and a new role was established for the private sector via Private Industry Councils (PIC) in order to provide oversight and input as to the type of training being provided. Amendments in 1992 increased targeting of resources to those most economically disadvantaged and tightened the overall accountability of program.

Under the Bush Administration, a significant effort was made to overhaul the nation's job training program. "Job Training 2000" as it was known, pushed for many of the same elements which are currently included in the CAREERS Act. This included an increased role of business and industry, an emphasis on streamlined delivery of services through one-stop centers, and increased responsibility and choice for participants through the use of training vouchers.

ADULT CATEGORICAL PROGRAMS

Over the years, the Job Training Partnership Act has become a ''tag-on'' for additional categorical training programs for adults. In addition to the Act's programs for economically disadvantaged adults (Title II–A); dislocated workers (Title III); disaster relief employment assistance (Title IV–J); microenterprise zones (Title IV–I); and the Jobs for Employable Dependent Individuals (JEDI) program (Title V); other amendments to JTPA over the years has also expanded the JTPA to include the Defense Conversion Assistance (DCA) to help workers dislocated as a result of reductions in defense spending; the Clean Air Employment Transition Assistance (CAETA) program to provide training, adjustment assistance, employment services and needs-related payments to workers affected by the compliance with the Clean Air Act; the 1991 Nontraditional Employment for Women Act, which amended JTPA to include requirements relating to the training, placing, and retraining of women in nontraditional employment; and the 1993 National Defense Authorization Act establishing the Defense Diversification Program (DDP) for certain discharged military personnel, terminated defense employees, and displaced employees of military contractors.

This proliferation of programs and fragmentation of services to targeted groups has been the main thrust behind reforming the nations' system of job training programs. A draft paper of recommendations from the National Association of State Job Training Coordinating Council and Human Resource Investment Council Chairs, provides an excellent overview of the problems inherent with maintaining these fragmented programs and ways to improve the system—many of which are clearly stated within the CAREERS Act:

> Designing the next generation of a national workforce investment system first requires a major shift from a mind-set of curing the needs of clients to a vision of investing in the potential of individual workers that preserves the commitment to those individuals with the greatest needs. This requires:
>
> > Moving from programs that stigmatize and classify individuals as members of various marginal, dependent populations to a system that respects individuals as customers who have unique talents and capabilities and the potential to take responsibility for their economic well-being;
> >
> > Moving from an unemployment system designed in the 1930's to deal with temporary layoffs and minimal skill development, to an employment and investment system designed for the 21st century to deal with major economic shifts resulting in permanent layoffs and significant retraining needs;
> >
> > Moving from low-skill, short-term training programs to a high skill training system that provides continuous education and training opportunities leading to skill advancements and economic security; and

> Moving from a patchwork of second-chance, disconnected programs targeted to specific population to a coherent, comprehensive, outcome-driven system with universal access and eligibility that is part of a mainstream system of life-long learning valued and used by individuals and employers alike and mutually supported by public and private resources.

BUILDING ON WHAT WORKS

There is a substantial amount of research and study to prove that a "work-first" approach seems to determine how successful or unsuccessful a particular job training and employment program will be. This approach, not surprisingly, is found to be successful across programs. This is true, regardless of who is being served—from mothers on welfare who have never held a job, to dislocated workers who held the same job for twenty years. There is ample evidence showing that job search assistance either by itself or coupled with other services such as on-the-job training, is highly successful.

The success of a work-first approach for welfare mothers was highlighted in testimony before the Subcommittee on Postsecondary Education, Training and Life-Long Learning by Michael Genest, Deputy Director, Welfare Programs Division, California Department of Health and Human Services:

> * * * thanks to Ms. Gueron's evaluation in the MDRC report of our four California counties that were extensively studied, is that the GAIN Program (California's version of the Job Opportunities and Basic Skills (JOBS) established under Title IV of Aid to Families with Dependent Children), and I believe the other State's jobs programs, can only be successful when it is strongly focused on employment.

He continued,

> I would cite Riverside County as evidence for that, and the MDRC report goes into some detail as to what caused that in Riverside county, but basically I think the main thing that sets Riverside apart and makes it the most effective welfare-to-work program ever rigorously studied in this country is the management, the staff, the providers of service, and the participants, all keep their attention focused on that one goal of getting a job. I think that job focus is, more than anything, responsible for why Riverside County returned $2.84 of savings for every taxpayer dollar of cost.

Mr. Genest continued,

> The flip side of that, the other lesson that I think we have learned, is that stressing long-term education and long-term training as opposed to stressing immediate job placement does not work. I would cite our Alameda County, which was also part of the MDRC report, as evidence of that. In Alameda County they truly did focus on long-term educational involvement to the exclusion of an em-

> phasis on an immediate job, and that is why their program failed, and that is why it returned only 45 cents in savings for every dollar of taxpayer investment, not an acceptable return on investment.

The success of the work-first approach for unemployed and dislocated workers has also been documented in many studies. A recent report by the Department of Labor included the following summary regarding the use of work-first as part of a "worker-profiling" system, discussed in greater detail later in this section:

> Job search assistance clients found a new job more quickly, and receipt of Unemployment Insurance benefits was reduced. Those receiving job search assistance found new employment an average of one-half of a week to 4 weeks sooner than similar individuals who did not receive assistance. Most States averaged around a one week reduction;
>
> The program was cost-effective for the government. In each State experiment the savings in (UI) payments plus the increase in tax receipts due to faster re-employment were more than enough to pay for program costs. Savings to government averaged around two dollars for every dollar invested in targeted job search assistance; and
>
> Job search participants did not end up in more lower-wage jobs than non-participants. Some have argued that mandatory job search leads to workers taking jobs that do not pay as well as jobs they otherwise would have found without the program. There was no evidence that this was the case. In the two experiments where earnings data was available, job search participants not only found work more quickly, but hourly earnings were similar to non-participant workers.

A major national evaluation of the Job Training Partnership Act in 1992 concluded that the impacts of the program for adults varied according to the type of services provided: generally, short-term classroom training was the least successful, and a combination of on-the-job training and job search assistance produced the best results. Adults designated for either on-the-job training or job search assistance showed annual earnings gains of over $1,000 by the final year of the study. This represented gains of 13% for men and 17% for women.

Although these programs maintain a heavy emphasis on work, this should in no way be construed to mean that there is no role for education and job training. On the contrary, the right training, for the right person, for the right job can be extremely beneficial both to the individual and to society as a whole. The Committee finds that one of the most successful ways to determine what services are most appropriate for an individual, is through an effective "worker profiling" system. This approach is currently being used by the Employment Services, and refers to the process by which individuals are screened using demographic and work history information to identify their risk of remaining unemployed long-term, and thus have the greatest need for re-employment services.

For those who are found to be in need of training because they simply lack the skill to gain employment, there is also encouraging results by job training programs. In 1993, the National Commission for Employment Policy issued a report "Evaluating JTPA Programs for Economically Disadvantaged Adults: A Case Study of Utah and General Findings." This study is unique in that it utilized Unemployment Insurance (UI) earnings records as a measure to compare JTPA participants with non-participants. The results found that for women JTPA participants enjoyed a $1,000 gain, while men's earnings increased by $1,300 compared to those who did not enter JTPA.

VOUCHERS/SKILL GRANTS

One of the ways this Committee hopes to make training even more successful is by expanding the use of vouchers or skill grants for training. These vouchers or skill grants are intended to increase the flexibility and responsibility of individuals in choosing education and training providers, but will also result in additional competition between services providers. A white paper released by the National Association of State Workforce Investment Policy Council Chairs, entitled "Advancing America's Workforce," expresses support for the use of vouchers or skill grants. In one of the guiding principles for the reform of the workforce investment system, the report states: "Customers should have the option to select the best service providers available in their community, and service providers should be accountable to customers for delivering high quality services and meeting high performance standards." Support for vouchers or skill grants has also come from the National Commission for Employment Policy, in testimony before the Subcommittee on Postsecondary Education, Training and Life-Long Learning. The Commission's Chair, Mr. Anthony P. Carnevale stated:

> Bundling existing programs and sending them to the states will work best if we also create new market-based incentives that empower recipients with choice and enable them with information to help them choose and thereby encourage the provision of the highest quality services, provided with the most quality at the lowest possible cost.

The use of vouchers or skill grants for providing education and training is not a new idea. Currently local areas throughout the country are successfully experimenting with limited voucher programs using funds under the Job Training Partnership Act.

EMPLOYER-PROVIDED TRAINING

The Committee finds that there's simply not the capacity within Federal, State or local government to meet the workforce development needs of this nation. It is for this reason that businesses must continue their integral role in providing the training necessary to compete in an international economy. Although it is estimated that $40 billion to $50 billion annually is spent on the formal provision of training by American companies, a vast majority of this amount is spent by a relatively small number of major corporations. Small and mid-size companies, for a variety of reasons,

by and large have not implemented such programs. This is unfortunate because most of this nation's job growth is happening within small and mid-size businesses. It is also unfortunate because there's ample evidence to prove that this type of training is not only beneficial to employees, but also to employers. Several of these findings were recently highlighted in a U.S. Department of Labor report on job training:

> A survey of 157 small manufacturing firms in Michigan who received training grants from the State government estimated that the subsidies led the firms to roughly triple the amount of training they provided to their workers in the year they received the grant;
>
> The Michigan researchers also estimated that the additional training provided by manufacturing firms significantly reduced the rate at which output had to be scrapped;
>
> A study of formal training programs in 155 manufacturing firms found that those firms introducing training programs in 1983 had a productivity growth rate over the next three year that was an average of 19% greater than firms which did not. Firms introducing training programs generally began with a productivity level below the industry average, but within three years of introducing training they had brought their productivity level up to industry standards;
>
> A number of studies also suggest that formal company-provided training can have significant positive effects on the future earnings of workers who receive it. Researchers have generally found that employer-provided training increases worker earnings significantly, although the exact amount of the increase depends on such factors as the time since the training was received, the amount of training received, and whether or not the worker leaves the firm where the training was provided; and
>
> Economists have estimated that the rate of return to workers receiving this type of training is as high or higher than the gains that result from a similar amount of additional post-secondary education. Earnings gains from employer-provided training have been found for both more educated and less educated workers. These studies isolate the effect of training on earnings by controlling for family background, ability test scores, education, and previous experience.

Under the CAREERS Act, States will have the ability to use a portion of their funds to establish a system for employer loans, to assist employers in getting training programs up and running. Such public/private partnerships have proved to be very successful in States such as California. This was highlighted in testimony before this Committee from Mr. Kevin Wheeler, Director, National Semiconductor University, who testified on behalf of the American Society for Training and Development:

> The panel directs funding to training with the greatest potential benefit to the California economy. Key to the panels' success is its ability to forge partnerships with other economic development entities; its studies of the workforce of the future to determine future skill and train-

ing needs; and its emphasis on careful evaluation to assure ongoing improvement in the program.

NATIVE AMERICANS

The CAREERS Act consolidates seven existing programs for Native Americans as part of the overall adult consolidation grant. Funds for Native Americans are maintained at the Federal level and available to eligible tribes and service providers. The largest of these consolidated programs is the Job Training Partnership Act Section 401 program.

The Section 401 program provides employment and training services for Indians, Alaskan Natives, and Hawaiian Natives. The program was originally included under the Comprehensive Employment and Training Act of 1973 and was later incorporated into the Job Training Partnership Act in 1982. At that time the Congress believed that such a program was essential to addressing the serious unemployment and economic conditions affecting Native Americans.

The consolidation of programs for Native Americans under the CAREERS Act builds upon Public Law 102–477, the Indian Employment, Training and Related Services Demonstration Act, which has allowed several Native American tribes to consolidate a host of Federal programs into a single grant, thus allowing tribes to provide services in a much more efficient manner. The burden of multiple regulations, conflicting definitions, and endless management information requirements has presented an even larger problem for Native Americans given the relatively small size of grants received at the Tribal level. Under Public Law 102–477, these tribes have been able to streamline funds, unify definitions, and consolidate management information systems. The CAREERS Act hopes to build upon this success and ensure that these limited funds available to Native Americans are maximized.

MIGRANT AND SEASONAL FARMWORKERS

The CAREERS Act consolidates five existing programs for migrants and seasonal farmworkers as part of the overall adult consolidation grant. Funds for these workers are maintained at the Federal level and available to eligible service providers. The largest of these consolidated programs is the Job Training Partnership Act Section 402 program.

The Section 402 program provides outreach, classroom training, on-the-job training and supportive services to eligible migrants and season workers. A 1994 evaluation of the program by the Department of Labor came to the following conclusions:

> The study team was impressed at the dedication of the Sec. 402 program operators, and found that many programs were effectively serving migrant and seasonal farmworkers, populations that are among the hardest to serve in the JTPA system. The programs have considerable experience in delivering both employment and training and supportive services to farmworkers, who look to these agencies as a source of assistance both when they are migrating and at home. Many programs have adapted their

service delivery needs of the eligible populations in their areas, and continue to adapt them as populations shift and directives from the Department of Labor change.

Given the relative success of the JTPA migrant program, it is the Committee's intent that any funds to provide services to migrants under the CAREERS Act will build upon its success.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY GRANT

SUBTITLE A—ADULT EDUCATION AND FAMILY LITERACY

Public adult education is in many ways a Federal creation, beginning in 1964 when the Adult Basic Education Program was created by the Economic Opportunity Act. This initial law offered persons 18 and older opportunities to develop basic skills in reading, writing, language, and arithmetic.

In 1966, Congress enacted the cornerstone of adult education, the Adult Education Act (AEA). This program is administered by the U.S. Department of Education and is the major source of Federal funds supporting State and local literacy programs.

The purpose of the Adult Education Act is to provide educationally disadvantaged adults the opportunity to acquire basic literacy skills, benefit from job training programs, obtain and retain employment, and acquire a high school diploma. This is of particular importance in today's highly technological society, where the number of jobs available to individuals without a high school diploma or strong literacy skills are rapidly disappearing.

In 1991, Congress again sought to improve existing Adult Education programs by passing the National Literacy Act. The Act established the National Institute for Literacy, which was set up to act as an interagency Institute to improve literacy services and to provide technical assistance and information to State and local adult education and literacy programs to enable them to improve the quality of services provided to participants.

The overall growth in the adult education program has risen from 38,000 individuals served in 1965 to almost 30 million by 1994. However, the extent of illiteracy in the United States is striking. The 1992 National Adult Literacy Survey, which measured the ability of individuals to read and understand words, to use documents effectively, and to perform tasks such as balancing a checkbook and totaling purchases, found that 20 percent of adults had minimal basic skills. In fact, of the five levels of literacy used in the survey, almost 50 percent of participants were found to be in the bottom two levels of literacy. Forty-three percent of those in the lowest literacy level live in poverty, 17 percent were receiving food stamps and 70 percent were unemployed or under-employed. More than two-thirds of unwed parents, adults in poverty, school dropouts and arrestees have below average literacy levels.

If our Nation intends to retain its position in the world marketplace, put individuals on welfare back to work and reduce crime, there will continue to be a great demand for adult education programs. Considering that the typical welfare recipient reads at an 8th grade level, much education will need to occur before a recipi-

ent will have the skills necessary to complete job training programs and obtain a job which will enable him or her to support their family without depending on Federal assistance programs.

However, there are some problems with the current adult education and literacy programs. Although we have seen substantial growth in participation, measuring the success of adult education programs is difficult. Large numbers of participants drop out or do not achieve program goals. Part of the problem is that Federal programs and policies for adult education and literacy, duplicate, complicate, and run counterproductive to the ability of States and local providers to develop programs which meet the needs of participants. State and local literacy practitioners are discouraged by incompatible Federal funding streams, eligibility restrictions, and accountability requirements controlled by the Federal government. They are also frustrated by the maze of paperwork necessary to receive funds from existing Federal adult education and literacy programs. These problems alone justify the need for the reform proposed in this legislation.

In developing the CAREERS bill, the Committee was well aware that the adult education and literacy delivery system is unlike the elementary, secondary, and postsecondary education systems in many important respects. This is a unique system characterized by a diverse group of providers, diverse students and limited resources. For example:

For the most part, those served in adult education are young adults. 58% are between the ages of 16–31. Many of these young people have dropped out of school and are trying to get back on the road to self sufficiency and opportunity. A subgroup or this population is clearly the young mother on AFDC who, under the various welfare reform proposals, will be required to find a job relatively quickly;

Almost half the participants in this part of the American educational system are working. In other words, this is not a field that serves only the very poor and those unattached to the workforce. Many students are blue collar workers or dislocated workers who understand that to get ahead and provide for a family in 1995, it takes an education and the requisite skills;

Not all the participants in this system come to programs solely to improve their employment prospects. Many are looking to become citizens, to help their children succeed in school, and to fulfill a variety of other personal, economic, and social goals. Most of these goals have serious implications for our national well-being;

Providers of services in this system are many and varied. They include local education agencies, community colleges, community-based organizations, libraries, churches, and private businesses. The diversity of providers is both a strength and a challenge to building a high quality system. Services are located in the communities where they are most needed and easily accessible. But different programs often are not coordinated and lack shared information and resources to improve the quality of their services; and

The staffing of adult education and literacy programs is significantly different from that of elementary, secondary, and postsecondary education. The vast majority of adult education staff are part time professionals, working in isolation from the rest of the educational system, with little training and virtually no benefits. Only 25% of the teaching force is full time. Almost 75% of all programs have volunteers, most serving as tutors.

Adult education services are absolutely critical to accomplishing our national goals for education, employment, welfare and citizenship. Literacy levels predict how long a displaced worker stays unemployed, the number of weeks worked and wages earned for the employed, whether a child will arrive at school ready to learn, and whether a citizen is registered to vote.

Over the past ten years, the adult education system has been asked to step into a number of new roles. The welfare system has asked it to help prepare poor, unemployed adults for training and work. Employers have asked adult educators to upgrade the skills of their workers. Schools and parents have asked literacy programs to address the intergenerational nature of literacy and help parents become their children's first teachers. At the same time, there have been new expectations for accountability and results.

The CAREERS Act helps ensure that the adult education and literacy system will continue to develop and grow through a separate stream of funding, the requirement that funding follow adults referred for education from the one-stop centers, and the requirements for accountability related to goals and performance measures. Through these provisions of the bill, and many others, CAREERS provides the structure for a reformed system of adult education and literacy that will serve the student and our nation well.

SUBTITLE B—LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

Several Federal programs and agencies provide assistance to elementary and secondary, college and university, and public libraries. Major programs include the Elementary and Secondary School Library Media Resources Program authorized under the Improving America's Schools Act of 1994 (P.L. 103–382), the Academic Library and Information Services provisions under Title II of the Higher Education Act of 1965, and the Library Services and Construction Act (LSCA). Other programs or agencies which impact libraries, either directly or indirectly, include the National Endowment for the Humanities, the National Commission on Libraries and Information Science, the White House Conference on Library and Information Services, and the Library of Congress.

Of the major programs mentioned above, the Elementary and Secondary School Library Media Resources Program was authorized at a $200,000,000 level in 1994, but has received no funding to date.

Funding for library programs under Title II of the Higher Education Act in 1995 was somewhat better—approximately $11.4 million.

On the other hand, the Library Services and Construction Act, which is the largest Federal program of assistance specifically to libraries, received $132.7 million in 1995. LSCA funding is used to operate programs of public library services (Title I of LSCA), public library construction and technology enhancement (Title II of LSCA), interlibrary cooperation and resource sharing (Title III of LSCA), library services for Native Americans and Native Hawaiians (Title IV of LSCA), and library literacy programs (Title VI of LSCA). As amended in 1990, the LSCA contains eight titles authorizing aid for many different, and in some cases, duplicative activities.

Of all revenues for public libraries—Federal, State, local, and other sources—LSCA funds represent about 1.4 percent. Yet, Federal LSCA funds are used for numerous and varied activities including services to populations with special needs, information-sharing networks, adult literacy services, specialized or new services, and the purchase of equipment for computer networks.

Rather than continue to spend limited Federal dollars on multiple activities, the Committee believes it is more efficient to narrowly focus Federal assistance upon one area—electronic technology. Accordingly, Subtitle B of Title IV of H.R. 1617 consolidates the major Federal library service programs into a single categorical grant which will be used to improve public access to information through electronic networks, and provide linkages among and between libraries and one-stop career center systems.

TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

BACKGROUND

The Rehabilitation Act of 1973 provides comprehensive vocational rehabilitation (VR) services designed to help individuals with physical and mental disabilities become employable and to achieve independence and integration into society. The Rehabilitation Act was originally enacted in 1920 as a means of returning injured workers to their jobs. The program was expanded in 1943 to help meet the manpower shortage after the entry of the United States into World War II. Amendments in 1973 gave service priority to persons with severe disabilities if such persons had employment potential. The 1978 amendments expanded the Act by adding a major new service category, comprehensive services for independent living, for persons with severe disabilities without current employment potential. Amendments in 1986 strengthened services to the severely disabled by authorizing employment services for persons unable to maintain competitive employment without special assistance.

Amendments in 1992 reauthorized the Act for five years through FY 1997. Among other provisions, the law included amendments to establish a general presumption that persons with disabilities, including persons with severe disabilities, can benefit from VR services in terms of an employment outcome, unless the State VR agency can show evidence otherwise. This presumption allows some persons, who would not have otherwise been eligible, to enter the program. The amendments also required that eligibility for VR services be determined within 60 days of application; increase cli-

ent choice of VR services; and increased requirements for consumer control of rehabilitation policy and service delivery. Amendments in 1993 made technical changes to the Act.

NEED FOR CHANGE

The Committee believes that the vocational rehabilitation system needs to be significantly reformed to better meet the rehabilitation and employment training needs of individuals with disabilities, particularly those with severe disabilities.

The public rehabilitation system has evolved over a 75 year history and has developed a degree of expertise and success in serving those individuals with the greatest needs. However, there are serious shortcomings in the centralized service delivery structure—shortcomings that are becoming more glaring as the need for rehabilitation among Americans with disabilities becomes more acute.

NEW DEMOGRAPHIC TRENDS/GROWING CASELOAD

In its 1993 study of the current rehabilitation system, the General Accounting Office pointed out emerging factors which are placing great strain on the centralized system:

> Effective vocational rehabilitation programs are important for a number of reasons. First, a productive and humane society is enhanced by the useful employment of as many of its adult members as possible. Second, statistics suggest that the population of Americans with work disabilities may be increasing. Some scholars have argued that recent reductions in the risk of death from accidents and illnesses are associated with an increasing risk of disability. And third, technological developments such as the availability of assistive devices and new behavioral training techniques have made it possible for individuals who were previously regarded as unemployable to enter the workplace.

With these changes in the characteristics of the population needing services, additional strains are being placed on the system. From FY 1992 to FY 1993, the number of newly eligible persons increased by 24 percent, the highest intake level in 16 years. Requirements added in the 1992 amendments have recently affected VR caseload trends. These included the presumption of benefits, and that VR agencies make eligibility determinations within 60 days of a person's application.

DECLINING SUCCESS RATE FOR THE PUBLIC REHABILITATION SYSTEM

This growing caseload of individuals with severe disabilities is being fed into a system that over the last 20 years has demonstrated an unresponsiveness and inability to serve individuals with severe disabilities. From 1975 to 1993 there has been a 40 percent decline in the total number of persons rehabilitated.

Each year, a little over 1 million persons are served under the Federal-State Vocational Rehabilitation program. Of those served, about 200,000 were rehabilitated (cases were closed successfully) in a given year.

For the VR system, a 'rehabilitation' means a 60-day placement, although not necessarily a wage earning placement. Even by this very low standard, the system fails to rehabilitate 45 percent of its clients. Each year, 154,000 severely disabled Americans are failed by the Public VR System.

In addition to the failure rate for those that are not rehabilitated, there is a serious question about the long-term program benefits for those that are rehabilitated. The 1993 GAO Report on the vocational rehabilitation program noted,

> GAO concluded that evidence on VR results was mixed. In contrast to the short-term gains typically reported by the program, GAO's evaluation of long-term outcomes founds that rehabilitants' gains in employment and earnings from time of referral to their case-closure years of 1980 faded after about 2 years. The fraction working shrank steadily. By 1988, the last year examined, 61 to 66 percent of rehabilitants (depending on type of disability) had some earnings; however, this was either no better than or below the pre-program level (depending on type of disability), and only a third had worked continuously since 1980.

Also, when judged by the Social Security Administration's more challenging standard of 9 months job placement for SSI and SSDI clients, the VR agency only experienced a 7 percent success rate (about 6,000 of the 77,000 cases referred by SSA).

The Committee concludes that the public rehabilitation system has not demonstrated enough overall success and expertise in serving the severely disabled to justify continuing the status quo.

HIGH UNEMPLOYMENT RATES FOR DISABLED AMERICANS

Despite an investment of $2 billion per year, the unemployment rate for severely disabled Americans remains staggering. Out of 12.6 million severely disabled persons (male and female combined), only 2.9 million are employed (23.2%). While employment rates for persons with moderate disabilities are comparable with the non-disabled, employment rates for the severely disabled are drastically lower.

It is hard to argue the current centralized system can not argue that the system is having a positive impact on employment. In fact, employment rates for individuals with disabilities have been constant (and may have dropped) during the life of the current Rehabilitation Act.

Most Americans would be shocked to find out that disabled Americans suffer from such high unemployment, particularly after the passage of civil rights protections in the Americans With Disabilities Act. Maintaining a segregated system of rehabilitation and training for persons with disabilities will allow the public vocational rehabilitation system to remain insulated from scrutiny and accountability.

Defenders of the status quo point to stories of individuals who have been truly helped by the system. In its oversight role, the Committee listens to more than just individual stories of success; it must look at larger trends and whether or not the system is

working for most individuals who need help. We must also judge the rehabilitation system by the many people that are failed (45 percent of all participants) and ask if there is a better way.

INEFFICIENT USE OF RESOURCES

Rehabilitating an individual with a severe disability is an expensive proposition. Some would argue, and many State rehabilitation programs have argued in the past, that the high cost of helping an individual with a severe disability overcome the barrier to gainful employment is not justified.

However, the Committee believes the cost of rehabilitation is justified, both because there will be long-term cost benefit to reducing individual dependence on public assistance, and because it enhances the quality and humanity of American society.

Still, there is no justification for wasteful and inefficient spending by government rehabilitation programs. Funds that are inefficiently spent on bureaucracy are funds that are not available for critical goods and services to help individuals overcome barriers of disability.

As Patrick W. McKenna, Director of the Maryland Rehabilitative Services, observed:

> The systems, procedures and required processes imposed on providers of rehabilitation services are an anachronism which somehow prevail despite the knowledge that they are, in many respects, obstacles which limit and compromise the effective and responsible delivery of services for consumers. The public program of vocational rehabilitation has created, over many decades, a burdensome reliance on "process" which has created an environment where value is placed on form over substance.

Of the current State spending on the rehabilitation system, the Rehabilitation Services Administration estimates that an average of 10.4 percent is spent on State administration of rehabilitation programs, 34.6 percent on counseling and placement, and about 50.8 percent on purchased services.

The current system is too procedural and bureaucratic and soaks up resources that should be spent on goods and services. The Committee believes that the system needs to be streamlined, especially in areas of evaluation, assessments, and counseling, so that more resources can be devoted to securing services and goods needed by the consumer. An integrated system will allow a much greater efficiency in resources so that better, more client-centered services can be delivered.

NEED FOR COMPETITION/MARKET FORCES

For several years, consumer groups representing individuals with disabilities such as the National Federation of the Blind and the National Coalition for Independent Living, and others, have been asking for a better way.

In testimony before the House Subcommittee on Select Education in 1986, James Gashel, Director of Governmental Affairs of the National Federation of the Blind testified,

> This sense of growing frustration with the current system of vocational rehabilitation has led many in the National Federation of the Blind to give thought to alternative systems of services rather than using the traditional vocational rehabilitation State agencies. One plan would be to install a free market system where clients could pick and choose among rehabilitation agencies who would, in a sense, be competing for their patronage. This would be a step beyond and outside of the institutionalized State vocational rehabilitation agency system. It would provide a rehabilitation benefit in the sense of portable funding available to a handicapped individual for use at any agency capable of providing the services. Maybe we are ahead of our time in proposing such a concept, or even thinking about it, but we think Congress should consider it.

Dr. Carolyn Weaver, resident scholar of the American Enterprise Institute echoes Mr. Gashel's sentiments on the benefits of competition:

> The public VR system would benefit from a healthy dose of competition. Competition fosters experimentation and innovation, both critical for solving the kinds of information problems that plague rehabilitation. Firms competing to attract new customers would have the incentive to experiment with new diagnostic and evaluation techniques, new methods of case management or training and placement, and new forms of administration and financing as they attempted to supply what customers wanted at a price they were willing to pay. Good ideas would tend to be rewarded and, with easy access by new suppliers, bad ideas would tend to be penalized.

CONCLUSION

In the opinion of the Committee, and based on input from consumers over many years, the State run rehabilitation system is not nearly as efficient in the use of resources as it should be, is slow to respond to individual needs and aspirations, has very little accountability for outcomes, and allows very limited market forces of competition to improve the quality of services to individuals with disabilities.

For these reasons, the Committee believes it is essential that, in the development of a Statewide Workforce Preparation System under the CAREERS Act, that vocational rehabilitation be a full partner in the system. This will allow individuals with disabilities to gain access to specialized rehabilitation and employment services through a new, locally-based, one-stop career center system.

SUMMARY

The following is a summary of the legislation as approved by this Committee:

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

In reporting H.R. 1617, the Committee on Economic and Educational Opportunities intends to transform the vast array of Federal job training, workforce, and education-related programs into a consolidated workforce development and literacy system. The bill takes a collection of fragmented and duplicative categorical programs and folds them into a high quality, comprehensive, and accountable Federal workforce development and literacy system—a system designed to meet the educational, employment, and training needs of the workforce and the competitiveness needs of employers, both now and into the future.

Title I of the bill establishes an infrastructure around which States and local communities may build a comprehensive workforce development and literacy system. The purpose of this title is to establish a framework for Governors to utilize a collaborative process for comprehensive system planning and decision-making for the four consolidation grants (youth, adult training, adult education, and vocational rehabilitation) established under the Committee bill. This title requires the development of a single State plan and performance measurement system for the four consolidation grants. It further requires the designation of local workforce development areas; the establishment of local employer-led workforce development boards; the establishment of a statewide one-stop career center system for the delivery of employment and training assistance at the local level; the development of a common management information system for the collection and dissemination of data across the four grant programs (for reporting purposes); and the certification of eligible providers of education and training under the Adult Employment and Training programs and the Vocational Rehabilitation programs.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION—CONSOLIDATION GRANT

Title II consolidates nearly 30 education and job training programs for youths into a single block grant to the States. The consolidation melds the strong points of the current Carl D. Perkins Vocational and Applied Technology Act, the School-to-Work Opportunities Act and the Job Training Partnership Act (JTPA) youth programs into one comprehensive program.

Funds flow from the Federal government to the Governor based on a formula which bears the same ratio as the average of funds they received in FY 1995 under Sections 101 and 101A of the Perkins Act and Sections 252 and 262 of JTPA. The intent of the formula is to keep the flow of new funds as close to the current flow as possible.

The Youth Development and Career Preparation Consolidation Grant moves the focus of programs from the Federal and State levels to the local level—90% of funds under this grant must be sent to the local level. States retain 8% for State level activities and 2% for administrative purposes. The Governor, through the collaborative process, determines the substate formula for the 90% of funds which go to the local level; in addition, there is a Federal requirement that at least 40% of these funds be used to serve in-

school youth and 40% of the funds must go to serve out-of-school/at-risk youth. The Governor, through the collaborative process, can use 10% of the funds at the local level for incentive grants or competitive awards, or the money can be distributed by formula. The remaining 10% of funds may be split in any way between the in-school and at-risk/out-of-school youth programs, or the entire 10% may be applied to one program or the other; however, the money must go out by formula. The 20% of discretionary funds cannot be used for any other purpose except for programs to serve in-school and at-risk/out-of-school youths.

In establishing a substate formula, the Governor through the collaborative process, must take into account poverty rates and the proportion of the State's youth population within local communities. The Governor, through the collaborative process, may add other factors he or she considers appropriate, but must ensure an equitable distribution throughout the State. The bill further clarifies that such factors not be disproportionately weighted.

A partnership between local educators and local workforce development boards will develop a plan to serve both in-school and out-of-school/at-risk youth. The plan is submitted to the Governor who, through the collaborative process, approves or disapproves the plan. Money flows to the local level after submission of the plan. In-school youth funds will flow to the schools and at-risk/out-of-school youth funds will go to local workforce development boards to be subcontracted for services. Minimum grant awards are established at $15,000 for local education agencies and local workforce development boards, and $50,000 for postsecondary institutions or consortium of institutions (including secondary-postsecondary consortia). A State may waive the minimum grant amount in any case where the eligible recipient is located in a rural, sparsely populated area and demonstrates that it is unable to enter into a consortium for purposes of providing services under this title.

National programs are provided $25 million or 20% of total funding, whichever is less, for research and demonstration programs.

TITLE III—ADULT EMPLOYMENT TRAINING AND CONSOLIDATION GRANT

Title III consolidates existing Federal employment and job training programs for adults into a single block grant to the States. Governors, through a collaborative process, allocate the block grant funds to Local Workforce Development Boards, established within Workforce Development Areas in each State. Part of the funds under Title III would be held at the State and Federal levels to carry out activities such as rapid response, incumbent worker training, program innovation, incentive grants, and technical assistance.

Funds available at the local level would be used to provide core services, intensive services, and education and training services. Core services include such activities as providing information on job opportunities, the labor market, and education and training providers. Intensive services include specialized assessments, counseling, and development of employability plans. Education and training services would be provided to individuals unable to obtain employment through either core or intensive services. Local

workforce development boards are required to establish a process by which economically disadvantaged individuals and dislocated workers are given priority for intensive services and for education and training services, in those instances when funding is limited in a workforce development area.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY GRANT

Title IV, Subtitle A of the bill consolidates several adult education and literacy programs into a single block grant to the States. Funds distributed to local adult education providers, through the States, are to be used to provide adult education and family literacy services to qualifying adults. Subtitle A also provides a framework to help ensure that adult education programs are closely aligned with federal job training programs.

Title IV, Subtitle B consolidates several programs authorized under the Library Services and Construction Act and other Federal laws into a single categorical grant dedicated to improving public access to information through electronic networks, and to providing electronic linkages among libraries, and between libraries and one-stop career center systems.

TITLE V—AMENDMENTS TO THE REHABILITATION ACT OF 1973

Title V makes comprehensive changes to the Rehabilitation Act of 1973, a major Federal law which provides rehabilitation and employment training to adults with disabilities. Under the changes, vocational rehabilitation services will be provided primarily through locally-based one-stop career center systems. Private sector providers will be allowed to participate in the rehabilitation system, thereby increasing consumer choice in the selection of career objectives, and the goods and services to achieve those objectives.

TITLE VI—REPEALERS AND OTHER AMENDMENTS

Title VI repeals the existing authorization for numerous programs consolidated into the four block grants, and it sets forth October 1, 1996 as the effective date of the repeals.

EXPLANATION OF THE BILL AND COMMITTEE VIEWS

TITLE I—INFRASTRUCTURE OF WORKFORCE PREPARATION SYSTEM

For years, concerns have mounted regarding this nation's confusing array of career-related education, employment, and job training programs. As the U.S. General Accounting Office points out, there are as many as 163 different Federal programs, totaling $20 billion per year, which offer some form of education, job training or employment assistance for youth and adults. In addition to the excessive number of Federal programs, the quality of U.S. training programs varies significantly. At a time when the skill requirements of the U.S. workforce are at an all-time high, this country can no

longer tolerate such an inefficient system—or "non-system" of workforce development.

After careful consideration of this issue, including a comprehensive set of hearings, the Committee developed the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act (CAREERS Act). CAREERS consolidates (and eliminates) over 90 existing education, employment, and job training programs into 4 consolidation grants. This consolidation eliminates unnecessary duplication and fragmentation within programs, while redesigning programs serving youth, adults, the disabled, and individuals with basic skills deficiencies. The bill:

Transfers authority for the design and operation of programs to States and local communities, with limited direction on the establishment of an infrastructure to support State and local workforce development systems.

Establishes a system which is market-driven, provides customer choice, and is easily accessible, by:

Encouraging service delivery through a one-stop career center system; involving employers in the design and implementation of systems; encouraging the use of vouchers or skill grants for receipt of training and educational services;

Providing information on the performance of local service providers as well as enhanced labor market information;

and by establishing an enhanced performance measurement system for workforce development programs.

Title I of the bill establishes an infrastructure around which States and local communities are intended to build a comprehensive workforce development and literacy system. While the "CAREERS Act" contains four consolidation grants to the States and to local communities, it is envisioned that these four grant programs will comprise a system. The transfer of responsibility and authority for the design and operation of programs to States and local communities is a major goal of reform. However, after careful study and input from testimony heard through the Committee's extensive hearing process, Members of the Committee decided to set some broad parameters for the design of the infrastructure in order to drive workforce development and literacy programs to peak performance.

Title I of the bill requires that Governors, through a collaborative process, bring all relevant State agencies that are responsible for workforce development programs, and representatives of business and industry, education, locally-elected officials, individuals with disabilities, community based organizations, representatives of employees, and others as appropriate, together to plan for the development of the workforce development and literacy system across the 4 consolidation grants.

It is the intent of the Committee that the Governor, along with the individuals and agencies involved in the collaborative process, develop a single State plan and performance measurement system for all four consolidation grants. In addition, the Governor, through the collaborative process, is intended to set overall policy guidance and criteria for: the designation of workforce development areas;

the selection of local workforce development boards; establishment of a statewide one-stop delivery structure for the provision of employment and training assistance at the local level; development of substate formulas for driving program dollars to local communities under title II and title III of the bill; development of a common management information system for the collection and dissemination of information and data across the 4 grant programs (for data collection and reporting purposes); and the certification of eligible providers of education and training under the Adult Employment and Training and the Vocational Rehabilitation programs. This consolidation of administrative, planning, reporting and data collection requirements, in addition to the actual consolidation of over 90 Federal programs into the four consolidation grants, will dramatically reduce duplicative and costly planning, paperwork, and reporting requirements, resulting in significant savings.

It is the intent of the Committee, through title I of the legislation, to establish a necessary balance between States and local communities for the design and operation of workforce development and literacy systems. Governors are given a great deal more flexibility and authority to provide policy guidance and to design integrated and innovative statewide workforce development and literacy systems. Local communities are provided with the flexibility and authority to design and to operate local workforce development and literacy programs that meet the employment, education and training needs of individual communities, consistent with the statewide policies set by the Governor through the collaborative process.

STATE REQUIREMENTS

Section 102 of the bill requires that in order for a State to receive a grant under one or more of the programs established under this Act, they must: establish a collaborative process; develop a State workforce development and literacy plan; and comply with the requirements of this Act. This section further clarifies that for the purposes of this Act, Workforce Development and Literacy Programs include: the Youth Workforce Preparation and Development Consolidation Grant established under title II; the Adult Employment and Training Consolidation Grant established under title III; the Adult Education, Family Literacy, and Library Technology Consolidation Grant, established under title IV; and the program amended by subtitle A of title V (relating to title I of the Rehabilitation Act of 1973).

When developing this comprehensive reform of our U.S. workforce development and literacy programs, Members of the Committee considered many options, starting out with the consideration of the CAREERS Act legislation introduced by Committee Republicans last Congress, to the establishment of a single block grant to States for workforce development. The Committee started with the proposition that the current workforce preparation system simply did not work. There is too much waste and duplication. Clearly, if there is to be a Federal role in assisting States and communities in this area, as the Committee believes there is, it should be focused on a limited number of purposes that can truly make a difference. After careful deliberation, the Committee made a conscious decision to establish four consolidation grant programs for

the purpose of establishing a workforce development and literacy system within each State because of the very different populations to be served, and the very different and important missions of each of these programs. It is the intent however, that these four programs comprise a true system within each State and local community for the purpose of preparing and educating individuals for careers, for assistance in the employment of such individuals, for assisting individuals with disabilities to become employed and independent, and for the purpose of making individuals literate.

STATE COLLABORATIVE PROCESS

Section 103 requires that the Governor of a State that desires to receive a grant under one or more of the workforce development and literacy programs, must certify to the Secretaries of Education and Labor that a collaborative process has been used in complying with the applicable provisions of this Act. This section further clarifies that the collaborative process must include, at a minimum, the Governor and representatives of: business and industry, local chief elected officials (representing both cities and counties), local educational agencies (including vocational educators), postsecondary institutions (including community and technical colleges), the State Rehabilitation Advisory Council, organizations representing individuals served by programs established under this Act (including community-based organizations), and employee representatives, all appointed by the Governor; and the lead State agency official or officials from the State educational agency (including officials representing vocational education, adult education and literacy, and libraries); and the State agencies responsible for economic development, employment security (and job training where different from the employment security agency), postsecondary education, vocational rehabilitation (and where applicable, the State agency providing vocational rehabilitation services for the blind), welfare, and the representative of the Veterans' Service assigned to the State.

As a State's highest ranking elected official, the Governor is key to the establishment of an effective workforce preparation system in every State. As such, the Committee provides Governors with the lead role in establishing the overall State workforce development and literacy system within each State. However, Members of the Committee recognize that Governors alone cannot, and should not be solely responsible for development and operation of such programs if we are truly to effect meaningful reform in this area. The Committee-reported bill places great emphasis on the establishment and utilization of a collaborative process, for purposes of establishing the State workforce development and literacy plan, as well as for making most major State-level decisions affecting the system. A similar collaborative process was established under last Congress' School-to-Work Opportunities Act, and has appeared to achieve a necessary balance in the design of school-to-work programs. While the Committee purposely did not include prescriptive requirements as to what the collaborative process must entail, or how it should work in every State, it is the Committee's intent that such process be open, active, participatory, and significant. The Committee feels very strongly that "private sector" representatives, particularly representatives of business and industry, be integrally

and actively involved with the Governor and key State agency heads in the design of the State-wide system. The Committee recognizes the central role that employers must play in building an effective workforce development system, both at the State and the local levels. It is essential that business and industry be involved in the design of State and local workforce development programs, and in development of each State's labor market information system, in order that all workforce development and literacy programs meet the skill requirements of today's workplace. And it is imperative that a significant representation of individuals from business and industry participate in the State-level collaboration process to ensure that a broad range of industry concerns are understood and addressed in development of the workforce development and literacy system. Only through such an involved employer role will students, schools, and employment and training programs be continually aware of the changing demands and skill needs of the workplace. The Committee also recognizes that private sector involvement alone will not guarantee successful workforce development programs. Therefore, it is imperative that employees be involved in the collaborative process. For job training programs to work effectively, the Committee believes the collaborative process should seek to have everyone at the table. In the Committee's opinion, at the very least, that means employers and employees.

In recognition of the fact that many States have already established State-level collaborative processes for the purpose of establishing workforce development systems, the Committee-reported bill allows such pre-existing processes, that substantially meet the purposes of collaboration established under this section, to meet the collaboration requirements of the Act. Specifically, States may utilize workforce development councils (including State Human Resource Investment Councils established under the Job Training Partnership Act), for carrying out the collaborative process described under this section. Or, if a State has already established a collaborative process for the purpose of establishing a one-stop system or a school-to-work system, such process may meet the collaboration requirements if it is substantially similar to that required under this Act. While Committee Members did not want to go so far as to require that Governors establish State level workforce investment policy councils, the Committee recognizes the leadership that these bodies have provided in States where such councils exist, and therefore encourage their establishment and use in fulfilling the collaboration requirements provided under H.R. 1617, as determined appropriate by each individual Governor.

CONSOLIDATED STATE WORKFORCE DEVELOPMENT AND LITERACY PLAN

Section 104 requires that the Governor of a State that desires to receive a grant, submit a single State Workforce Development and Literacy Plan for all 4 consolidated programs established under this Act, to the Secretaries of Education and Labor. Such State plan must include: a description of the collaborative process used in developing the plan; a statement of the goals of the State workforce development and literacy system, including an assessment of the workforce and literacy needs of the State, and the iden-

tification of progress indicators that the State will use to measure its progress in meeting such goals; a description of how the State will comply with the requirements of the Act; a description of how a State will participate in the National Labor Market Information system established under the Act; additional plan elements contained in titles II through V; a description of the measures that will be taken by the State to ensure coordination and avoid duplication among programs receiving assistance under this Act, including a description of common data collection, reporting processes, and the establishment of a common management information system across workforce development and literacy programs; a description of the process used by the State to provide an opportunity for public comment and input into the development of the plan; assurances that the State will provide for fiscal control accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State under this Act; and a description of the sanctions which the State may impose (including restrictions from future participation or consideration for funding) in instances where recipients of funds under this Act fail to achieve agreed upon performance measures, fail to adhere to State mandated fiscal control and funds accounting procedures, or take or fail to take other actions required under the State plan, contracts, or other agreements.

In recognition of the fact that the Governor is the chief elected official of the state, and is the individual who is ultimately accountable in the State for the overall workforce development system (except where such duties are assigned by State constitutions or statute to other constitutional bodies), the Committee-reported bill specifies that if after a reasonable effort is made, and agreement cannot be reached through the collaborative process in development of the State plan or in making decisions for the workforce development and literacy system, the Governor has final authority to make such decisions and to submit the plan. However, participants in the collaborative process, who are in disagreement with the plan, may submit their views with the plan, regarding the area for which they were selected for representation. Further recognizing that certain State constitutions and laws provide an individual or an agency other than the Governor with responsibility for education, employment, or training programs, this section clarifies that nothing in this Act shall be construed to negate or supersede the legal authority, under State law or other applicable law, of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official. This provision was offered as an amendment by Congressman Weldon to ensure that the Federal government did not override state constitutions.

Finally, in order to avoid disruption in program operations under the newly reformed workforce development and literacy system, the bill provides that State plans remain in effect until the State submits to the Secretary modifications as the State determines necessary. In other words, once a State submits its workforce development and literacy plan, such plan is in effect through the 6 year authorization of the 4 consolidation grant programs, until such time as the State modifies such plan. The Secretaries of Education

and Labor are required to establish a common procedure for consideration of State Workforce Development and Literacy Plans.

ESTABLISHMENT OF LOCAL WORKFORCE DEVELOPMENT AREAS

Section 105 requires that a Governor desiring to receive a grant under this Act, designate local geographic areas, called workforce development areas, for the purpose of planning for local workforce development and literacy systems, and for receipt of funding and operation of local programs for at-risk youth (established under Chapter 2 of title II), for adult employment and training (established under title III), and for vocational rehabilitation programs established under title I of the Rehabilitation Act of 1973 (as amended by Title V of this Act). In the designation of such areas, the Governor must work through the collaborative process, consult with local chief elected officials, and consider comments received through a public participation process (described in the State plan). Such areas must be designated, taking into consideration existing labor market areas, units of general local government, geographic areas served by local educational agencies and intermediate educational agencies, geographic areas served by postsecondary institutions and area vocational education schools, service delivery areas established under the Job Training Partnership Act, and the distance that individuals will need to travel to receive services.

ESTABLISHMENT OF LOCAL WORKFORCE DEVELOPMENT BOARDS

Section 106 requires Governors, through the collaborative process, to ensure the establishment of workforce development boards within each local workforce development area, and to establish criteria for use by local chief elected officials in the selection of members of such boards.

During the development of the CAREERS Act, the Committee decided to drive responsibility for the actual design and operation of local workforce development programs to the local level. Further, there was a decision made to fully involve employers in the design of local workforce preparation programs. For this reason, local workforce development boards, with a majority representation of business and industry, are required in each workforce development area for the receipt of funding and design of the local workforce development system. Because the Job Training Partnership Act is repealed under this legislation, there is no assumption that private industry councils (PICs) as established under that Act will continue to exist, and as such, there is no presumptive designation of PICs as workforce development boards. While States may reconstitute existing private industry councils to serve as local workforce development boards in areas where the PIC is exceptionally strong, the Committee encourages Governors, the individuals involved in the collaborative process, and local chief elected officials to carefully consider such redesignation to determine whether or not existing private industry councils are capable of fulfilling the added responsibilities assigned to workforce development boards under this Act. The Committee urges Governors and other decision makers, to ensure change where change needs to occur, in order to have the strongest workforce development system possible.

Specifically, workforce development boards must at a minimum, consist of a majority of members who are representatives of business and industry, including individuals who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policy making authority in local businesses. These business representatives must be selected from among a list of nominees submitted by local business organizations and trade associations.

In addition, the local board must include: an individual or individuals with disabilities, or their representatives who have special knowledge or expertise in the area of vocational rehabilitation; representatives of education, including local educational agencies and postsecondary institutions, selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of postsecondary institutions (including community colleges), or general organizations of such institutions within the workforce development area; and representatives of community-based organizations, employees (non-union or union), and veterans as nominated or recommended to the board through a process established by the Governor through the collaborative process. While the bill contains no further language regarding the types of individuals who must be represented from the above-listed categories, the Committee urges the selection of individuals with decision-making capability. For example, individuals representing local educational agencies are encouraged to be chosen from nominees including superintendents of schools or local school board members. Similarly, individuals representing postsecondary institutions are encouraged to be chosen from nominees including college presidents, and college board members or trustees.

Recognizing that only 10 to 12 percent of this nation's private sector workforce is affiliated with a union, (15.5% of the U.S. workforce overall), it is important to make clear that an "employee", as referenced in section 106(c)(4), to sit on the Local Workforce Development Board, and as referenced in section 103 (b)(1)(G), to participate in the State collaborative process, need not be affiliated with a union, nor be a formal or elected representative of an employee group. For example, this "employee" may be selected solely based on his or her relevant broad background and expertise in a certain craft, occupation or employment area.

Governors are provided the authority to biennially certify local workforce development boards in order to ensure compliance with the State's selection criteria and overall policies set for such boards. However, local boards are authorized to elect their own chairperson from among its members, and to establish bylaws and other operating procedures as consistent with the purposes of the Act, and with the State workforce development and literacy plan.

Recognizing that some States, particularly very small and sparsely populated States, will be composed of only one workforce development area, the bill allows that the individuals comprising the Governor's collaborative process may be reconstituted to serve the functions of a local workforce development board for those States.

Under the Committee-reported bill, the role of the local workforce development board is significantly expanded over the role currently

provided for private industry councils under JTPA. The local board is ultimately responsible for development of a local strategic workforce development plan and identification of occupations in demand and the training needs of the local workforce development area. The board is responsible for budget and program oversight over at-risk youth programs established under chapter 2 of title II, adult employment and training programs established under title III, vocational rehabilitation programs established under title I of the Rehabilitation Act of 1973 (as amended by title V of this Act), and one-stop career center systems established under section 107 of the bill. Local boards are authorized to receive and disburse funds made available for carrying out the above-listed programs, or may designate a fiscal agent (which may include the State through a mutual agreement between the local board and the State), for the purpose of disbursement of funds to one-stop centers and other service providers, as designated by the local board. The Board may employ its own staff, independent of local programs and service providers. However, due to the expanded responsibilities of the workforce board, as well as to attract higher level business representatives, boards may not operate programs established under this legislation. This is a significant change over current law.

It is also important to clarify, that while some elements of the local workforce area model are similar to the model under the Job Training Partnership Act, the workforce development system under this Act is not intended to be a 'generic' JTPA employment and training system.

For example, JTPA has developed a reputation, whether deserved or not, as not properly accommodating the needs of the individuals with disabilities. In this new system, individuals with disabilities are intended to be served on an equal basis with other program participants and reasonable accommodations are made as required under existing Federal statutes. And in relation to services offered, this system is not intended to be a generic system in which all individuals receive the same service. Rather, it is intended to be an integrated delivery system of specialized services that meet specific needs of individuals.

Under the Job Training Partnership Act, most of these activities are conducted jointly, or in partnership with the chief elected official or officials in the local area. CAREERS provides a significant role for chief elected officials in local workforce development systems, with such officials selecting the local board members; providing sign-off on local plans and local program budgets; and having joint oversight responsibilities with the local board. Local governments may also be designated by the board as the fiscal agent for local workforce development systems, and may compete to operate a one-stop delivery system. However, the role of employer-led workforce development boards was intentionally elevated, illustrating the Committee's recognition of the importance of employer buy-in and involvement in the design of the local system.

With the increased responsibility bestowed upon local workforce development boards, the Committee felt it very important to provide strong conflict of interest language in the bill, which says that no member of a workforce development board may cast a vote or participate in the consideration of the provision of services that in

any way provides financial benefit to such member. In addition, a Governor may enforce more rigorous conflict of interest standards, as determined appropriate.

ESTABLISHMENT OF ONE-STOP CAREER CENTER SYSTEMS

Section 107 of the bill requires Governors to establish the criteria for, and ensure the establishment, by local workforce development boards, of a one-stop career center system within each local workforce development area. The Committee decided to require the one-stop approach to service delivery in order to encourage program integration and consolidation not only at the Federal level, but also at the State and local levels. The one-stop delivery system was initially proposed by the Bush Administration under its Job Training 2000 legislative proposal, and was also included as an integral component of reform legislation introduced by Committee Republicans in the previous Congress. While the Committee does not intend to impose prescriptive program requirements upon States and localities for the design of a "one-size-fits-all" one-stop system, Members do urge States and local communities to design their own delivery structures around the "one-stop" model, with the intention of achieving full program integration, as well as providing easily accessible, single points of entry into the workforce development and literacy system for all individuals seeking out such services.

Specifically, the bill requires the establishment of one-stop career center systems in each local workforce development area, which at a minimum, must include and provide: common intake; preliminary assessment; integrated job search assistance; and to the extent practicable, as determined by the Governor, unified and linked computer systems (including labor market information), and at least one physical, co-located site which provides comprehensive and fully integrated workforce development services to any individual seeking such services. The Committee urges local workforce development areas to establish networks of comprehensive and fully-integrated co-located one-stop career centers, combined with multiple affiliated sites that are linked through electronic and technological access points. However Members of the Committee recognize that the establishment of co-located centers is not necessarily appropriate for all workforce development areas, especially in rural communities.

To ensure that all program participants are provided the most useful and timely information available, all one-stops career centers, and affiliated sites are encouraged provide program participants with access to information on the labor market, which is compiled pursuant to the Wagner-Peyser Act. Entities eligible for designation by local workforce development boards as one-stop career centers include: institutions of higher education; local educational agencies; area vocational education schools; local employment service offices; private nonprofit organizations, (including community-based organizations); private for-profit entities; agencies of local governments; other interested organizations and entities of demonstrated effectiveness (including local chambers of commerce and other business organizations); or consortia of any of the above.

The Committee believes it is important that a workforce board designate a variety of types of entities to serve as one-stop career centers, and that private sector entities be given the opportunity to fully participate.

One-stop career centers are intended to provide a range of "front-end" or "core" services to individuals in the workforce development area, on a universal basis, which include: Outreach and intake for services provided under programs established under chapter 2 of title II, title III, title IV, and title I of the Rehabilitation Act of 1973; a preliminary assessment of the skill levels and need for services of individuals for such programs; information relating to local and State, and if appropriate, to regional or national, occupations in demand and skill requirements for such occupations; information relating to youth services, including information on at-risk youth workforce development programs authorized under title II, on school-to-work opportunities, and on youth apprenticeship opportunities; career counseling and planning; Job search assistance; information related to vocational rehabilitation services; information relating to federally funded education and job training programs, including student aid programs; information on, and assistance in accessing additional services through programs established or amended by this Act; information on the extent to which the services provided under titles II through IV, and title I of the Rehabilitation Act of 1973, meet or exceed the performance standards described in the State plan, and performance-based information on certified providers of education and training; information on industry-recognized skill standards and assessments; job listings for the local labor market; acceptance of applications for unemployment compensation; and other appropriate activities to assist individuals into employment. In the provision of core services, the Committee does not intend that core services must be offered in the order in which they are listed above, or that all core services must be provided to an individual with a disability before he or she can be referred for specialized vocational rehabilitation services. However, an individual with a disability can not be denied access to core services if that is all the individual wants or needs. The bill requires one-stop career centers to provide the aforementioned services on a nondiscriminatory basis. This requirement reaches only intentional discrimination against any individual on the basis of race, religion, color, national origin, gender, or disability, and does not extend to disparate impact situations. A one-stop center is also expected to serve as the point of distribution of vouchers or skill grants for education, training, and vocational rehabilitation services to eligible individuals. In addition to core services, one-stop career centers may provide customized workforce development services to employers on a fee-for-service basis, and may arrange to have core services provided to individuals with severe disabilities provided by certified providers through contract or through the use of vouchers or skill grants.

Finally, while the Committee strongly advocates the building of local workforce development systems around a one-stop service delivery model, Members of the Committee also recognize that States may come up with innovative alternatives to program integration which should be tried. As a result, the bill provides flexibility to

States for the establishment of alternatives to the one-stop delivery design, allowing for alternative service delivery structures or procedures that result in the full integration of programs, with such proposals submitted to the Secretaries of Education and Labor for approval or disapproval.

CERTIFICATION OF EDUCATION, TRAINING, AND VOCATIONAL REHABILITATION SERVICE PROVIDERS

Section 108 of the bill establishes a certification process for determining which providers of education and training services shall be eligible to receive funds under the adult employment and training programs (established under title III), or the vocational rehabilitation program established under title I of the Rehabilitation Act of 1973 (as amended by Title V of this Act), through the receipt of vouchers or skill grants, or otherwise. Because the CAREERS Act encourages the use of vouchers or skill grants for the provision of education and training under the above-listed programs, establishment of such a certification mechanism is essential in order to identify qualified providers of services, and to guard against "fly-by-night" providers that may take advantage of the system or of program participants.

Specifically, the bill establishes that providers are eligible if: they are currently eligible to participate in title IV of the Higher Education Act of 1965; or they are determined to be eligible under an alternative procedure developed by the Governor; and they provide performance-based information on non-degree programs, as required by the Governor.

The alternative eligibility procedure established under the bill is established by the Governor, for providers and programs of education, training, and vocational rehabilitation services that are not eligible to participate in title IV of the Higher Education Act of 1965. The procedure must establish minimum acceptable levels of performance for such providers and/or programs, and take into account performance-based information that is to be submitted by such providers desiring to become eligible to participate. Because employers are in the best position to determine whether or not local programs provide the skills needed by local business and industry, local workforce development boards must also be utilized for the identification and certification of local providers.

Performance-based information which the Governor may require from potential providers of non-degree education and training, includes: information relating to the percentage of students completing the programs conducted by the provider; the rates of licensure of graduates of the programs conducted by the provider; the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act; the rates of placement and retention in employment, and earnings of the graduates of the programs conducted by the provider; the percentage of students who obtained employment in an occupation related to the program conducted by the provider; the warranties or guarantees provided by such provider relating to the skill levels or employment to be attained by students; and other information for providers of services under title I of the Rehabilitation

Act of 1973 that reflects the goal of serving individuals with the most severe disabilities. The Governor must designate a State agency to collect, verify, and disseminate this performance-based information, along with a list of eligible providers, to local workforce development boards, who in turn, provides such information to program participants through the one-stop career center system. An institution or entity intentionally providing false information will be banned from program participation for no less than 2 years.

The bill recognizes that the workforce development system must include the private sector as a provider of education and training services. Since 1980, private professional firms have developed extensive programs to serve the growing training needs of our rapidly changing economy and workforce. Research indicates that the training market in the information technology training industry alone totaled $2 billion in 1994, most of this provided by commercial firms. This section of CAREERS enables a wide variety of training and education providers to participate in workforce development programs. This expanded provider involvement allows program participants to use the programs' resources to seek through public, non-profit or private providers, the training that will best enable them to enter or re-enter the workforce. By ensuring that one provider is not favored over another, this section provides maximum customer choice and easy access to services.

ESTABLISHMENT OF MANAGEMENT INFORMATION SYSTEMS

Section 109 requires that States, to the extent practicable as determined by the Governor, use funds provided under this Act to establish a unified management information system (MIS) for all programs established or amended under titles II through V of this Act, in accordance with guidelines established jointly by the Secretaries of Education and Labor, in consultation with the Governors. While it is understood that States may need a considerable amount of time to fully establish such a common management information system, due to the expense of such a system, it is the hope of Committee Members that States will work toward such a goal over the course of the 6 year authorization. Such a common MIS system is key to total program integration, as well as being cost-effective once established, allowing for common data collection, reporting, and performance information across all workforce development and literacy programs. The Committee Members expect that the development of this system will be based in large part on the efforts of the Department of Labor in the establishment of the Standardized Program Information Reporting (SPIR) system.

PERFORMANCE ACCOUNTABILITY SYSTEM

Section 110 of the bill requires Governors, through the collaborative process, to develop a statewide performance accountability system in each State receiving funding under this Act. In fact, performance accountability requirements are included under the State plan (section 104), under section 110, and under each of the consolidation grants established or amended under titles II through V of the legislation. Throughout this bill, there is a great deal of emphasis on accountability for results. In other words, we expect Fed-

eral taxpayer dollars to produce reasonable improvements to State and local workforce development systems.

Throughout all of the hearings held on the issue of reform of our U.S. workforce development and literacy programs, witness after witness expressed the need for strong accountability within such programs under any system reform. The business community has probably been the most outspoken on this issue, stressing that U.S. workforce development programs must meet world class standards in order to provide the skills needed by U.S. employers today and in the future.

Subsequently, Members of the Committee determined that the bill should require States to establish their own individual performance measurement systems, recognizing the individual characteristics and needs of the different States. Such systems must include goals, and benchmarks set by the State for measuring the continuing progress of its workforce development and literacy programs in meeting such goals. Under the bill, States must include as core indicators of performance, the performance measures established within each of titles II through V of the bill, for the individual consolidation grant programs. The bill encourages that such indicators take into account post-program surveys measuring customer satisfaction of both employers and program participants.

The bill further requires States to identify the levels of performance, consistent with State goals, that are expected for local workforce development areas and other applicable local administrative entities, taking into account world class levels of performance, and developing baseline levels of performance upon which to measure continuous improvement. Governors may adjust the expected levels of performance for each local area taking into account economic, demographic, and geographic factors, and the characteristics of the population to be served. States, in turn, are required to report to the Secretaries of Education and Labor, the levels of performance achieved by local workforce development areas and other applicable local administrative entities, for each program year. And subsequently, the Secretaries are to make such information available to the general public and to disseminate State-by-State comparisons, and where appropriate, comparisons to other industrialized nations. States are encouraged to utilize unemployment insurance wage data records in the collection and reporting of such data, which has proven to be very cost-effective and efficient for such purposes.

By allowing Governors to make adjustments in the expected levels of performance for programs under Title II, the Committee does not intend that States use this adjustment authority to reduce its services or lower its expectations for certain classes or groups of students. It is the Committee's intention that performance criteria be developed that are appropriate for all youth. Too often in the past, lower expectations for some young people resulted in their not being given the chance to achieve high standards. The Committee intends that all youth be given this chance.

In order to develop comparability in measuring performance across States, the bill requires the Secretaries of Education and Labor, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service

providers, participants, and others, to develop technical definitions of each of the core indicators described in this Act, that are to be used in measuring performance. The Secretaries, in collaboration with the above-listed individuals and organizations, are also asked to identify world class levels of performance with respect to appropriate core indicators selected from among the performance measures described under the legislation. Where appropriate, such standards are intended to reflect industry-recognized skill standards and national education goals.

Finally, the bill allows the Secretaries to provide technical assistance to States failing to meet performance goals set for themselves in any given year, including assistance in development of a performance improvement plan. If failure continues for a second consecutive year, the Secretary may reduce by not more than 5 percent, the amount of the grant that would be payable to the State under the affected program for the following year, with such penalty based on the degree of failure. Similarly, if a local workforce development area or applicable local entity fails to meet expected levels of performance, the Governor, through the collaborative process, may provide technical assistance to that entity, after the first year of failure. After a second consecutive year of such failure, the Governor may take corrective action, such as the withholding of funds, or the redesignation of a local administrative entity, or such other action as the Governor, through the collaborative process, determines appropriate, consistent with State law.

The legislation also prohibits the displacement of any currently employed worker by program participants; prohibits the impairment of existing contracts for services or collective bargaining agreement; prohibits the replacement of existing laid-off workers, or workers terminated with the intention of filling the vacancy so created with a student; ensures protection of students under applicable Federal, State and local health and safety requirements; and clarifies that nothing in this Act shall be construed to modify or affect any Federal or State civil rights law.

Section B—Amendments to the Wagner-Peyser Act

This Committee feels that because the Wagner-Peyser Act is financed almost exclusively by employers through the Federal Unemployment Tax Act (FUTA), there's an obligation to ensure that these funds are used for their intended purpose which is to maintain a national system of employment services. The amendments to the Wagner-Peyser Act ensure that it is fully coordinated with the one-stop delivery system proposed under the CAREERS Act.

The Committee wants to stress the importance of the connection between the Employment Service (ES) and the Unemployment Insurance (UI) System. This linkage has been proven to move UI recipients back to work more quickly, thereby keeping unemployment taxes as low as possible.

Amendments to the Wagner-Peyser Act reflect the need to have this statute be consistent with the changes and repeals of other job training programs under the CAREERS Act. Specifically, with the repeal of the Job Training Partnership Act, references to "Private Industry Councils" and "Service Delivery Areas" have been changed to "Local Workforce Development Boards" and "Local

Workforce Development Areas" respectively, taking into account changes in the names and functions. This section also defines the term "public employment service office" to mean an office which provides public employment services to the general public under a one-stop careers center system.

In order to ensure coordination between the Employment Service Offices within the One-Stop system, the amendments clarify the role of the Secretary of Labor to oversee this process, as well as to establish accountability and performance measures for the Employment Service. The role of Governors is also enhanced under these amendments by providing them more authority over the funds provided under this Act. Currently, under Wagner-Peyser, funds go directly to the State legislature—and then, typically, directly to the State Employment Service Agency. This process has resulted in making it difficult for some Governors to ensure that the ES funds in their State are coordinated with the overall workforce development strategy. It is also intended that this flexibility will allow Governors to move towards the privatization of certain functions of the Employment services as they see fit.

Under subsection (d) at least 25 percent of the funds available for this title, would have to be used for labor market information (LMI) purposes pursuant to Subtitle B. The Committee is recommending the 25% allocation for LMI activities, including funds appropriated for ES national activities and the current BLS Cooperative Statistics Program is the base upon which the 25% was calculated. The Committee anticipates that part of these funds will be used for Federal activities and contracts to States for the Cooperative Statistical Programs (CSP). Another part of the funds, after covering the costs of developing the design for State and local employment and consumer information, will be distributed to States for collection of this information according to the formula in Subtitle B. Analysis, dissemination, technical assistance, research and development are integral components of each data program and would be funded in accordance with the annual plan described in Title II of Wagner-Peyser.

In order to reduce the burden upon States in submitting multiple plans, Subsection (f) provides for the ability of Governors to submit their State Wagner-Peyser plan as part of the unified Workforce Development and Literacy Plan established under Title I of the CAREERS Act. It is the Committee's intention that this will ensure even a greater amount of coordination between these systems. Subsection (g) eliminates the statutory authority of the Federal Advisory Council.

Labor Market Information (LMI)

Section 132 Part B, amends the Wagner-Peyser Act by adding a new "Title II" to this Act, establishing a coordinated system of labor market information.

It is the intent of Section 21 of Title II, to make clear that the labor market information collected pursuant to this Act, should be locally-based and that specific counties, cities and towns, should have information that is relevant and useful to meet their needs. In addition, information should be accurate, up-to-date, easily accessible, and user friendly. The primary role of collecting LMI, is

to serve the customers using the workforce development system, and most importantly, program participants, employers and program operators.

This view was underscored in testimony before the Economic and Educational Opportunities Subcommittee on Postsecondary Education, Training and Lifelong Learning by James Dickerson, Chair of the Central Ozarks Private Industry Council, Inc., on behalf of the National Association of Private Industry Councils:

> NAPIC believes that an essential ingredient to an effective workforce development system is timely and useful labor market information. We need to upgrade existing LMI if we want maximum impact for our training investments. This task will require funds for research and the testing of new data bases and user-friendly technologies.

Mr. Thomas Gallagher, Manager, Research and Planning, Wyoming Department of Employment also provided testimony to the same subcommittee on this topic:

> Employees use labor market information to make objective business decisions. Workers use labor market information to make rational choices about training opportunities. Educators use it to decide whether or not a new set of course offerings will lead to positive labor market outcomes for students and employers while elected officials use labor market information to evaluate the socio-economic consequences of policy choice. And yet, Federal responsibility for objective statistical information about the labor market for the nation, the States and local communities is dispersed among a variety of Federal agencies. These agencies lack a common agenda, duplicate effort, and find service to communities if recognized at all to be incidental to their routine operations. In this environment the access of employers, students, workers, policy makers, and educators to sound, objective and pertinent information they need to make the right labor market investment the first time is for the most part denied. Labor market information directors have come to consensus on the types of products local communities need. I, and many others, also believe that we need to organize the work of the Federal government into an accountable, coherent program of effort, aimed at meeting user need, and that has a rational and efficient funding stream.

The Committee finds that, despite widespread consensus about the kinds of data and information that should be included in an LMI system (and which are described in Section 22), current LMI activities are simply not organized well enough to produce them. Gaps in information, duplication of effort, and confusion or responsibilities can best be addressed by consolidating the currently fragmented governance structure for LMI.

Consolidation at the Federal level underscores the responsibility of the Secretary of Labor, as made clear under Section 23, and recognizes the key role of the Bureau of Labor Statistics (BLS) in LMI. The Bureau, which maintains essential LMI programs, has

the expertise to design data and develop the LMI system. Also, the agency's ongoing data mission will ensure a priority commitment to LMI. In addition, BLS fits the requirement that the agency charged with LMI responsibilities should be a neutral source, trusted by all education and training deliverers, and not itself a service deliverer. This requirement accords with the Committee's vision that LMI should be the common element integrating the various institutions that deliver workforce development services.

The legislation creates a unique Federal-State partnership by engaging the State LMI director with BLS in joint planning for LMI as required under Section 24. This substantive role for the State will ensure attention to State and local data needs, responsiveness to consumer demands from employers and job seekers, and true cooperation between the Federal agency and State LMI agencies.

In the States, the Governor will also have the responsibility, pursuant to Section 25, in naming a single agency to carry out LMI activities. This design will enable within-State consolidation paralleling at the Federal level. In naming the State's LMI agency, governors will need to maintain current linkages with the Unemployment Insurance programs.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

Title II of the bill consolidates thirty categorical education and job training programs for youth into a single grant to the States. The consolidation melds the positive aspects of the current Carl D. Perkins Vocational and Applied Technology Act, School-to-Work Opportunities Act and the Job Training Partnership Act (JTPA) youth programs into one comprehensive program. Current youth job training programs are disjointed and often work at odds with each other. The CAREERS bill attempts to present a unified approach to serving the needs of the majority of youth who do not complete a 4-year college degree. The Youth Development and Career Preparation Consolidation Grant moves the focus of programs from the Federal to the State and local communities and schools. Ninety percent of funds under this grant must be sent to the local level with fifteen percent more funds flowing to schools under Title II than under the current Perkins Act, and 8 percent more than under JTPA's year-round youth program.

The recognition that a strong education foundation and the obtainment of life-long learning skills is critical to the success of our Nation's youth is highlighted throughout the bill. As our Nation continues to focus on the global economy, the Committee reported bill provides a firm foundation for our schools and businesses to meet these emerging needs. If the United States is to remain competitive in a global economy, it is critical that our businesses and schools become partners in educating our youth.

Section 201 of the bill states that the purpose of this title is to provide States and local communities with maximum flexibility to design youth programs that help individuals attain the academic and occupational skills needed to succeed in a global economy; best suit the needs of youth and business in local communities as well as the needs of the State; promote strong connections between in-school and at-risk/out-of-school youth programs and promote youth

development and career preparation programs that provide opportunities for individuals to receive postsecondary education and occupational training; promote the formation of business and education partnerships; promote high academic and occupational standards; and promote quality vocational-technical education, including improved secondary and postsecondary programs by focusing on program improvement that help prepare students for further education and training and high wage jobs.

The primary purpose of Title II, the Youth Development and Career Preparation Consolidation Grant, is to provide States and localities with maximum flexibility to design workforce preparation programs that help youth attain academic and occupational skills necessary to succeed in a global economy.

The focus must be on the young people being served and the competencies achieved, not the process. In preparing for a high-skilled, high-performance workplace, youth must have access to high-quality education and career training that meet employer standards and take place in a variety of learning environments including school, the workplace and community. Basic academic skills are the underpinning for a competent workforce.

In order to streamline the system, the Committee consolidated and eliminated duplicative and fragmented programs. The Committee has tried hard to provide a foundation upon which States and localities can serve the roughly 75% of youth who do not pursue or complete a four year college degree. The Committee is leaving behind the notion that one size fits all. The Committee is trying to prepare the youth of today for the jobs of tomorrow; and trying desperately to give them the skills they will need to succeed. To quote Robert Maynard Hutchins, an American educator, "The object of education is to prepare the young to educate themselves throughout their lives."

Section 203 includes definitions applicable to the youth title of this bill.

Section 211 allocates the amount of funds for national and State programs.

Section 211(a) reserves $25 million or 20% of the total appropriation, whichever is less, for national programs to be administered by the Secretary of Education. These funds are for the Secretary to conduct general research on youth development and career preparation programs and to provide for demonstration programs. Funding for the National Center or Centers for Research on Youth Development and Career Preparation is provided for under this allocation. The figure for national programs represents approximately 1% of the current appropriation and approximates the amount of funding the Department of Education is currently receiving for these programs with a 20% reduction. Since the Committee is asking the States to take a reduction in funds, the Committee thinks it is only fair for the U.S. Department of Education to take a similar cut.

Section 211(b) of the bill provides States with an amount of funding which bears the same ratio as the average of funds they received in FY 1995 under Sections 101 and 101A of the Carl D. Perkins Vocational and Applied Technology Education Act and Sections 252 and 262 of the Job Training Partnership Act. A small

State minimum of ¼ of one percent is included in the language. The Committee intends to keep the flow of funds to the States as close to the current flow without any major disruption. A 20% reduction will be applied to the current level of funding for all States. It is the intent of the Committee that no one State will be harmed and that all States will share in our efforts to reduce the Federal budget.

Section 211(c) requires the Governor to send 90% of funds to the local level. Of the remaining 10% of funds, 8% are for State programs and 2% is for administration. The Committee intends to send as much money to the local level as possible. The 1990 Perkins Amendments reduced the State held administrative funds from 7% to 5%. The Committee reported bill continues this effort by reducing the administrative funds to 2% with the hope that more funds will reach down to the local level to serve our Nation's youth. An October 1994 GAO Report to Congress entitled "Education Finance: Extent of Federal Funding in State Education Agencies" (SEAs), found that State Education Agencies reserved a greater share of Federal dollars as compared to State funds for State-level operations even though Federal dollars comprised less than 10% of total funding. "Total State funding received by the SEAs ($113.8 billion) far exceeded total Federal funding received ($17.5 billion)" according to the GAO. The GAO found also that the Federal share of States' operating funds varied from State to State—from 6% in one State to 77% in another. The Federally funded staff also varied widely from 10% to 81% across States. The same GAO report also found that 10 programs comprised over half of State education agencies' Federal funding, with the Perkins Act being named as 1 of the 10. It is the intent of this Committee that Federal dollars should be used for purposes related to the education and development of youth and not to sustain bureaucracies. The Committee is alarmed at the high percentage of funds held by some States to operate programs and bureaucracies and it is the hope of this Committee that this practice will end and more money will reach children.

Section 212 outlines the within State Allocation for the 90% of funds flowing to the local level.

Section 212(a) states that of the 90% of funds sent to the local level, 40% of the funds must be used for programs serving in-school youth and 40% of the funds must be used for programs to serve at-risk and out-of-school youth. The remaining 20% of the funds must flow to local programs, however, the Governor, through the collaborative process, has discretion as to how the funds are distributed to in-school or to at-risk programs.

Mr. Hoekstra (R-MI) offered an amendment during full Committee consideration of the bill, which was accepted by voice vote, which has the intent of allowing the Governor, through the collaborative process, to use half of these discretionary funds for incentive grants, competitive awards, or other forms of distribution to local areas. The amendment offered at Committee only allows for 2% of the funds to be used at the Governor's discretion; however, the debate in the Committee clearly shows the intent was to allow a 50/50 split of the 20% of local funds. The Committee intends to correct

the amendment language when the bill is considered by the full House of Representatives.

In explaining his amendment, Mr. Hoekstra stated, "What this amendment does in Title II, it leaves 10 percent for the Governor to allocate between the in-school and the at-risk programs, and then it allows 10 percent for the Governor to use for incentive grants, competitive processes or other ways to distribute those dollars." Mr. Hoekstra was trying to provide flexibility to the Governors and to encourage creativity and innovation among States. The Hoekstra amendment has the remaining 10% of funds going out by formula and these may be split in any way between the in-school and at-risk/out-of-school youth programs. The entire 10% may, if the Governor decides, be applied to either the in-school or at-risk/out-of-school programs. The 20% of discretionary funds cannot be used for any other purpose except for programs to serve in-school and at-risk/out-of-school youth. In dividing the funds with a 40/40 split, the Committee intends to mirror current appropriations figures. The FY 1995 appropriation provided roughly $1.3 billion for the Perkins Act and for JTPA youth programs. The 20% discretionary funding allows Governors flexibility in determining priorities within their States.

While it is the desire of everyone that all children should complete high school, the reality is that our schools have failed some of our Nation's youth and sending them back to institutions where they have already failed will almost ensure failure again. The Committee provides 40% of the locally driven funds to local workforce development boards who in turn must subcontract with local entities to provide services to these children who have fallen between the cracks—out-of school youth and youth at-risk of dropping out of school. It is our sincere hope that in those instances where our schools have failed, our communities will step in and succeed. By having a partnership between schools and the local workforce development board, we are trying to ensure that the importance of a high school diploma and further education is not lost, but strengthened. As previously stated, basic academic skills are the underpinning for a competent workforce. Title II programs must be linked to the academic world and academic reform efforts. The emphasis on broad basic academic skills must not be lost at the expense of skill-specific training.

There is also a great concern for children at-risk of dropping out of school, so the Committee included these students under programs for at-risk youth. Because these young people have not yet dropped out of school, it is the Committee's hope to catch them before they do. A report by the National Association of State Directors of Vocational and Technical Education Consortium entitled "National Partnership: Vocational Technical Education and Community-Based Organizations" states:

> The forgotten half, students at-risk, children of the underclass' are invisible labels that mark thousands of young people who leave high school each year unprepared for a future that includes an increasingly competitive workplace. To survive in tomorrow's global economy, America's youth must possess marketable skills.

The Committee is committed to ensuring that these at-risk students are served. The Committee combined the at-risk and out-of-school youth together because they need creative solutions. As Russell Owens, Director of Government Relations, Occupational Industrialization Centers' of America, stated in the "National Partnership report;" "We've got to be creative about how we provide people access to our services * * * that means we're going to have to coordinate and collaborate in ways that we've never coordinated and collaborated before."

During the full Committee consideration of the bill, Mr. Becerra offered an amendment to require that all of the 40% funding for at-risk youth programs go toward serving out-of-school youth. The amendment was defeated in large part due to the fact that this amendment would have required States to use nearly one half of their funding for only 20% of the youth population, assuming that one in five students will drop out of school. Further, while it is the Committee's intent that a significant proportion of those served under the at-risk program are to be out-of-school youth, it is also the clear intent of the Members of this Committee that youth be encouraged to stay in school, and at a minimum, receive a high school diploma. For those who have already dropped out, the Committee intends that programs funded under this title encourage their return to school or to an alternative school setting for receipt of a high school diploma or its equivalent, as well as skills training and related work experience. The Committee hopes that as a result of this legislation, more young people, especially those at risk of dropping out of school, will indeed complete high school and go on to further education, training, or high skills employment.

To quote the National Center on Education and the Economy, we must now "turn high school, for many of our inner-city and rural poor children, into a place that connects them to hope and a reason to believe in themselves, to jobs that can lead somewhere, to adults who help them make their way, and to the skills that will give them a better life."

The 40% of funds that flow to schools to secondary and post-secondary in-school youth is aimed at the 75% of youth who do pursue or receive a college degree. According to the U.S. Department of Labor, 70% of jobs will require more than a high school degree by the year 2000. It is critical that we reach out and serve the vast majority of students who do not go on or complete their bachelor degree. As Governor McKernan testified:

> Companies, large and small, are facing the reality of a new world economy in which change is constant and accelerating, reaching every sector of our economy . . . For workers in this emerging American economy, knowledge and skills are potent determinants of their economic success. Increasingly, jobs with a future and suitable pay require education and training that many current workers, employed, underemployed, and unemployed, do not have. The link between education and earnings has never been stronger.

This Committee, with this legislation, is trying to focus on the majority of students who do not complete college, who do not have

special needs, but are regular students who, for whatever reason, do not choose to go on to or complete college. The Committee believes there should be more students arriving at the workplace with basic communication and thinking skills. The National Assessment of Vocational Education agrees: "First and foremost, vocational education should become an integral part of a reformed American system of education and training. A comprehensive system should provide all students with access, multiple entry and exit points, clear education pathways, quality programs, high standards, information, and linkage to the labor market." These are the goals that were set forth in the School-to-Work Opportunities Act last year for youth (both in-school and out). And these are the goals intended to be carried on through this reform legislation. It is the intent of this Committee that our students arrive at the workplace ready to learn with basic communications and thinking skills.

Section 212(b) requires the Governor, through the collaborative process, to develop a substate formula taking into account local poverty rates, the proportion of the State's youth population residing within local communities and other factors the State considers appropriate. In establishing the formula, the Governor shall ensure that funds are equitably distributed throughout the State and that the factors described above do not receive disproportionate weighting. This language was added to the bill in an amendment offered at the Subcommittee on Postsecondary Education, Training and Life-Long Learning mark-up by Mr. Souder (R-IN). The language was a compromise between those who wanted a prescriptive formula dictated by the Federal government, such as is provided in current law, and those individuals who argued for full discretion for the Governor to establish the allocation of funds. The amendment by Mr. Souder outlines certain criteria to be included in a substate formula but allows the State total discretion in establishing additional formula factors and for designing exactly how the funds will flow. The only specific requirements are that the distribution of funds within the State be equitable and, that the formula factors not be disproportionately weighted. It is the hope of this Committee that by providing broad outlines of what our intent for a formula is, States will hold true to our intent and distribute funds fairly and to those most in need of Federal assistance. It is the clear intent of the Committee that funds be equitably distributed both geographically and proportionally, and although this section requires that Governors ensure funds are distributed equitably throughout the State, this Committee does not intend that the Department of Education regulate the extent, or meaning of the term "equitable."

As Subcommittee Chairman Buck McKeon noted, "Throughout consideration of this bill, our Committee attempted to strike the proper balance between giving States and communities the flexibility needed to operate these programs while ensuring accountability for Federal dollars. On a bipartisan basis, the Committee made a conscious decision to reject the overly prescriptive ways of the past; at the same time, the Committee rejected a no-strings attached revenue sharing approach."

Section 212(c) establishes minimum grant awards of $15,000 for a local education agency or consortium of such agencies; $15,000 for subgrants made by local workforce development boards to serve at-risk/out-of-school youth; $50,000 to postsecondary institutions or consortium of such institutions; and allows secondary-postsecondary institutions to form consortia to receive grant funds with a minimum award of $50,000. This continues a practice established during the last reauthorization of the Perkins Act which tried to ensure that Federal dollars would have a significant impact and not be spread so thinly that localities would not be able to do anything substantive with the dollars.

Section 212(d) prevents consortia from forming to receive funds and then separate immediately after receipt of the Federal dollars and dividing the funds between the entities. The provision requires that consortia must form for the purposes established under this title and must stay in a consortia arrangement for purposes of delivering services to youth under this title. The Committee intends to prevent institutions and groups to form solely for the purpose of receiving funds and make no effort at collaboration of services.

Section 212(e) permits a State to grant a waiver for the minimum grant amount in cases where the eligible recipient is located in a rural, sparsely populated area; and demonstrates that they are unable to enter into a consortium for purposes of providing services under this title. This provision is to allow States with rural areas to provide funding to those areas without imposing a significant Federal burden. While clearly the intent of this Committee is to have the Federal dollars well spent and to have an impact, there is an understanding that consortia may not always be possible in those areas of our Nation which are more sparsely populated than the coastal areas.

Section 221 outlines the requirements for the State Plan. In order to receive funds under this title, this section requires the State to submit additional information with the plan outlined in Title I. There is no requirement for a separate plan. Additional information that must be included in this comprehensive plan: how the State will adopt or develop model curricula and innovative instructional methodologies to be used in schools that integrate academic and vocational learning and promote career awareness; State plans for expansion of career exploration counseling for students in elementary and secondary schools and how the State will effectively demonstrate a system of career preparation for youth; how the State plans to integrate academic and vocational education and a description of how the State will promote collaboration between secondary and postsecondary occupational and academic programs and institutions; a description of how the State will develop academic and occupational skills of students providing challenging vocational-technical education standards and how the State will develop a process to issue skill certificates that are consistent with the skill standards endorsed by the National Skill Standards Board; a description of how the State will promote active involvement of business in planning, development and implementation of youth programs; and a description of how the State will coordinate Goals 2000 and Improving America's Schools Act and other State education improvement plans with this State plan.

The current Perkins Act imposes 23 requirements for a separate plan to be submitted to the Department of Education. The JTPA imposes 12 prescriptive requirements for submission of a separate plan. CAREERS requires that only 6 additional items be included in a comprehensive plan for all titles of the bill. CAREERS effectively replaces the 2 separate plans and 35 requirements with 6 items.

As the majority of people testifying before the Committee on job training consolidation noted; our current system is fragmented. It is not serving our youth well and it is not serving business:

> Unlike many other industrialized nations, this country still lacks a comprehensive system of workforce preparation. Educational programs and institutions operate in loosely coordinated, sometimes disconnected ways, and individuals are left on their own to navigate their way through them and into the labor market. (NAVE Report—1994)

The solution is a seamless system that strengthens education and training. By requiring one comprehensive plan and not separate categorical plans, we are moving one step closer to the seamless system.

Section 222 contains the State programs and State activities that can be used for the 8% of funds held by the State.

Section 222(a) grants general authority to the State to conduct State programs and activities.

Section 222(b) requires that of the 8% of funds allotted for State activities, the State must use the funds for the development of performance standards and measures for programs; and program improvement and accountability. These are the only required uses of funds for State level activities. The National Center for Research in Vocational Education reports:

> Performance measures and standards should continue to be used to gauge the success of programs and guide their continuous improvement; these program measures should incorporate newly developing academic and occupational skills standards for individuals . . . By requiring States to develop performance measures and standards, the 1990 Amendments to the Carl Perkins Act helped educational institutions shift from a concern with inputs and process-related standards to outcomes . . . New Federal legislation should therefore stress the continued development of performance measures and standards to improve accountability; however; it should concentrate on local implementation of outcomes measures to provide feedback to both students and educational institutions in the interests of program improvement.

Section 222(c) outlines additional uses for the 8% of State held funds. These include: tech-prep programs; workforce preparation programs for single parents, displaced homemakers and single pregnant women; corrections vocational education; professional development activities regarding integration of vocational, academic and work-based curricula including support of public teacher-edu-

cation programs to ensure vocational teachers stay current with industry needs; and in-service and preservice training of teachers in state-of-the-art programs and techniques; development, dissemination and field testing of curricula with a particular focus on curricula that integrate vocational, academic and work-based learning methodologies, curricula focusing on a coherent sequence of courses measuring academic and occupational skills, and curricula for work-based learning; leadership and instructional programs in technology education; data collection, including support for management information systems; one stop career centers; cooperative education and family and consumer science programs; creative use of technologies, including professional development in the use of such technologies for instructional purposes; support for vocational student organizations; and improving career guidance and counseling.

Section 223 permits States to offer Incentive Awards. States are permitted to use money from the 8% of State-held funds to offer incentive awards to local communities. This is an optional use of funds for the State and not mandatory. The State has the discretion as to how to construct these awards with 3 requirements outlined for the disbursement: 1) performance goals exceeded; 2) outstanding workforce development system implemented at the local level; or 3) exemplary education services and activities provided for at-risk youth. The intent of this section is to allow States to use a "carrot" approach rather than a "stick" method which has been unsuccessful and hard to enforce in prior attempts. It is our hope that States will use these awards to reward local communities that show significant progress in improving the performance of at-risk and out-of-school youth.

Section 224 contains the core standards, performance goals and measures for this title.

Section 224(a) requires each State to have in place, or develop and implement, a statewide system of core standards and measures of performance for programs serving youth under this title. The intent is to coordinate this system with other titles included under this Act. Each statewide system must: establish or have established, performance goals to measure the level of performance achieved by youth served under this title. The goals must evaluate the quality and effectiveness of services and activities under this title; goals must be expressed in an objective, quantifiable and measurable form; establish progress indicators that State and local recipients of funds will use to measure their progress toward these goals; and provide reports every 2 years to the public and to the Secretary of Education on the State's progress in achieving their goals.

Section 224(b) requires that a statewide system of standards and measures be developed and include: measures of academic and occupational competency gains, including progress in achieving academic and occupational competency (including attainment of: challenging State academic standards, challenging vocational-technical education standards; and industry recognized occupational standards including basic workplace competencies as identified by the SCANS Commission and industry recognized skill standards as identified by the National Skills Standards Board, once estab-

lished); retention in school or completion of secondary school or its equivalent; placement into additional training, postsecondary education, military service, registered apprenticeship or employment; and employment retention and earnings level; reduction of the drop-out rate; and success of special populations, including non-traditional training and employment in meeting the performance standards established by the State. It is the intent of this section that common performance measures be established and used for both in-school and at-risk youth programs. The Committee further intends that the same high levels of academic and skills attainment are possible for youth, regardless of whether they are in or out of school.

Section 224(c) states that the Governor, through the collaborative process, shall ensure that the performance goals are consistent with challenging State academic standards, industry recognized skill standards and State goals established under this title. Department of Education Assistant Secretary Augustus Souza Kappner stated in her testimony before the Subcommittee on Postsecondary Education, Training and Lifelong Learning on March 3, 1995; "The change taking place in vocational education is directly related to the rapidly changing needs of today's economy. Jobs are requiring a higher level of academic and technical skills. Employers are telling us clearly that too many young people cannot meet the rigorous demands of today's workforce. To keep America competitive in the global economy, we must educate our young people to much higher standards and prepare them to be lifelong learners." It is the hope and intent of this Committee that States set high standards that challenge all youth—ones that invite them to attain higher academic, skill levels and achievements. Further, the Committee intends that only through attaining academic and occupational achievements will youth be able to meet the requirements demanded of a competitive workforce.

Section 231 outlines provisions for Partnership Agreements.

Section 231(a) states that in order to receive a grant at the local level, the local workforce development board and eligible institution(s) must form a partnership. The purpose of the partnership is to allow for collaborative planning between educators and business to determine the curricula our youth need to obtain high wage jobs, coordination of programs serving in-school and at-risk/out-of-school youth and allow for effective public participation. While previous legislation has stated that coordination must take place, Congress has found that very little true coordination occurs. By forcing providers to sit down together and draw up a plan for both in-school and at-risk youth before the receipt of funds, it is the Committee's hope that they will gain better cooperation, better coordination and a greater respect and understanding for what services each is providing. Our Nation's youth are a precious commodity and we must plan for their future with the utmost care. We should not allow ourselves to become bogged down in turf wars but should concentrate on the task at hand, which is educating our youth and preparing them for success in their adult years. A child should not be denied the American dream because adults argued who was better to serve the child. We are asking that businesses,

community leaders, parents, and teachers become partners in developing a plan to continue the American dream.

Section 231(b) notes that the partnership must develop and submit for approval to the Governor and State collaborative process, a comprehensive plan outlining how they are planning to serve both in-school and at-risk/out-of-school youth. The partnership must assure the involvement of parents, teachers and the local community, including community-based organizations, in the planning process. The Committee did not want to be so prescriptive as to tell local communities who exactly they should have on their boards. The Committee did believe it was crucial to have the input of parents, teachers, students and members of the local community in decisions and plans which they will have to play a large part. We therefore assure that they will be involved and have a voice.

Section 232 outlines who receives the funds at the local level from the State.

Section 232(a) states that funds directed to the local level from the State to serve in-school youth must go to schools and eligible institutions. Schools are an integral part of the community and the primary source of education for our Nation's youth. While everyone would agree that there is a need for change within our current school system, eliminating schools from the equation is not the solution. Schools should remain a principle partner; however the bill fosters a new relationship for school systems in that it requires a plan be developed with the local workforce development board prior to the receipt of funds. As the National Governors Association reports in "Advancing America's Workforce;" "This nation does not have the luxury of time or resources to totally dismantle the current system and rebuild it from the ground up. Rather, by thinking strategically and drawing on the best practices from the current mix of public programs, with their broad range of providers, and the experiences of the private sector, it is possible to quicken the transition and consolidate and streamline these programs into a 'world-class' system."

Section 232(b) directs that funds to the local level from the State to serve out-of-school youth will be sent to the local workforce development board to be subgranted to eligible entities for programs to serve at-risk and out-of-school youth.

Section 241 outlines the uses of funds for In-School Youth Programs.

Section 241(a) requires institutions receiving funds under this title to use the monies to improve youth development and career-related education programs.

Section 241(b) requires that funds received for in-school youth programs must be used for programs that are of such size, scope and quality as to be effective; integrate academic, vocational and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so youth achieve both academic and occupational competencies; involve employers in design and implementation of programs; establish effective linkages between at-risk/out-of-school youth programs at both the secondary and postsecondary levels; provide work-based learning experiences with adult mentoring where appropriate, and to the extent possible, with strong experiences in, and understanding of, all aspects

of an industry appropriately tied to the student's career major; with accommodations to be made for rural areas so that they can meet this requirements; and provide career exploration, including opportunities in the practical arts and trades at an early age.

Section 241(c) outlines additional uses of funds at the local level for in-school youth programs include: purchasing, leasing or upgrading equipment; in-service training of providers on the integration of academic and vocational education; tech-prep education programs; supplementary services that might be required by members of special populations; adaptation of equipment; apprenticeship programs; comprehensive mentoring programs; activities which enable program participants and their parents in decisions influencing programs; local education/business partnerships for developing and implementing youth programs; and support for vocational student organizations.

Section 245 outlines the uses of funds for At-Risk Youth.

Section 245(a) grants general authority for local workforce development boards to subgrant to providers for programs that serve at-risk and out-of-school youth.

Section 245(b) lists requirements for uses of funds for programs that serve at-risk and out-of-school youth as: such size, scope and quality as to be effective; integrate academic, vocational and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so at-risk and out-of-school youth achieve both academic and occupational competencies; involve employers in design and implementation of programs; establish effective linkages between at-risk/out-of-school youth programs at both the secondary and postsecondary levels; provide work-based learning experiences, including experiences in the practical arts and trades, with accommodations to be made for rural areas so they can meet these requirements; provide adult mentoring as a core component of the program; provide objective assessment of academic levels, skill levels, and service needs of each participant in the program; and career exploration and counseling.

Section 245(c) lists additional uses of funds as: tutoring and study skills training leading to completion of high school; alternative high school services; community service opportunities that are combined with training or education; paid work experience, including summer youth employment and other work experiences tied to education and training; drop-out prevention strategies and strategies to encourage out-of-school youth to reenter high school or alternative high school programs; preemployment and work maturity skills training; peer-centered activities encouraging responsible behaviors; and training related services for participants who have exhausted all other resources.

Section 245(d) limits the amount of funds to be used for administrative purposes by local workforce development boards to 10%.

Section 246 details who can serve as an At-Risk youth provider of services, encouraging the selection of providers with demonstrated effectiveness, or who will utilize methodologies that have prove effectiveness in serving at-risk and out-of-school youth. The Committee has found that despite more than thirty years of federally funded employment and training programs, there remains a limited record of success in providing effective job training assist-

ance for disadvantaged youth. Nevertheless, during hearings on this subject, the Postsecondary Education, Training and Lifelong Learning Subcommittee heard encouraging testimony about exemplary programs that have been successful in serving at-risk youth. In particular, programs run by the Opportunities Industrialization Centers of America (OICs), which include the Quantum Opportunities Program (with sites around the country), and the SASSY program (operated in Menlo Park, California), have achieved dramatic results in keeping at-risk youth in school through intensive after-school educational support and adult mentoring. While more difficult to find, programs with demonstrated effectiveness in serving out-of-school youth include those run by the Center for Employment Training (CET), headquartered in San Jose, California, with sites replicated in 40 cities throughout the country; and the nationally acclaimed Youth Build program, currently operating in 40 cities, with well over 100 new sites under development. Under these programs, school dropouts have met with high levels of success in academic and skills attainment, moving into unsubsidized, high wage jobs.

While the Committee recognizes that States and local communities need flexibility in choosing the most appropriate training models for youth that meet their individual needs, it is the Committee's intent that, where possible, exemplary programs such as these, with proven effectiveness in serving at-risk youth, be replicated. The Committee also urges the Secretary to use resources available for the purpose of replication of model programs, under section 251 of the bill, to assist States and local communities in the design and implementation of highly successful modes such as described above.

Section 246(a) does not permit local workforce boards to operate programs and requires that they subcontract to eligible providers. One of the criticisms heard by this Committee regarding the JTPA was that programs run by Private Industry Councils (PICs) were often some of the least effective. This provision prohibits local workforce development boards from running programs and will hopefully result in the delivery of better and more efficient programs for at-risk and out-of-school youth.

Section 246(b) lists eligible providers to receive contracts from the local workforce development board as: eligible institutions including local educational agencies, area vocational schools, intermediate educational agencies; postsecondary institutions including community colleges, State corrections educational agencies and any consortia of the aforementioned list; local government entities; private, nonprofit organizations including community based organizations; private, for-profit entities; one-stop career centers; or other organizations or entities that have a demonstrated effectiveness and have been approved by the local workforce development board to deliver such services to at-risk and out-of-school youth. Schools are eligible providers of services for at-risk and out-of-school youth and it is the hope of this Committee that they will be an active participant in providing services. Education is the key to future success and while our schools have failed in some instances, the value of a solid education and high school diploma should not be lost.

Section 251 outlines national research activities.

Section 251(a) permits the Secretary of Education to make grants and other agreements to carry out research, development, dissemination of materials, replication of model programs, demonstration programs, evaluation, capacity building and technical assistance activities in regard to services and activities administered under this title. Activities may include support for occupational and career information systems. The current Perkins Act lists 9 separate programs that must be carried out under the Demonstration Program section. The Committee has eliminated all of these set-asides and given the Secretary the flexibility to select programs he or she deems appropriate for demonstration programs. This is consistent with the Committee's desire to grant more flexibility and be less prescriptive in statutory language.

Section 251(b) requires the Secretary to establish a system for disseminating information gathered though research and development efforts under this title.

Section 252 contains provisions relating to the Annual Assessment and Data Collection of Vocational Education Programs.

Section 252(a) requires the Office of Educational Research and Improvement (OERI) at the Department of Education to conduct a biennial assessment of services and activities funded under this title. This section also requires that independent studies and analyses be conducted through competitive awards. Language was included in the 1990 Perkins Act Amendments which encouraged, but did not mandate the Department of Education to conduct research through the OERI. It is the understanding of this Committee that the Office of Education Research and Improvement is the primary research arm of the Department of Education. The Committee is distressed at the lack of research concerning vocational education and would like to ensure that reliable information is available and plentiful prior to the next review of job training programs.

Section 252(b) requires that the assessment shall examine the extent to which services this section and activities assisted under this title have achieved their intended purposes and results. This section requires analysis of the extent to which State and local services and activities have developed, implemented or improved systems established under this title; services and activities funded under this title have succeeded in preparing students, including members of special populations, for postsecondary education, further learning, or entry into high-skill, high wage careers; students participating in programs funded under this title have succeeded in meeting challenging State academic and industry-based skill standards; and the system improvement, participation, local and State assessment, and accountability provisions of this title including the effectiveness of the performance goals and indicators established under this title are effective.

Section 253 grants authority for the establishment of a National Center or Centers for Research:

Section 253(a) gives authority to the Secretary of Education to establish a national center or centers for conducting applied research, development, dissemination and technical assistance activities focusing on improving the career preparation of youth. Eligible entities include institutions of higher education, other public or private nonprofit organizations or agencies, or any consortia of the

aforementioned entities. The national center in existence on the date of enactment of this Act shall continue to receive assistance under the current terms of its contract but shall not be guaranteed continued assistance except through a new competitive award. Funding for the center or centers shall be provided from funds allocated for national programs by the Secretary of Education. The Secretary has the authority to contract for one or more centers upon the expiration of the contract with the University of California, Berkeley. The University of California, Berkeley, can compete for a new contract but shall not be given preference in the awarding of such contract. It is the belief of this Committee that an outside center is necessary and should be a high priority for the Secretary. Among other duties, the center provides technical assistance to States in developing standards and measures. It is the understanding of this Committee that the Department of Education does not have the capacity to provide these services currently so the center will be a valuable resource for States as we transform the job training system.

Section 253(b) lists that required activities of the national center or centers include: activities that assist recipients of funds under this title to develop, implement and measure core standards and performance; research and development of activities that combine academic, vocational education and work-based learning; developing new models of remediation of basic academic skills; identifying ways to establish links among education and job training activities at the State and local level; new models for career guidance, career information and counseling services; longitudinal studies on programs funded under this title including an analysis of the effectiveness of youth development and career preparation programs in serving at-risk youth; and other activities that the Secretary of Education determines to be appropriate. This section requires also that the center or centers shall provide assistance to States and local recipients in developing and using systems of performance measures and standards. Technical assistance and outreach to practitioners or organizations in need of assistance is a required activity. Annual reports are due to the Secretary of Education and Secretary of Labor. The Secretary of Education shall then submit the report to the Senate Committee on Labor and Human Resources and the House Committee on Economic and Educational Opportunities. The Committee intends to have an outside source provide research to the Congress and Nation on the effects of the youth development and career preparation programs whether or not they are producing the intended results. The center or centers are also a primary resource for State and local officials in their development of standards and measures.

Section 253(c) establishes a clearinghouse within the center or center(s) to provide data and information to Federal, State and local organizations and agencies.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANTS

During the extensive hearings this Committee held on the issue of job training, Members heard from witnesses representing a wide variety of groups including the private sector, elected officials, aca-

demics, government research agencies, program administrators, and training participants. Although the views expressed by these witnesses varied in many aspects regarding how best to improve the current system of adult employment and training programs, there was a common theme in their testimony—the need and urgency for the restructuring of our current fragmented job training programs into a coherent system with the capability of improving the skills of the nation's workforce in order to better compete in the world marketplace. Mr. Jere A. Jacobs, from Pacific Telesis Group (California's single largest private sector employer), provided testimony before the Subcommittee on Postsecondary Education, Training and Lifelong Learning:

> I tell you from experience that the (skills) gap is readily apparent and growing between the skills needed by employers and the deficit of skill in new job seekers. At Pacific Telesis, we give an exam to applicants for entry-level positions. About 60 percent of the applicants fail this test, and all the applicants have a high school diploma or post-secondary education. A growing percentage of job applicants come to us with minimal educational competencies or workplace skills such as interpersonal and critical thinking skills. Representatives of the banking community have had similar experiences to the point that they look for applicants who have earned a Bachelor's Degree to have assurance that the applicants have adequately mastered reading and writing." Mr. Jacobs further added: "Training for current employees will always be largely a business responsibility. But, the quality of workforce preparation and the efficiency of labor market transitions are shared responsibilities traditionally between the public and private sectors. We must work together to design and support a workforce development system that will serve all workers throughout their careers. We call this a seamless system of life-long learning.

In developing Title III of this legislation, the Committee attempted to ensure the establishment of such a system of "life-long learning" and employment assistance. This is reflected in a wide variety of authorized activities, which range from the provision of basic information on job openings and labor market information to job seekers, to the establishment of a system of skill grants for education and training. Title III further allows for the creation of incumbent worker training opportunities through workforce skill and development loans to employers, and encouragement to Governors to establish innovative programs for incumbent worker training through the use of State-held funds.

PROGRAM AUTHORIZATION

The authorization level, under section 302, for the Adult Employment and Training Consolidation Grant reflects the combined current FY 95 appropriation levels of all programs consolidated under this Title, reduced by approximately 20%. This reduction takes into account the level of savings which this Committee feels will be achieved through reductions in administrative costs and efficiencies

in overall program delivery resulting from the consolidation of numerous existing programs, as well as simplifies and consolidated planning, reporting and data collection requirements. The funds consolidated under this part do not consist of authorizations made available under the Wagner-Peyser Act.

STATE ALLOTMENT OF FUNDS

Section 303 reflects the Committee's intent that the State allotment of funding, to the extent possible, remain consistent with the proportion of funds currently received by States under the existing programs being consolidated. In addition, the Committee is committed to ensuring that small States be provided the necessary resources to establish and maintain State and local infrastructures necessary to achieve the goals of this legislation. Therefore, this section includes a "small State minimum" for such purposes. Section 303 of the bill also provides the Secretary of Labor with 15% of the funds made available under this Title to carry out National activities. This amount is equal to roughly a 7% reduction from levels currently held at the National level for these purposes.

STATE USES OF FUNDS

Section 304 outlines the uses of funds reserved for Governors. It is the Committee's intent that Governors will continue to provide funding for rapid response activities, however, unlike current requirements under Title III of JTPA, Governors will now have the ability to transfer the responsibilities of carrying out the actual provision of services, along with the funds, to the local workforce board in the affected area—thus relying on local expertise as opposed to requiring the deployment of State officials who may or may not have the ready knowledge and proper background to assist in these matters. In addition, Governors would be required to use a portion of their funds to provide assistance to areas that experience major dislocation. The Committee feels that this is a very important role to be held at the State level—recognizing that major dislocations, natural disasters, and other unanticipated events which result in large-scale unemployment require the substantial infusion of additional funds and assistance that cannot be covered through locally-driven formula funds.

Further, under this section, Governors have the ability to carry out other activities to ensure a high quality and effective statewide workforce development system. These activities may include: capacity building and technical assistance; incentive grants and performance awards, also available at the Governor's discretion to further leverage local program performance; the funding of model programs, including innovative programs designed to meet the training and skills needs of incumbent workers; and additional assistance for the development of one-stops and support of a common management information system across the 4 consolidation grants.

Governors are allowed to use up to ¼ of the 20% State reservation for administration. It is the view of this Committee that this 5% set aside of the total State allotment, is a suitable amount to carry out both the requirements of this Title, as well as to support discretionary activities.

SUBSTATE ALLOCATION

Under subsection (b) of this section, Governors allocate 80% of funds allotted to them from the Federal level to local workforce development boards as established under Title I of this Act. While funding is required to be allocated to the local areas, the legislation does not impose a prescriptive, Federally determined substate formula. Of the funds that are earmarked for local distribution, 90 percent must be sent to local workforce development areas, based on a substate formula developed by the Governor, through the collaborative process, which takes into account poverty, unemployment, the population of adults within the State, and such other factors as determined appropriate by the Governor. Further, such formula must distribute funds equitably, within the State. This language was offered as an amendment during the Subcommittee consideration of the bill by Congressman Souder (R–IN). In addition, Congressman Hoekstra (R–MI) offered an amendment during the full Committee consideration of the bill which was accepted that 10 percent of the funds held for local distribution, may be distributed to local workforce development areas, at the discretion of the Governor. The Committee feels that these requirements are flexible enough to allow Governors latitude in the distribution of funds in a manner which meets the needs of each individual State. Although this section requires that Governors ensure funds are distributed equitably throughout the State, this Committee does not intend that the Department of Labor regulate the extent, or meaning of the term "equitable."

PROGRAM ELIGIBILITY

It is the intent of this legislation and the Committee to provide services on a universal basis, and to steer away from overly prescriptive Federal requirements defining eligibility for program participation. In fact, the legislation includes no eligibility criteria for the provision of any of the services authorized under this title, except that in times of limited funding, local workforce development boards are to establish a process by which dislocated workers and economically disadvantaged individuals are given priority for intensive education and training services under the adult employment and training program. Further, as required under Section 305 of this Title, this Committee believes the Federal government should know how States intend to serve dislocated workers and other individuals with barriers to employment, such as economically disadvantaged individuals, older workers, and displaced homemakers. Therefore, States are required in their State workforce development and literacy plans, to describe how they intend to serve these populations under the reformed program.

Although the Committee intends to provide wide discretion to States and local communities on how services are provided and at what levels, it is necessary to provide some broad direction in how increasingly limited Federal funds are used. Under Section 306, it is made clear that funds available under Title III should be available to provide core services for adults in need of such services through the one-stop career system as described in Title I of CAREERS. For those individuals who are unable to obtain employ-

ment utilizing the core services, or are simply determined to be in need of more intensive services in order to gain employment, funds may be used to provide intensive services. Education and training services are to be provided to individuals, only after intensive job search assistance has been provided or assessments have determined that the individual is in need of such assistance in order to obtain employment. Under this approach, it is the Committee's intent that the adult employment and training program be based on a "work first" approach, allowing universal accessibility based on true need. In addition, the Committee feels that the limited funds authorized under title III should not substitute for alternative grant assistance for which an individual is eligible, such as Pell Grants or other student aid programs.

In order to provide individuals participating in education and training programs under this title, with a responsibility and choice in selecting the program which best suits their needs, the Committee determined that such services be provided through the use of skill grants, with limited exceptions. These exceptions from the required use of skill grants include: the provision of on-the-job training, where employers provide the training; in localities where the local workforce development board determines there is an inadequate number of service providers to make skill grants a viable option (of special concern in rural areas); in cases where the local workforce development board determines that there are not certified providers of services capable of providing services for special participant populations; and in cases where the local workforce development board decides to enter into a direct training contract with a community-based organization serving special populations.

While Committee Members support the use of skill grants under the adult training system, there is the full understanding that the success of the use of skill grants is contingent upon several important supporting elements, and that States and localities will need time to establish such supports. Specifically, States, in conjunction with local workforce development boards, will need to establish effective certification procedures for the identification of qualified providers of education and training, as required under section 108 of the bill, that provide program participants with broad options, but at the same time guard against "fly-by-night" providers. Further, skill grants will only be successful if individuals eligible to receive them have a full range of accurate information on the quality of providers, including information on program costs; program completion; program graduates' rates of licensure, placement rates, wages at placement, receipt of skill standards and certification requirements (as endorsed by the National Skill Standards Board); and customer satisfaction information as available. Further, it is important that program participants have access to locally-based, accurate, and up-to-date labor market information to assist them in determining what occupations they should pursue. Such information is intended to be provided through the one-stop career center system, as established under this bill, including access to information in such convenient locations as public libraries, schools, and other public locations.

The bill further allows for the provision of supportive services, such as transportation and child care assistance, that will enable

individuals to participate in job search assistance and education and training programs. It is the Committee's intent that these services are provided on a limited basis, and only to those individuals who are unable to receive such services through other programs specifically designed to provide such services. Supportive services are currently allowed under current law have been used in only a very limited fashion. Similarly, the bill allows for limited needs based payments to individuals in need of support payments in order to complete long-term education and training programs. This bill in no way expands eligibility for income support. In fact, for dislocated workers who have exhausted unemployment insurance benefits, such additional needs based payments can only be provided after the exhaustion of UI eligibility, and the individual must have been enrolled in a training program by the 8th week after his or her initial employment termination.

PERFORMANCE MEASUREMENT/ACCOUNTABILITY

Consistent with the performance measurement language contained in other sections of the bill, title III includes language requiring that States establish performance goals and progress indicators or benchmarks that take into account: placement, retention, and earnings of program participants in unsubsidized employment, including retention and earnings at 6 months, and at 1 year, respectively; the provision of services to dislocated workers, economically disadvantaged adults, older workers, individuals with disabilities, displaced homemakers, veterans, and other individuals with multiple barriers to employment, including individuals with basic skills deficiencies; and acquisition of skills certificates pursuant to a skill standards and skill certificate system endorsed by the National Skill Standards Board. Such standards are simple, easily measured, support the goals and purpose of this title, and are consistent with standards called for by numerous witnesses at the hearings held by the Committee on reform of the U.S. workforce development system.

SUBTITLE B—FEDERAL PROGRAMS

While this Committee strongly supports moving funds to the State and local level, it is also felt that there are certain functions which due to their nature, are most efficiently done at the Federal level. These types of functions are more clearly spelled out under this Subtitle.

This Committee feels that one of the more important Federal responsibilities, is the continued ability of the Secretary to provide assistance to those areas suffering major economic dislocations. Events such as military base closings, mass layoffs, plant closures, and major disasters, are prone to happen in any given State and at any given time, making it sensible that the Secretary of Labor be allowed to direct assistance to such areas from the Federal level.

There are also other activities worthy of providing the Secretary the flexibility to carry out. Activities such as incentive grants, which have been shown to drive States to achieve high levels of success; research and evaluations, to ensure that the programs are working as they are intended and technical assistance, to make sure that State and local front line employees have the knowledge

and expertise to properly carry out the programs; are some examples of what the Secretary should have the flexibility to carry out. In addition, the Secretary may carry out demonstrations which examine the effectiveness of targeting funds for intensive employment and training programs to "empowerment zones".

Due to the limited amount of funds available for job training, section 314 would allow the Secretary to establish programs whereby limited Federal dollars would be combined with private sector funds in order to allow business to institute training programs moving toward life-long learning and increasing the ability of workers who are laid off or lose their job, to have the skills necessary to enter other employment.

This idea has been strongly supported by employer groups. In testimony before the Economic and Educational Opportunities Subcommittee on Postsecondary Education, Training and Lifelong Learning, Mr. Kevin Wheeler, Director of the National Semiconductor University provided testimony on behalf of the American Society for Training and Development:

> (Congress) should establish a Federal matching grant program for training that would provide matching grants to local consortia of business, labor, education institutions, and community and professional organizations that develop training programs, quality assurance processes, equipment utilization and other workforce improvement initiatives.

DEMONSTRATION PROJECTS

It is the intent that the pilot and demonstration projects conducted by the Secretary of Labor for the purpose of developing and improving methods and techniques for addressing employment and training needs, may be conducted jointly with the Department of Defense, specifically through the Training and Simulation Technology Consortium, a not-for profit, Defense funded partnership of industry, government and academia.

NATIVE AMERICANS

The Committee has provided for a continuation of services to Indians, Alaska Natives and Hawaiian Natives. Section 315 addresses the unique relationship between these populations and the Federal government. Services are to be implemented in a manner consistent with overall Federal policy toward these groups.

This section authorizes a wide range of services and support for a variety of types of service providers. In general, the Committee intends that available funds be distributed in such a way that the various Native American constituencies served by the special Indian education, employment and training programs continue to receive services proportional to those received in the past taking into account the overall reductions of Federal job training and employment funding.

The authority provided to delegate a portion of the funds to strengthen Indian vocational education agencies, including United Tribes Technical College and the Crownpoint Institute of Tech-

nology, to the Secretary of Education recognizes the importance of these institutions.

In order to ensure that these services are effective in addressing special Native American needs, the organizational unit in the Labor Department with responsibility for this section should have particular competence in the administration of programs for this service population and be staffed accordingly.

The Committee points out that Indian, Alaska Native and Hawaiian Native Service providers are also eligible, consistent with other provisions in the bill, to receive funds under the various block grants administered by the States.

MIGRANTS AND SEASONAL FARMWORKERS

The Congress recognizes that this program will be the main vehicle for public investments in meeting migrant and seasonal farmworkers' and their dependents' employment, training. education, development, and other supportive service needs. These investments assist farmworkers to obtain or retain stable employment, both within and outside of agriculture, to provide development and other educational assistance to enhance their employability, and to provide emergency assistance and other supportive services that will stabilized and improve their agricultural employment situation.

The Committee is aware of the quality, innovation, and cost-effectiveness of services and assistance provided to farmworker grantees by the Association of Farmworker Opportunity Programs (AFOP) and encourages the Department to continue their activities, including technical assistance and training, development and implementation of a farmworker database and other information technologies and developments that can further improve the capabilities of grantees funded under Section 316. The Secretary must consult with farmworker organizations, such as AFOP and grantees prior to the promulgation of policies, rules, regulations, and performance standards or measures relating to migrant and seasonal farmworkers and farmworker programs.

Due to the changing nature of agricultural employment both within and outside of the United States that affects the U.S. domestic farmworker population, Congress urges the Department to be responsive to these changes and periodically review and make necessary adjustments to ensure a quality program for migrant and seasonal farmworkers.

The Secretary of Labor may also transfer authority to the Secretary of Education for the provision of high school equivalency and college assistance for migrant and seasonal farmworkers. The Committee believes high school equivalency and college assistance migrant programs are effective in assisting migrant students to receive the education they require to become productive members of society and to overcome the hardships they experienced due to their or their family's migration for purposes of employment. It is our expectation that these programs will continue to operate as they did prior to their repeal as individual programs. This transfer of authority does not prevent the conduct of these same activities through other grants awarded under Section 316. Additionally, the Secretary may award single purpose grants for the provision of

technical assistance for job training programs for housing for migrant and seasonal farmworkers.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY GRANT

BLOCK GRANT PROVIDES FLEXIBILITY

The existing Adult Education law contains a number of set asides and caps which prevent States, as well as local providers, from addressing the most pressing adult education and literacy needs in individual States and local communities. For example, current law sets forth the following caps and set-asides: a) not less than 10 percent of funds received by States are to be used for corrections education and education for other institutionalized individuals; b) not more than 20 percent of their allotment is to be used for high school equivalency programs, and c) not less than 15 percent of funds they receive are to be used for experimental demonstrations and teacher training projects. H.R. 1617 eliminates these restrictions. The Committee believes that the needs of those currently served through the set-asides and reserves can be better met with a highly flexible, consolidated State grant. Section 432 of this legislation provides that no more than 3 percent of funds may be used for State administration and reserves an additional 12 percent for other State activities, which include technology assistance, professional development and State Literacy Resource Centers. However, there are no restrictions on how local dollars are to be used and States can choose from a wide range of State activities. If a State determines to focus dollars on assisting students in receiving their high school equivalency diplomas, there is no longer any cap restriction on the amount of funds which can be used for this purpose.

FOCUSING OUR EFFORTS TO CREATE A LITERATE SOCIETY

According to a 1992 report entitled "Study of Federal Funding Sources and Services for Adult Education," there were 84 programs in 11 agencies identified as supporting adult education services between 1986 and 1988. Twenty-seven of these programs were categorized as primary programs in which adult education was explicitly stated as a priority objective in each program's authorizing legislation. Of these 27 programs, the dominant focus was basic skills and literacy.

In addition, there are a variety of small literacy programs authorized under the Adult Education Act and the National Literacy Act which essentially provide services which can be provided through basic adult education programs operated in each State. For example, although there is currently a set aside under the Adult Education Act for incarcerated individuals, the National Literacy Act created yet another small program to address the needs of this population. It is the belief of the Committee that the populations served by these small programs can be more effectively served under the Adult Education Act, which is more far-reaching than smaller programs and has the ability to provide a wider range of services to a greater number of participants.

The Committee has, therefore, consolidated the eight adult education and literacy programs under its jurisdiction into a single block grant to the States. The block grant will be focused upon adult basic education programs, adult secondary education programs, programs providing English literacy instruction and family literacy programs. The consolidation increases the flexibility of States and local providers, to design and fund programs which best meet the needs of participants.

ELIGIBLE ENTITIES

Section 432 outlines the entities eligible to receive funds under this Act. Eligible local service providers include: local educational agencies, correctional agencies, community-based organizations, public or private nonprofit agencies, institutions of higher education, and other institutions that the State determines have the ability to provide literacy services to adults and families are included in the list of eligible entities. In addition, the Committee has added libraries as an eligible local service provider. The Committee believes that libraries have served and continue to serve as an important resource for literacy services.

FAMILY LITERACY

Family literacy programs have proven effective in reaching some of the most difficult to serve populations, including individuals with low literacy skills and those receiving welfare payments. In describing family literacy, Sharon Darling, President and Founder of the National Center for Family Literacy, in her appearance before the Subcommittee on Early Childhood, Youth and Families, stated, "Family literacy is a very intensive approach to adult education and early childhood. It is a synergy of combining disciplines together, combining funding streams together that can affect change in the family for the short and long term." According to Betty Mohlenbrock, President of the Family Literacy Foundation in Solana Beach, California, "the single best predictor of a child's future success in reading, and, consequently, in school, is if they have been read aloud to on a regular basis." Unfortunately, for many children, their parents are under-educated, have low literacy skills and lack the self-esteem necessary to be their child's first teacher. As a result, these children lack a strong literacy experience, lack reading readiness, and enter school behind their peers. By working with the entire family, family literacy programs not only assist parents in building their literacy and education skills, but they also provide educational assistance to their children to ensure that they do not experience educational failure. Family literacy programs have demonstrated their effectiveness in bringing about change in the home. Parents begin to read to their children and support their child's education. Over the long term, children whose parents participate in the program are less likely to need special education or to be held back in school.

Sharon Darling cited a recent study which indicated that even though 88 percent of the parents in this program (family literacy) were on welfare when enrolled, 66 percent of those parents now are either employed, participating in education and training programs, or have definite plans to continue their education. For these rea-

sons, we have added family literacy as one of the uses of funds for which these block grant dollars can be used under Section 432.

STRONG LINKS TO JOB TRAINING

One of the primary changes in this legislation is the new connection between job training and adult education systems. Too many individuals seeking job training find themselves unable to benefit from programs because they do not have the literacy skills necessary to benefit from training programs. According to Dr. Augusta Kappner, Assistant Secretary, Adult and Vocational Education, U.S. Department of Education:

> A significant proportion, sometimes as much as 50 percent of individuals who are in job training programs, simply don't have a high enough level of literacy skills to be able to benefit from those specific job training programs . . . we have to find a way to make sure that folks have the basic literacy skills they need to be able to take advantage of the occupational skills and to be able to change careers as work changes.

Increased employability is a priority outcome for adult basic education services—for both the individuals who need to strengthen their educational skills and for the communities in which they live and work. The ability of communities to attract and maintain high performance, high wage businesses and industries and the ability of individuals to obtain and retain good jobs at these workplaces have a common denominator: a strong educational foundation upon which responsive, flexible and high quality products and services can be built.

The CAREERS bill eliminates current barriers to strong partnerships between education and job training programs and involves the education community in the development of a State's job training system. This acknowledgement, plus language in the bill giving a priority to funding local providers who coordinate with workforce development boards and one-stop centers, will address some of the current problems facing individuals with low literacy skills who are seeking training and employment. In addition, the bill provides for a transfer of funds to adult education providers for those individuals who seek job training assistance but who do not have the literacy skills required for participation. In the past, the adult education system has been asked to coordinate with a growing number of programs. However, funding has seldom followed participant referrals and participants are often turned away because the system does not have the capacity to meet the current demand for services. It is the view of the Committee that the current adult education system be strengthened in order to meet the job training demands under this legislation, as well as under welfare reform.

USING ADULT EDUCATION FUNDS FOR OTHER PURPOSES

While the CAREERS bill closely ties adult education to the job training system, it acknowledges there are uses of adult education other than assisting individuals who need to increase their literacy skills for purposes of employment. Minnie Mae Robinson, a program participant from Grows Literacy Council, Apopka, Florida de-

scribed for the Committee her experience with adult education. Ms. Robinson stated that she only attended school "a little" as a child because she had to work. She said that adult education meant a lot to her. She is no longer just a student, she helps counsel in her community and has written three books. She stated that the adult education program she attended gave her back her self-esteem. She pointed out that she had no self-esteem when she could not fill out a work sheet or write out a money order or a check. She said these things mean a lot to adults. She stated that she has now learned to do these things for herself and not have to go from house to house begging someone to fill out an application. Ms. Robinson is in her 70s and did not seek out adult education for purposes of employment. She did so to improve her ability to function in society and to help others.

The legislation approved by the Committee recognizes that adult education and literacy programs play a key role in assisting individuals to achieve the literacy skills they need to apply for U. S. citizenship, to provide education to parents participating in family literacy programs, and to provide services to individuals like Ms. Robinson.

According to the most recent National Evaluation of Adult Education Programs (1995) (NEAEP), the number of participants enrolling in English as a Second Language (ESL) programs is on the increase. In the 1992–1993 program year, 40 percent of program participants were enrolled in ESL classes. In 1980, ESL learners constituted just under 20 percent of enrollees. This grew to 31 percent in 1992 and 1993 and, according to the NEAEP study, 46 percent of new enrollees entered ESL instruction. Dr. Andrew Hartman, Director, National Institute for Literacy, pointed out that limiting adult education to providing services to individuals seeking assistance for employment services would, in actuality, constrain the flexibility of the States because they would not be able to use such funds for programs such as family literacy. The Committee felt, therefore, that it was important to allow the continued use of funds for programs serving limited English proficient individuals and family literacy.

INCENTIVES TO ASSIST HARD-TO-SERVE INDIVIDUALS

Although it is gratifying to learn that adult education and literacy programs are of great assistance to some individuals seeking their GED's, high school diplomas and literacy skills necessary for citizenship, these programs are still unable to demonstrate great success in assisting individuals with very low literacy skills, many of whom are in low paying jobs or receiving welfare benefits. The Committee recognizes that it is easier to serve individuals who need just a small amount of assistance; however, the Committee is also aware that the goal of reducing welfare rolls will not be met unless we are able to provide quality services to the neediest individuals. According to Mr. Rodgers Smith, Provost, Continuing Education Center, San Diego Community College District, San Diego, California:

> Beginning-level students cannot be ignored We know that students must be at a high beginning or a low inter-

> mediate level of either ESL or ABE (Adult Basic Education) to become citizens or to benefit from job training or to gain employment. We must give our beginning students a chance to reach that level. If the beginning-level students are ignored, this group could remain dependent on welfare for a very long time.

Therefore, Section 32 of the Committee bill requires States to set aside three percent of State dollars for an incentive program for local providers to improve services to this population. The Committee intends for rewards to be given to local providers after they demonstrate success in serving the target population rather than up front. In this way, they will be encouraged to develop ways to provide assistance to hard to serve populations with existing dollars and not rely on a constant influx of new dollars to provide such services.

MEASURING PROGRAM SUCCESS

In addition to providing incentives to States and local providers to address the needs of individuals with low literacy skills, the Committee has set forth progress indicators in Section 434 which States can use to monitor the success of adult education and literacy programs funded under this Act. Cheryl L. Keenan, Director, Bureau of Adult Basic and Literacy Education for the Pennsylvania Department of Education, stated that adult education legislation must provide a strong base for accountability. She stated:

> Legislation should provide for a process by which States could join together to build a national framework of desired program outcomes that are closely tied to the purposes and goals of this legislation. This framework would enable States uniformly to report the results of adult education so they could be nationally demonstrated.

While high school diplomas and GEDs are some of the more commonly used measures of program success, the Committee recognizes that there are other measures of program success, particularly for individuals with low literacy levels. As Dr. Augusta Kappner indicated in her testimony, ''the field is at a point where it needs to move from quality indicators and input measures, to real ways of measuring results and outcomes.'' The Committee agrees. By setting broad parameters for measuring program success, the Committee has allotted to States the responsibility for establishing their own statewide goals and benchmarks for achieving those goals. At the same time, we will be able to monitor whether or not programs funded under this Act are effectively serving the diverse educational needs of individuals no longer in school. The Committee expects States to use information collected from local providers to be used to improve programs and make decisions on the allocation of resources.

THE NATIONAL INSTITUTE FOR LITERACY AND STATE LITERACY RESOURCE CENTERS

Section 441 of the Committee bill established the national Institute for Literacy. The National Institute for Literacy (NIFL) is a

critical part of the national effort to improve the nation's system of adult education and literacy. The research development, technical assistance, and information that the NIFL provides to State and local programs will be even more important as literacy providers work to meet the goals and performance standards required by this legislation. For example, the electronic information and communications network developed by the NIFL will provide the adult education and literacy field with up-to-date information both from national sources and other State and local programs. Since literacy and basic skills education for adults and families is vital to attaining many of the nation's economic and social goals, the NIFL must provide leadership in creating more effective and efficient literacy services.

The Committee intends for the NIFL to be a national resource for Federal agencies, States, one-stop centers, and local employment and education programs as they implement the CAREERS Act. The interagency nature of the NIFL is a perfect fit for the coordinated, consolidated human resource development system that is the goal of this legislation. The Committee expects the NIFL to continue in this role of working across labor, education, and human service programs, and expects these Federal agencies to work closely with the NIFL to support its mission.

The Committee did not provide a separate line item for State Literacy Resource Centers. While the Committee believes the Centers serve a meaningful purpose, it is important at this time to focus as many dollars as possible on providing services at the local level. However, in view of the fact that these State centers provide an important link between States and local programs and the National Institute for Literacy and may not be continued without some type of Federal support, the Committee has included language in Section 432 and Section 442 of the bill allowing individual States and the Department of Education to fund these centers out of the funds they receive under this Act.

LIBRARY SERVICE AND CONSOLIDATION GRANTS TECHNOLOGY

The Committee recognizes the valuable role America's libraries have played in ensuring that all Americans have equal access to information. When the Library Services and Construction Act was first authorized in 1956, the goal of this program was to ensure that all Americans had access to libraries and the information they contain. The Committee is pleased to note that today, 96 percent of all Americans have access to libraries.

However, this nation is currently undergoing a technological revolution and recently, we have witnessed a tremendous proliferation in new sources of information. This trend will not only continue, but is certain to accelerate. It is clear that America's libraries will need to take advantage of these new technologies if they are to continue to ensure that all Americans have equal access to information.

A 1994 study conducted by the U.S. National Commission on Libraries and Information Science found that only 20.9 percent of America's 9,050 public libraries had any involvement with the Internet. Of these, only 13 percent reported that they offered patrons access to the Internet. It is clear that the time has come for

a shift in Federal library policy, and that shift must be toward helping this country's libraries, and ultimately the American public, gain access to the technologies and information they will need as we move into the 21st century.

The Committee reported bill will do just that. It consolidates the Library Services and Construction Act, the Academic Library and Information Services provisions in Title II of the Higher Education Act of 1965, and the Elementary and Secondary School Library Media Resources program from the Elementary and Secondary Education Act into one Federal libraries program focused on helping all libraries acquire cutting edge technologies.

Library Services Technology Consolidation grants will provide for library service to citizens through the use of new information technologies. They will help bring America's libraries, public, elementary and secondary schools, and academics, into the 21st century. They will help libraries form electronic linkages with one another to better share resources, and they will give all Americans access to new and better sources of information, such as the Internet. In addition, libraries will use these funds to forge connections with one-stop career centers, providing a unique resource for those who wish to find or improve careers.

Central to this mission is the philosophy that access to electronic information resources must be both democratic and egalitarian. Libraries and Librarians must be well equipped to help patrons navigate the information superhighway and provide access to the wealth of information available; government information, library resources, education and job information. For millions of Americans, the library will become the on-ramp to the information superhighway.

The Committee is pleased to note that some communities are already beginning to assimilate these new technologies. For example, Beverly Choltco-Devlin, Director of the Morrisville Public Library in Upstate New York talks of "the wondrous and miraculous" experience of adult literacy students in using the Internet to interact with new adult learners across the country and around the world. She notes that this successful program was inspired by the experience of a 51 year old dairy farmer who somehow got through the ninth grade with only a first grade reading level. Clearly, in rural or isolated areas, this new ability to communicate provides a powerful incentive for literacy.

However, communities across this country will need help to tap into these new resources. Just as the Library Services and Construction Act provided access to libraries for millions of Americans, Library Services Technology Consolidation grants will give Americans equal access to the information sources of the 21st Century.

TITLE V—VOCATIONAL REHABILITATION

OVERVIEW

Title V includes amendments to the Rehabilitation Act of 1973. It is the intent of the Committee to maintain the values and protections that are currently embodied in title I of the Rehabilitation Act, but to draw a distinction between these values and protections and the current State-controlled delivery system of services.

The changes to title I of the Rehabilitation Act would promote the following positive improvements in the delivery of vocational rehabilitation services to individuals with disabilities:

Individuals with disabilities would have much greater choice over development of career objectives and the choice of services to support those objectives;

The system would encourage the participation of private service providers and, through competition, would yield improved outcomes;

To the maximum extent possible, specialized service delivery would be integrated with other employment programs to create a more efficient use of Federal resources;

Integrated service systems would ensure that all individuals with disabilities would receive at least core services, and would not be volleyed back and forth between the adult training and vocational rehabilitation systems, which now happens; and

Vocational rehabilitation funds would be specially targeted and protected to meet the needs of disabled individuals.

TRANSITION PERIOD

Chapter 1, Section 501 creates a transition period for State systems to integrate into the new local-delivery system under the Consolidated and Reformed Employment, Education and Rehabilitation Systems Act.

The Committee recognizes that there will be significant restructuring of the adult job training system, and the adult training system has not traditionally been responsive to the needs of individuals with disabilities. For this reason, a simultaneous transition from a State-run rehabilitation system to a locally-controlled system while the new one-stop systems are being established would not be the best approach.

Under the Committee's plan, the collaborative process, the development of local workforce development boards and one-stop career center systems would take place in Fiscal Year 1996. During the development of these systems, individuals with disabilities would be involved both at the State level and at the local level. This would ensure that, during the initial development of these new systems, the rehabilitation needs of individuals with disabilities will be anticipated.

During Fiscal Year 1996, the bill would require the Secretary of Education, operating through the Commissioner of the Rehabilitation Services Administration, to develop administrative policies for implementing the changes to title I. During this year, the Commissioner would work with the Secretary of Education and the Secretary of Labor to develop the national performance indicators for vocational rehabilitation required by the Bill. The Commissioner would also provide policy guidance to the States to guide them through implementation of the new system requirements.

During fiscal years 1997 and 1998, the Secretary will begin to implement the amendment with a special focus on facilitating the transition from a State-controlled system to a locally-controlled, consumer-directed system. The steps to be taken include establishing guidelines for approving providers, establishing guidelines for use of skill grants, training management and staff of the one-stop

centers to effectively meet the needs of consumers with disabilities, and establishing guidelines for the one-stop centers, including encouraging the participation of community-based providers that had previously received funds under the Projects with Industry, Supported Employment, and Javits Wagner O'Day programs.

The Committee intends that the new amendments take effect not later than the first day of fiscal year 1999, and that, prior to this time, the current title I of the Rehabilitation Act will remain in force, except that the Commissioner will take steps to move toward the FY 1999 implementation deadline.

REVISION OF TITLE I OF THE REHABILITATION ACT OF 1973

Chapter 2, includes the Revision of title I of the Rehabilitation Act of 1973.

CLIENT ASSISTANCE PROGRAM

Section 511 transfers the Client Assistance Program to title V of the Act. The Committee recognizes the unique focus of the Client Assistance program in assisting individuals with disabilities to obtain needed VR services, as opposed to challenging systemic barriers, which is authorized under the Protection and Advocacy of Individual Rights (PAIR) program. The CAP program is moved to title V because the Committee believes that title V, relating to civil rights and in which the PAIR program is placed, is a more appropriate placement.

PURPOSE

Section 100. Purpose. The Committee believes that the revised title I has a threefold purpose: 1) assisting States in offering individualized, specialized employment, training, and rehabilitation services to individuals with disabilities, 2) maximizing individual control over vocational and career choices; and 3) assuring equality of opportunity, full participation, independent living and economic self sufficiency.

FORMULA GRANTS

Section 101 lays out criteria for Formula Grants to States. Subsection (d) provides that such sums as may be necessary for each fiscal year 1999 through 2002 are authorized. Although the CAREERS Act authorizes programs from fiscal year 1996 through 2002, the amendments to the Rehabilitation Act do not take effect until fiscal year 1999. The paragraph also provides that each State will not receive less than was appropriated in the previous fiscal year, plus the amount of the "Consumer Price Index Additional." These provisions are identical to current law.

Under H.R. 1617, title I of the Rehabilitation would maintain its budgetary status as a mandatory program, and its annual increases in funding would reflect the increase of the consumer price index. Titles II–VII, however, are no longer mandatory but reflect the discretionary status that the Committee has historically believed was the status of these programs.

STATE ALLOCATIONS OF RESPONSIBILITIES

Section 102 establishes allocations within each State for administrative responsibilities. The Committee intends that the State will retain 20 percent of funds under title I of the Rehabilitation Act, both to carry out statewide activities, and to provide direct services to individuals with disabilities under certain circumstances. In certain circumstances, such as in serving individuals with blindness and other low-incidence disabilities, or when the individual is still hospitalized or in medical therapy, the State could take on responsibilities normally associated with the one-stop career system, providing eligibility determinations, assessments of vocational rehabilitation need, and vocational rehabilitation services, directly to the disabled individual. In this case, the State would need to comply with standards for choice, use of skill grants, and participation of private providers that the one-stop career systems follow.

Also, the geography and rural nature of certain States may create extraordinary challenges in providing services to individuals with disabilities through local workforce systems. In such areas, traditional market forces may not respond to providing needed specialized services to individuals with severe disabilities. The State, again, may have a proper role in providing direct services.

This section also clarifies that 80 percent of the vocational rehabilitation funds will be expended by the local workforce development board, working through the one-stop career center system to provide education and training services to individuals with severe disabilities.

STATE RESPONSIBILITIES

Section 103 lays out the responsibilities of the State Administrative Agent.

Subsection (a) allows a Governor to designate an administrative agent to administer the vocational rehabilitation program, and at the Governor's discretion, a separate agent to administer vocational rehabilitation services to individuals who are blind.

Subsection (b) lays out the responsibility of the State administrative agent. Under H.R. 1617, States would experience a changing role in vocational rehabilitation. Instead of being the primary provider of direct services, States would be responsible for establishing certain statewide criteria to assure a minimum degree of services within the State, serve in a quality oversight and monitoring function, and also serve as a source of training and technical assistance to the one-stop career systems within a State.

Subsection (b)(1) clarifies that all activities under this section shall be carried out through the collaborative process established under section 103 of the CAREERS Act.

ORDER OF SELECTION/PRIORITY ON SEVERE DISABILITIES

Subsection (b)(2) is similar to the provision of current law that requires each State to establish an "order of selection" for first providing vocational rehabilitation services to those individuals with the most severe disabilities, if the State is unable to provide vocational rehabilitation services to all eligible disabled individuals. The Committee has chosen to retain the "order of selection" re-

quirement so that individuals with the most severe disabilities will continue to receive priority for services. Individuals with severe disabilities have an employment rate drastically below that of individuals with moderate disabilities (23 percent employment for the severely disabled compared to around 80 percent for the moderately disabled). In addition, the Federal government carries the primary financial responsibility for providing assistance to individuals under the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs, which provide cash and medical assistance to individuals with severe disabilities. For these reasons, the Committee believes the Federal priority continues to be toward facilitating employment of individuals with severe disabilities.

The Committee has not created a definition of "most severe disability," instead allowing States to determine their own prioritization system for delivering services.

CHOICE OF SERVICES

Subsection (b)(3) requires the State to establish guidelines so that individuals with disabilities eligible for services and having been assessed for rehabilitation needs will have the choice of receiving services from a provider designated by the one-stop career center or chosen by the individual. The Committee recognizes that, in certain circumstances, the one-stop career center may have established referral relationships with certain providers. The Committee intends that the individual be given the choice of securing the designated services from the provider with whom the center has a referral arrangement, or from another approved provider that the individual chooses.

STATEWIDE/REGIONAL PROVIDERS

For certain specialized services for individuals with disabilities, the Committee recognizes that there may not be enough providers of services within a local workforce delivery area to provide an individual with an adequate choice of services. In some cases, there may only be one qualified provider of a particular service within a State. For this reason, providers are approved on a statewide basis so an individual can choose a provider elsewhere within the State to provide the service. In addition, there may be circumstances where it is necessary to approve providers outside of a State when a particular service is only available on a regional or national basis.

COMMUNITY-BASED PROVIDER PARTICIPATION

Subsection (b)(4) requires the State to encourage the participation of community-based private providers, with special consideration to providers who have participated in the Projects with Industry and Supported Employment programs, or under the Javits-Wagner O-Day Act.

The Committee believes that one of the major reforms necessary in vocational rehabilitation is to allow and encourage much greater participation of private providers in a competitive market for service delivery. State rehabilitation managers argue that, in many

States, a high percentage of direct services are contracted out to private providers. While this is probably more efficient than providing such services in-house, it does not take full advantage of the competitive nature of an open market. The reformed system will allow direct competition among providers for the customer's business, empowered through the use of service vouchers.

Upon full implementation of the amendments in H.R. 1617 in FY 1999, the Projects with Industry and Supported Employment Demonstration programs will be repealed. Projects with Industry and Supported Employment have made enormous contributions to the development of rehabilitation services over the last decade, and it is time that their contributions be fully integrated into the State grant system. Because the reforms of H.R. 1617 will create a public-private partnership with strong outcome orientation, the demonstration-style Projects with Industry program is no longer necessary. In addition, the concept of Supported Employment has been successfully demonstrated as a vital component of helping individuals with severe disabilities obtain integrated employment. This program, too, is no longer necessary as a distinct component, and should be merged into the State grant program. To facilitate current providers under these programs, as well as providers under the Javits Wagner O-Day Act, the State shall make special efforts to encourage their participation as providers in the new rehabilitation system. The Committee expects this new system to use projects with industry and supported employment as a model to provide vocational rehabilitation services giving consumers the most choice in determining their career.

ELIGIBILITY

Subsection (b)(5) provides that the State will establish procedures to guide eligibility determinations. Under the Order of Selection criteria established by the State, individuals entering the one-stop career system will have eligibility determinations conducted for services.

Subsection (b)(6) relates to standards to govern the assessment of an individual's need for rehabilitation within a State. The State plays an important role in assuring local areas are given clear guidance about how assessments shall be conducted. Under H.R. 1617, States will establish a methodology so that, based on a consumer's degree of rehabilitation needs, there will also be established a monetary value of goods and services available to the consumer. These standards are designed to prevent unreasonable disparities in the level of services available to individuals with similar degrees of rehabilitation need.

The Committee is concerned, that under current practices, there is little uniformity within a State of the level of services for which an individual is eligible. Such a methodology, specifically geared to measure the individual degree of rehabilitation needs for an individual, will assist in ensuring equity of services throughout the State.

IMPARTIAL REVIEW

Subsection (b)(7) provides that the State will establish procedures through which an impartial review may be requested and obtained.

The Committee believes that, under the reformed system established by H.R. 1617, there will be much greater accountability for actual services rendered to an individual. First of all, for vouchers, there will be a direct contract arrangement between the one-stop center and the provider. In addition, payments to providers will be made on a "performance" basis. That is, when a provider agrees to provide a service, a portion of the full payment will be withheld until the services have been successfully delivered. Both of these reforms bring greater accountability to the provider.

Under H.R. 1617, eligibility determinations and assessments of vocational rehabilitation needs will be the primary responsibility of the one-stop career systems. The impartial review, utilizing an impartial hearing officer, will determine whether the standards for eligibility and assessment of vocational rehabilitation needs, and development of individualized rehabilitation plans were correctly applied to the individual. The Rehabilitation Act does not convey an individual entitlement to services, but participants in the program must receive fair and equitable treatment under the program. As part of establishing guidelines for the impartial review, the State will establish a minimum number of days during which the impartial review must be conducted. Rather than establish a particular number of days at the Federal level, the Committee believes it is appropriate to grant States flexibility in establishing this time period, and expects the State will apply it uniformly throughout the State.

STANDARDS FOR QUALIFIED PERSONNEL

Subsection (b)(8) relates to the State ensuring that services at the one-stop career center system, whether they be core services or vocational rehabilitation services, be delivered by personnel qualified to provide them. This is one of the most important roles to be played by the State.

The Committee expects that every one-stop center or affiliated center will provide core services and will be linked into the other one-stop centers. This does not necessary imply that every one-stop center will provide specialized services for all elements of the workforce population. In fact, it may be necessary and practical to establish one or more one-stop career centers in each area that specialize in vocational rehabilitation and accommodating individuals with disabilities.

However, each one-stop center must have the capability and training to recognize the vocational potential of an individual with a disability, and provide core services in an accommodating format, which include referral for eligibility determination for vocational rehabilitation services.

Concern has been expressed that H.R. 1617 creates a "generic" job training system in which the needs of individuals with disabilities can not be accommodated. The term "generic" is a misnomer. H.R. 1617 represents an integrated system of specialized job train-

ing and employment services aimed at distinct populations with distinct needs. Several elements are in place to ensure specialization of services at the one-stop delivery system. One of the keys to success of the system is the State's oversight to ensure that qualified personnel are available in the one-stop career centers.

TRANSITION PLAN

Subsection (b)(9) contains language from the current law requiring the vocational rehabilitation agency to enter into an agreement with the State agency responsible for development of special education plans for students covered under the Individuals with Disabilities Education Act. This "transition" language is tracked in H.R. 1617.

COORDINATION WITH INDEPENDENT LIVING COUNCIL

Subsection (b)(10) requires the State to coordinate activities with the Statewide Independent Living Council. It is vital that strong linkages between independent living and vocational rehabilitation are built and maintained. These programs represent a continuum of services and opportunities for individuals with severe disabilities. For most individuals with severe disabilities, the first step toward working in an integrated employment setting is gaining the skills to live independently.

INTERAGENCY AGREEMENTS

Subsection (b)(11) requires the State to establish other interagency agreements with agencies administering public assistance and other programs for individuals with disabilities. Because there are a broad array of services available to individuals with disabilities, both Federally funded and State funded, effective cooperation and coordination is essential.

TRAINING OF MANAGEMENT AND STAFF

Subsection (b)(12) relates to the requirement that the State establish policies requiring qualified personnel to deliver core services and vocational rehabilitation services. This paragraph requires that the State undertake training of management and staff of the local boards, the one-stop career centers, and the providers of services.

TECHNICAL ASSISTANCE

Subsection (b)(13) requires the State to provide technical assistance to local workforce development boards, one-stop career centers, and providers regarding effective provision of vocational rehabilitation services and development of individualized rehabilitation and employment plans. The Committee recognizes that local providers will need to have access to high quality information about providing effective rehabilitation services to a highly diverse population.

Under the system envisioned by H.R. 1617, the State would continue to play a key role in serving as a conduit of information and technical assistance to local areas, one-stop centers, and providers. The State can set up toll-free hotlines to serve as a clearinghouse

function to local areas, and the State can also deploy specialists on-site to assist in the development of rehabilitation and employment plans, and to share information about how services can be delivered in the most efficient way possible.

VOUCHER SYSTEM/CONSUMER CHOICE

Subsection (c) establishes the availability of a voucher system for purchasing vocational rehabilitation services. Under H.R. 1617, an individual who has been determined eligible for services and has an assessment of vocational rehabilitation needs conducted will be given the opportunity to purchase goods and services through vouchers.

The Committee believes that offering the use of vouchers is a vital component of creating a truly consumer-controlled system. It is very easy to claim that an individual is given choice in deciding what type of career he will pursue, but until a tangible decision is delegated to the individual, choice has not really happened. This element of decision-making is a key change from the current vocational rehabilitation system, and is a first step to empowering the individual to making a lifetime of decisions and choices about his career and personal life.

Patrick W. McKenna, Director of Client Services, Maryland Division of Rehabilitation Services, noted in his vocational rehabilitation article of the 1995 copy of the Switzer Monograph the following:

> "Consumer choice" at its best reflects the basic need of each individual to participate as fully as possible in his or her own destiny; values the need to assess the quality of services; recognizes that informed consent is essential if any intervention is going to be successful; and explicitly recognizes the need to preserve mutual respect between a consumer and a provider of services.

The Committee believes that, when individuals have choice and control of resources to support that choice, it allows the private market to emerge that will meet this consumer demand.

It is not credible for advocates for the current system to argue that "there simply aren't enough private providers to meet the specialized needs of individuals with disabilities." Across the nation, where they have been allowed to participate in the public rehabilitation system, thousands of private and community-based organizations have emerged that provide high quality, responsive services to individuals with severe disabilities. The only States where a private market does not exist are the States that have chosen to provide all services through government employees and facilities and have carefully excluded private providers from participating.

Carolyn L. Weaver, Resident Scholar, of the American Enterprise Institute quoted in the November 1, 1994 volume of the Journal of Disability the following:

> The rapid growth of the private rehabilitation sector, which has been spurred by changes in workers' compensation laws and the increased likelihood of surviving once-fatal injuries and illnesses, is testimony to the responsiveness of markets. Firms emerge to meet customers' de-

> mands for rehabilitation services and adapt what they offer to the changing demands of their customers.

This subsection also requires that the vouchers allow the individual to choose from among providers designated under the statewide provider approval system referred to in title I of the CAREERS Act. This system of provider approval is intended to create an assurance of quality among providers. While reviewing a current provider's performance is important in the approval process, the Committee believes it is important that new providers also be granted participation approval, on a provisional basis if necessary, so that the private market can emerge in a natural way to respond to the new consumer demand for choice and high quality services.

Regarding the use of vouchers versus contracts, Weaver says in the November 1, 1994 volume of the Journal of Disability the following:

> The idea behind vouchers is to give people the purchasing power they need to gain access to private-sector rehabilitation and the freedom to choose among competing suppliers; competition among firms attempting to attract new customers would then create—even among the least innovative of public or private firms—incentives to develop innovative rehabilitation programs at minimum costs. Firms unable to attract customers would have to revise their programs, improve their services, and/or develop more effective management, or be taken over by more effective firms. Real economic competition—and real protection for consumers against quality deterioration and cost increases—are more likely to be achieved with a voucher system than with the contracting option.

The provision also requires that the State establish guidelines so that the voucher for a service is set at a fair market value. The Committee is concerned that, in an attempt to make the use of vouchers unattractive to the consumer, a State could establish voucher amounts that are below what is a fair market value. This result would make it difficult for providers to accept the vouchers, and thus the goal of increased consumer choice would be thwarted.

Because the stakes are so high for the individual with a disability in vocational rehabilitation, it is important that individuals be served well and are given adequate resources to achieve their rehabilitation and employment goals. Trying to cut corners by squeezing and shaving the amount of vouchers could actually foster greater long-term dependence and costs to the Federal government. On the other hand, vouchers must be set at a reasonable level that does not create undue profits for a provider or create incentives to steer individuals into a certain type of service or therapy, rather than what is needed or wanted by the individual.

To provide an equitable distribution of services, it is necessary to create some uniform standards for assessments and vouchers for services. These functions are intended to empower individuals in making choices about their lives. However, any time there are standards established for the purpose of accountability and uniformity, there is the danger of creating an unresponsive, ineffective system that can not adapt to an individual's unique circumstances.

The Committee intends that vocational rehabilitation embody a highly individualized approach that responds to individual needs in a flexible manner, and that a voucher system serves to enable that flexibility and creativity, not inhibit it.

Finally, this subsection provides that the aggregate amount of vouchers available to an individual will reasonably relate to the degree of rehabilitation needs identified for the individual during his or her assessment. A fixed cap on services may not be appropriate for individuals who are disabled, since there is a wide range of disabling conditions and of needs for services. Depending on what training and services an individual has already received, his need for vocational rehabilitation may be drastically less than another individual with an almost identical disability and severity of disability.

This diversity of need requires a voucher system that will be flexible and adjust to an individual's needs, while still assuring a degree of uniformity throughout the State. To accomplish this goal, H.R. 1617 requires each State to establish a methodology for calculating an aggregate amount of vouchers available to an individual. This aggregate amount must bear relation to his identified degree of rehabilitation need.

The Committee intends that, when an assessment of vocational rehabilitation need is conducted and an aggregate amount of service vouchers is identified, that all or part of this amount will be reserved from current year funds. If some services are anticipated in the following year, at the time the next year funds become available, the individual currently in the program would receive a priority for reserving funds.

OPTIONAL STATE ACTIVITIES

Subsection (d) also outlines activities which the State may engage in, at its discretion.

First, the State may disseminate information to local areas relating to emerging research regarding vocational rehabilitation services. Second, the State may conduct demonstration projects within the State to test alternative approaches to delivering vocational rehabilitation services. If a State conducts such demonstration projects, it shall also provide the findings from such demonstration projects to the Commissioner, and as appropriate within the State.

CORE STANDARDS, PERFORMANCE GOALS, AND MEASURES

Subsection (103)(e) designates standards for Core Standards, Performance Goals, and Measures. Under this requirement, each State will develop and implement a statewide system of core standards and measures of performance for vocational rehabilitation programs utilizing the national performance indicators developed by the Secretary of Education. The standards will include measures of placement, retention and earnings in integrated employment, both at 6 months and one year, and the percentage of individuals served who had severe disabilities, including recipients of Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI).

Under the current vocational rehabilitation system, a successful placement is considered to be 60 days in an employment outcome.

Measuring employment, retention and earnings at 6 months and one year will give a much more accurate picture of the long-term effect of the vocational rehabilitation program.

Including the factors of the percentage of participants served who had severe disabilities, particularly those under the SSI and SSDI programs, is an important balancing factor against focusing on employment outcomes alone. Without placing equal weight on the severity of disability, vocational rehabilitation could again shift to a system that serves individuals with less severe disabilities who can obtain an employment outcome more quickly and at lower cost.

This subsection also encourages the State to build its indicators upon indicators established by the Secretary of Education for the current title I of the Rehabilitation Act program and the Projects with Industry program.

LOCAL BOARDS, ONE-STOP CAREER CENTERS

Section 104 establishing Responsibilities for Local Boards and One-stop Career Centers relating to Vocational Rehabilitation.

Subsections (a)(1) and (a)(2) clarify that the local one-stop centers will act under the guidance of local workforce development boards, and that the one-stop career centers will make determinations of eligibility for vocational rehabilitation services, provide vocational rehabilitation services, and also conduct outreach and intake activities for individuals who are not able to directly access the one-stop career centers because of the nature of their disability.

The Committee wants to make clear that one-stop career centers are not only physical facilities to which individuals with disabilities may come. One-stop career centers are part of an integrated system of services. The system must conduct outreach and intake activities, particularly to individuals with severe disabilities that might not be able to physically access a center.

In the case of adult onset of disability, such as blindness, an individual may not even believe he or she can become employable. Also, the individuals may not know that the One-Stop System can accommodate individuals with disabilities. It is essential that the One-Stop system develop close working relationships with local and statewide consumer advocacy groups so that individuals can be drawn into the One-Stop center system.

It may also be necessary to provide certain services directly in the individual's home, not necessarily in a center-based setting.

Subsection (a)(3) clarifies that services may be provided in a variety of settings and environments.

DEFINITION OF VOCATIONAL REHABILITATION SERVICES

Subsection (b) provides a broad definition of vocational rehabilitation services. These are services necessary to render an individual employable and achieve an employment outcome, and which are provided in response to the individual's disability, but do not duplicate core services under title I of the CAREERS Act. Many services currently available under the Rehabilitation Act could seem to duplicate core services under the CAREERS Act. The Committee believes that some similarity between core services and vocational rehabilitation services is reasonable, but that individuals with disabilities who could be served through the core services not

be referred for vocational rehabilitation services unnecessarily. Without proper safeguards to prevent duplication of services, vocational rehabilitation could be seen as an attractive source to save funds in the delivery of core services. Thus, services offered under vocational rehabilitation must be directly related to the individual's disability and may not duplicate core services.

Subsection (c) also includes a detailed listing of services that must be offered as vocational rehabilitation services. This list is very similar to current law, but not as detailed in all areas.

SUPPORTED EMPLOYMENT AND EXTENDED SERVICES

Subsection (d) requires the one-stop career center to establish relationships with community-based providers, including arrangements regarding supported employment services and extended services, periodic reviews of individuals placed in extended employment, and services to provide movement from extended employment to integrated employment.

The Committee intends that the growing trend toward emphasizing long-term supportive services for individuals with disabilities be continued, and that special arrangements with community providers for such services be made. In the context of long-term supportive services, a contract between the one-stop center and the provider may be more practical than a service voucher, except that the choice of the individual in the selection of the provider must still prevail.

CORE SERVICES SUPPLEMENTATION

Subsection (f) establishes criteria in which some resources from vocational rehabilitation can supplement the provision of core services. This amount set aside for core services will be based on the number of individuals eligible for vocational rehabilitation services that are in the local workforce development area and the cost of training employees of the one-stop career center to provide high quality services.

In deciding how much shall be dedicated for the purpose, the Committee decided against designating a maximum percentage, because a maximum percentage could easily become a minimum, whether or not it is needed. The Committee intends for local workforce development boards to establish, based on current usage of the vocational rehabilitation system, the number of individuals eligible for specialized vocational rehabilitation system it expects to utilize the one-stop system. This factor, as well as the expected costs of training personnel to provide one-stop core services in a disability responsive manner, will help guide the board in deciding how much funding to dedicate.

The Committee is concerned that a local workforce development board might try to divert an unreasonable amount of funds to support core services for individuals who are not disabled. The Committee does not wish to create a tracking requirement to ensure that the vocational rehabilitation funds always serve individuals with disabilities, but the intent of the provision is to supplement core services for such individuals. If, over the course of time, Congress learns that excessive vocational rehabilitation resources have

been diverted to support core services, the Committee may consider giving more direct direction on how these funds are allocated.

PERFORMANCE PAYMENTS

Subsection (g) establishes guidelines for performance payments. The performance payment concept is intended to provide direct accountability for the successful provision of services. By withholding part of a payment until the service is completed according to prior agreement, the service provider has a direct incentive to fulfill the agreement. In some demonstration programs, performance payment systems have withheld the entire payment until completion of the service. While this approach may be too extreme in many cases, local areas should use the performance payment authority to the maximum extent possible to hold providers accountable to high performance standards.

H.R. 1617 establishes that for general services, such as services that relate to short-term or intermediate vocational rehabilitation objectives, the service must be carried out in reasonable accordance with the outcome previously arranged with the provider. The Committee encourages local workforce development boards to include a verification of customer satisfaction as part of that arrangement. This would again strengthen the role of the consumer in determining the outcome of his or her vocational rehabilitation program.

In the case of education, training and placement services, performance payments are tied to more specific outcome objectives. These are successful completion of an employment and training program, and job placement and retention for at least 90 days. The Committee intends that services that have a direct employment outcome as the reasonable expectation of the service to be held to tangible outcomes of program completion and direct employment. Even if a local workforce development board withholds only five percent of the program costs until these objectives are met, it sends a strong signal of accountability to the service provider.

ELIGIBILITY DETERMINATION

Section 105 (a) lays out the criteria by which an individual with a disability is determined eligible for vocational rehabilitation services. These criteria are almost identical to the criteria in the current law. First, an individual is eligible if she meets the definition of disability under section 7(8)(A) of the Rehabilitation Act and also requires vocational rehabilitation services to become gainfully employed. Eligibility is also granted if the individual has a disability or is blind as determined under the Social Security Disability Insurance or Supplemental Security Income programs of the Social Security Act.

To clarify the meaning of 7(8) that an individual must be "employable," paragraph (3) provides that an individual will be presumed to be able to benefit in terms of an employment outcome unless the one-stop career center system can demonstrate by clear and convincing evidence otherwise. This language also tracks the provision of current law that was inserted in the 1992 amendments. Prior to these amendments, individuals with severe disabilities were often determined to be unable to benefit from a program and were denied eligibility. This important change moved the Re-

habilitation Act more in line with the realities of emerging technology and services, such as supported employment, that allow individuals with disabilities who in prior years would have been unemployable to now retain long-term employment.

Subsection (b) establishes the process by which an eligibility determination is made. First, after an individual makes a request for determination of eligibility, a qualified rehabilitation adviser will be made available, and an initial interview will be conducted followed by an assessment. H.R. 1617 reduces from 60 days to 30 days the length of time which is allowed to render an eligibility determination. Utilizing a locally-based system, eligibility determinations should be conducted much more expeditiously than under the current system. It is the Committee's intent that all procedural components of the system happen as quickly as possible on behalf of the consumer, from eligibility, to an assessment of vocational rehabilitation needs, development of a rehabilitation and employment plan, to purchase of goods and services through vouchers.

As under current law, if an individual is determined not to be eligible, they will be provided a written statement of the reason why they are not eligible, the availability of an impartial review, and services under the Client Assistance Program.

ASSESSMENT, DEVELOPMENT OF REHABILITATION AND EMPLOYMENT PLAN

If the individual is eligible for services, based on the State's order of selection criteria, the individual will have his need for vocational rehabilitation assessed. Next he will, with assistance of qualified staff from the one-stop center, develop a personalized rehabilitation and employment plan. This plan should be developed in consultation and with mutual agreement between the individual and the staff. The plan, as under current law, must be consistent with the unique strengths, resources, abilities and capabilities of the individual. This language was intended to strengthen the individual's control over the development of the vocational rehabilitation plan. The Committee wants to ensure that the vocational rehabilitation system makes a final and complete move away from a paternalistic approach in which, well-meaning counselors once told individuals with disabilities what they were and were not capable of doing on a vocational basis, and directed the individual into a particular career path that did not reflect the aspirations of the individual.

As Lawrence C. Gloeckler, Director of New York State Rehabilitation Services, quoted the following in the 1995 copy of the Switzer Monograph:

> Too often, counselors only offer limited options from among those services or providers that they have found to be convenient and comfortable in the past. They may not think creatively beyond the traditional offerings that they have grown accustomed to using.

The role of the counselor has been changing over the last ten to fifteen years in parallel with the development of the independent living philosophy. Specialists with experience and knowledge of rehabilitation are a valuable resource to individuals with disabilities. But the knowledge of services must be matched with an under-

standing of the needs and rights of individuals with disabilities to determine their own goals and career objectives.

The Committee envisions a continued interaction between the individual with a disability and a rehabilitation specialist. High-calibre counselors in the current system will have no problem transitioning over to a new, consumer driven system. However, it is the Committee's intent that current State employees not simply be grandfathered over to a new system.

Finally, the individualized rehabilitation and employment plan does not need to be developed if the individual signs a waiver stating the plan is not necessary. This language tracks language in the independent living section of the Rehabilitation Act.

The Committee believes that the provision of vocational rehabilitation services should be streamlined to the greatest degree possible, while maintaining important components to assure choice and successful delivery of services. For certain individuals who have been assessed for vocational rehabilitation needs, they may have a clear vocational rehabilitation goal in mind and only need voucher approval to secure the services. These individuals should not be burdened or delayed with development of a detailed written plan.

Most clients will benefit from the process of working with a qualified specialist to develop a personal rehabilitation and employment plan. Because the needs of vocational rehabilitation may be complex and require multiple intermediate steps, a written plan can be very beneficial.

Unfortunately, the well intentioned purpose of the current law's Individualized Written Rehabilitation Plan (IWRP) has evolved into a very detailed, process-oriented document that essentially serves as a legal contract between the Rehabilitation agency and the individual. The IWRP often serves as the primary vehicle through which legal remedies are pursued.

However, with the changes in H.R. 1617 that bring more control and accountability directly into the hands of the consumer, the written plan can be used as a broad planning document, rather than a detailed legal contract. As such, plan development will be faster and will focus more on the individual's goals than making sure the document is legally enforceable.

Subsection (c) includes a rule of construction clarifying that nothing in title I of the Rehabilitation Act creates an individual entitlement.

STATE REHABILITATION ADVISORY COUNCIL

Section 106 creates the State Rehabilitation Advisory Council. This section simplifies current law significantly, removing some of the prescriptiveness of which individuals must serve on the Council. However, the functions of the councils essentially remain the same.

The Committee believes that the Council has an important role to play in the development of a new vocational rehabilitation system that is locally controlled, consumer driven and choice oriented. The Council will participate in the Governor's collaborative process for developing a Statewide Workforce Preparation System. As a representative of consumers of vocational rehabilitation, the Coun-

cil will continue to monitor how individuals with disabilities are being served by the vocational rehabilitation systems of the local workforce areas. The Committee believes that the Council must not become a "de facto" arm of the State administrative agent. There needs to be objectivity and independence between the two entities.

This section also allows the Governor to appoint a parallel advisory council for the blind, at the Governor's discretion.

ALLOTMENT

Section 107 defines the allotment formula for title I. This allotment formula is identical to the formula of current law, with only minor conforming changes.

OTHER CHANGES TO THE REHABILITATION ACT

Section 521 of CAREERS makes changes to other sections of the Rehabilitation Act.

First, this section repeals section 303, a general vocational rehabilitation services demonstration authority, repeals section 304, Loan Guarantees for Community Rehabilitation Programs, and in section 311, by striking subsection (f), a provision that relates to the relationship between titles III and titles VIII. This section also repeals section 312, the Migratory Worker program, and Section 316, the Special Recreation program authority.

This section also repeals Title VIII of the Rehabilitation Act but transfers four programs from the current title VIII to title III. These include the Transportation Services Grant authority (section 802(a)), the Client Choice demonstration authority (802(g)), the Parent Information and Training authority (803(c)), and the Braille training projects authority (803(b)).

Section 311(c), which authorized supported employment demonstration projects, will be repealed effective October 1, 1998. The repeal of this program is delayed to be concurrent with the full implementation of the new title I provisions.

Section 522 makes several changes to title VI of the Rehabilitation Act. First, the section repeals Part A of title VI—Community Service Employment Pilot Programs for Individuals with Disabilities, Part C—Supported Employment Services for Individuals with Severe Disabilities, and Part D—Business Opportunities for Individuals with Disabilities, effective upon enactment.

Effective October 1, 1998, the Projects with Industry Program would be repealed. The repeal of this program is delayed to be concurrent with the full implementation of the new title I provisions.

SECTION-BY-SECTION ANALYSIS

Section 1 contains the short title of the bill.

Section 2 contains the Table of Contents of the bill.

Section 3—Findings and Purpose:

Subsection 3(a) contains the findings of the Act.

Subsection 3(b) states that the purpose of the Act is to transform the vast array of federal workforce development and literacy programs from a collection of fragmented and duplicative categorical programs into a streamlined system designed to meet the edu-

cation, employment, and training needs of the workforce and employers.

Section 4 sets forth the authorization of appropriations for fiscal years 1996, 1998, 1999, 2000, 2001, and 2002 for the four block grants created in the Act.

Section 5 includes definitions for the following terms: adult, adult education, area vocational education school, at-risk youth, career exploration and guidance counseling, case management, chief elected official, community-based organization, dislocated workers, earnings, economic development agencies, economically disadvantaged, employed, English literacy program, excess number, governor, individual of limited English proficiency, individuals with disabilities, institution of higher education, intermediate educational agency, job search assistance, labor market area, literacy, local educational agency, native Americans, on-the-job training, out-of-school youth, postsecondary educational institution, preemployment skills training, job readiness skills training, public assistance, rapid response, registered apprenticeship, school dropout, skill certificate, state, state educational agency, state library administrative agency, supportive services, unemployed, unit of general local government, veteran, work experience, workplace mentor, and youth.

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

Section 101. This section declares that the purpose of title I is to provide for the establishment of an infrastructure within States on which to build a comprehensive system of workforce development and literacy.

SUBTITLE A—STATE AND LOCAL RESPONSIBILITIES

Section 102(a) of section 102 requires that in order for a State to receive a grant under one or more of the programs established under this Act, that they must: establish a collaborative process; develop a State workforce development and literacy plan; and comply with the requirements of this Act.

Section 102(b) clarifies that for the purposes of this Act, Workforce Development and Literacy Programs include: the Youth Workforce Preparation and Development Consolidation Grant established under title II; the Adult Employment and Training Consolidation Grant established under title III; the Adult Education, Family Literacy, and Library Technology Consolidation Grant, established under title IV; and the program amended by subtitle A of title V (relating to title I of the Rehabilitation Act of 1973) and defines "Workforce Development and Literacy programs".

Section 103(a) requires that the Governor of a State that desires to receive a grant under one or more of the workforce development and literacy programs, must certify to the Secretaries of Education and Labor that a collaborative process has been used in complying with the applicable provisions of this Act.

Section 103(b) clarifies that the collaborative process must include, at a minimum, the Governor and representatives of: business and industry, local chief elected officials (representing both cities and counties), local educational agencies (including vocational educators), postsecondary institutions (including community and

technical colleges), the State rehabilitation advisory council, and organizations representing individuals served by programs established under this Act (including community-based organizations), all appointed by the Governor; and the lead State agency official or officials from the State educational agency (including officials representing vocational education, adult education and literacy, and libraries); and the State agencies responsible for economic development, employment security (and job training where different from the employment security agency), postsecondary education, vocational rehabilitation (and where applicable, the State agency providing vocational rehabilitation services for the blind), welfare, and the representative of the Veterans' Service assigned to the State.

Section 103(c) clarifies that a State may use an existing council or entity for the purpose of collaboration, that substantially meets the purposes of subsection (b). This subsection further clarifies that if prior to the date of enactment, a State has developed a collaborative process for the purpose of establishing a one-stop system or a school-to-work system, that such collaborative process may be used to meet the collaboration requirements under this Act if it is substantially similar to the process described under this section.

Section 104(a) requires that the Governor of a State that desires to receive a grant, submit a single State Workforce Development and Literacy Plan for all 4 consolidated programs established under this Act, to the Secretaries of Education and Labor.

Section 104(b) requires that the State plan include: a description of the collaborative process used in developing the plan; a statement of the goals of the State workforce development and literacy system, including an assessment of the workforce and literacy needs of the State, and the identification of progress indicators that the State will use to measure its progress in meeting such goals; a description of how the State will comply with the requirements of the Act; a description of how a State will participate in the National Labor Market Information system established under the Act; additional plan elements contained in titles II through V; a description of the measures that will be taken by the State to ensure coordination and avoid duplication among programs receiving assistance under this Act, including a description of common data collection, reporting processes, and the establishment of a common management information system across workforce development and literacy programs; a description of the process used by the State to provide an opportunity for public comment and input into the development of the plan; assurances that the State will provide for fiscal control accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State under this Act; and a description of the sanctions which the State may impose (including restrictions from future participation or consideration for funding) in instances where recipients of funds under this Act fail to achieve agreed upon performance measures, fail to adhere to State mandated fiscal control and funds accounting procedures, or take or fail to take other actions required under the State plan, contracts, or other agreements.

Section 104(c) clarifies that if after a reasonable effort, agreement cannot be reached through the collaborative process in the

development of the State plan or in making decisions for the workforce development and literacy system, the Governor shall have final authority to make decisions and submit the plan. However, participants in the collaborative process, who are in disagreement with the plan, may submit their views with regard to the area in which such participant was selected for representation. This subsection further clarifies that nothing in this Act shall be construed to negate or supersede the legal authority, under State law or other applicable law, of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official. Nothing in this Act shall be construed to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law.

Section 104(d) provides that such State plans remain in effect until the State submits to the Secretary modifications as the State determines necessary. Subsection (e) requires the Secretaries of Education and Labor to establish a common procedure for consideration of State Workforce Development and Literacy Plans.

Section 104(e) establishes the process for allocation of responsibilities of Secretaries of Labor and Education.

Section 105 requires that a Governor that desires to receive a grant under one or more of the workforce development and literacy programs shall, through the collaborative process, and after consultation with local chief elected officials, and consideration of comments received through the public participation process described in the State plan, shall publish a proposed designation of local workforce development areas within the State. This section specifies that such areas be designated taking into consideration existing labor market areas, units of general local government, geographic areas served by local educational agencies and intermediate educational agencies, geographic areas served by postsecondary institutions and area vocational education schools, service delivery areas established under the Job Training Partnership Act, and the distance that individuals will need to travel to receive services.

Section 106 (a) and (b) require Governors, through the collaborative process, to ensure the establishment of workforce development boards within each workforce development area, and to establish criteria for use by local chief elected officials in the selection of members of such boards.

Section 106(c) requires, at a minimum, that a local workforce development board consist of: a majority of members who are representatives of business and industry, including individuals who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policymaking authority in local businesses, selected from among a list of nominees submitted by local business organizations and trade associations; an individual or individuals with disabilities, or their representatives who have special knowledge or expertise in the area of vocational rehabilitation; representatives of education, including local educational agencies and postsecondary institutions, selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of postsecondary institutions (including community colleges), or general organizations of such institutions within the workforce de-

velopment area; and representatives of community-based organizations, employees, and veterans as nominated or recommended to the board through a process establish by the Governor through the collaborative process.

Section 106(d) clarifies that in the selection of board members in a workforce development area that is comprised of only one unit of general local government, the chief elected official of such unit shall select the members of the local workforce development board for such area, in accordance with the State criteria. In the case of a workforce development area that is comprised of more than one unit of general local government, the chief elected official of each such unit shall select the members of the local workforce development board for such area in accordance with an agreement entered into by such officials, in accordance with the State criteria. In the absence of such agreement (in the case of multiple units of local government), appointments shall be made by the Governor, through the collaborative process. This subsection further clarifies that the Governor shall biennially certify one local workforce development board for each workforce development area.

Section 106(e) outlines the duties of Local Workforce Development Boards, which include: the development of a local workforce development plan; the identification of occupations in demand and the training needs of the local workforce development area; and budget and program oversight responsibilities over programs established under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and one-stop career center systems established or designated under section 107, (with local plans and budgets subject to the approval of the appropriate chief elected official or officials in the workforce development area). This subsection further clarifies that the local workforce development board may receive and disburse funds made available for carrying out programs authorized under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973 of this Act, or may designate a fiscal agent (which may include the State through a mutual agreement between the local board and the State), for the purpose of disbursement of funds to one-stop centers and other service providers, as designated by the local board. The Board may employ its own staff, independent of local programs and service providers. However, it may not operate programs established under this Act. This section also contains conflict of interest language which says that no member of a workforce development board may cast a vote or participate in the consideration of the provision of services by that member (or any organization which that member directly represents) or on any matter that would provide direct financial benefit to such member. In addition, a Governor may enforce more rigorous conflict of interest standards, as determined appropriate. This subsection further clarifies that the board shall elect its own chairperson from among members of the board, and may adopt bylaws and other operating procedures as consistent with the purposes of the Act, and with the State workforce development and literacy plan.

Section 107 (a) and (b) require the Governor of a State which desires to receive a grant under this Act, to establish the criteria for, and ensure the establishment, by local workforce development

boards, of a one-stop career center system within each local workforce development area.

Section 107(c) requires that, at a minimum, one-stop career center systems must include: common intake; preliminary assessment; integrated job search assistance; and to the extent practicable, as determined by the Governor, unified and linked computer systems (including labor market information), and at least one physical, co-located site which provides comprehensive and fully integrated workforce development services to any individual seeking such services. Local workforce development areas are encouraged to establish a network of comprehensive and fully-integrated co-located one-stop career centers, combined with multiple affiliated sites that are linked through electronic and technological access points.

Section 107(d) requires that information pertaining to the labor market which is compiled pursuant to the Wagner-Peyser Act, shall be available, to the extent practicable, through integrated electronic networks, at all one-stop career centers and affiliated sites.

Section 107(e) establishes that any entity or consortium of entities located in the workforce development area may be designated by the local workforce development board to operate a one-stop career center or to participate in a one-stop career center system. Such entities may include: Institutions of higher education; local educational agencies; area vocational education schools; local employment service offices; private nonprofit organizations, (including community-based organizations); private for-profit entities; agencies of local governments; and other interested organizations and entities of demonstrated effectiveness (including local chambers of commerce and other business organizations), consistent with State criteria established pursuant to subsection (b).

Section 107(f) lists the duties of one-stop career centers. Such duties include the provision of core services which are to be provided to individuals in the workforce development area, on a universal basis, which include: Outreach and intake for services provided under programs established under chapter 2 of title II, title III, title IV, and title I of the Rehabilitation Act of 1973; a preliminary assessment of the skill levels and the need for services of individuals for such programs; information relating to local and State, and if appropriate, to regional or national, occupations in demand and skill requirements for such occupations; information relating to youth services, including information on at-risk youth workforce development programs authorized under title II, on school-to-work opportunities, and on youth apprenticeship opportunities; career counseling and planning; Job search assistance; information related to vocational rehabilitation services; information relating to federally funded education and job training programs, including student aid programs; information on, and assistance in accessing additional services through programs established or amended by this Act; information on the extent to which the services provided under titles II through IV, and title I of the Vocational Rehabilitation Act of 1973, meet or exceed the performance standards described in the State plan, and the performance-based information provided by the State to local workforce development boards on certified providers of education and training; information on industry-recognized skill standards and assessments; job listings for local labor market op-

portunities; acceptance of applications for unemployment compensation; and other appropriate activities to assist individuals into employment. A one-stop center shall also serve as the point of distribution of vouchers or skill grants for education, training, and vocational rehabilitation services to eligible individuals. In addition to core services, one-stop career centers may provide customized workforce development service to employers on a fee-for-service basis, and may arrange to have core services provided to individuals with severe disabilities provided by certified providers through contract or through the use of vouchers or skill grants.

Section 107(g) allows the one-stop career centers to provide customized workforce development services to employers.

Section 107(h) allows the Governor to develop alternative procedures to the one-stop career center system.

Section 108 establishes a certification process for determining which providers of education and training services shall be eligible to receive funds under title III, or title I of the Vocational Rehabilitation Act of 1973, through the receipt of vouchers or skill grants, or otherwise. Specifically, subsection (a) clarifies that providers are eligible if: they are currently eligible to participate in title IV of the Higher Education Act of 1965; or they are determined to be eligible under an alternative procedure developed by the Governor, described in subsection (b); and they provide performance-based information on non-degree programs, as required by the Governor as described in subsection (c).

Section 108(b) establishes an alternative eligibility procedure, requiring that the Governor establish such a procedure to determine eligibility for providers of education, training, and vocational rehabilitation services in any State desiring to receive funds under title III of this Act and title I of the Vocational Rehabilitation Act of 1973, but that are not eligible to participate in title IV of the Higher Education Act of 1965. Such procedure shall establish minimum acceptable levels of performance for such providers, and shall utilize local workforce development boards, for the identification and certification of providers of education, training, and vocational rehabilitation services. This section further stipulates that if the participation of an institution of higher education in any of the programs is terminated, such institution shall not be eligible to receive funds under this Act for a period of not less than two years.

Section 108(c) identifies performance-based information that is to be submitted by providers of education and training services desiring to be eligible under this section. Such information may include information relating to the percentage of students completing the programs conducted by the provider; the rates of licensure of graduates of the programs conducted by the provider; the percentage of graduates of the programs meeting skill standards and certification requirements endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act; the rates of placement and retention in employment, and earnings of the graduates of the programs conducted by the provider; the percentage of students who obtained employment in an occupation related to the program conducted by the provider; the warranties or guarantees provided by such provider relating to the skill levels or employment to be attained by students; and other information for providers of

services under title I of the Rehabilitation Act of 1973 that reflects the goal of serving individuals with the most severe disabilities.

Section 108(d) requires the Governor to designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to subsection (c). This subsection further establishes: a procedure by which providers of education and training submit the performance based information to such State agency; requires that the list of eligible providers be provided by the State agency to local workforce development boards; that an institution or entity intentionally providing false information will be banned from program participation for 2 years; and allows the State agency to provide technical assistance.

Section 108(e) clarifies that providers of on-the-job training are not subject to the requirements of this section, but that local workforce development boards collect information regarding the performance of such providers.

Section 109 requires that States, to the extent practicable as determined by the Governor, use funds provided under this Act to establish a unified management information system for all programs established or amended under titles II through V of this Act, that is in accordance with guidelines established jointly by the Secretaries of Education and Labor, in consultation with the Governors and establishes requirements for each united management information system.

Section 110(a) states that each State receiving funds under this Act, shall develop, or have developed, a statewide performance accountability system.

Section 110(b) requires that each State identify indicators of performance for each of the programs established under titles II through IV of this Act, and title I of the Vocational Rehabilitation Act of 1973, consistent with State goals as described in the State plan, that at a minimum, include core indicators described in titles II through V of this Act. Such indicators should also take into account post-program surveys measuring customer satisfaction of both employers and program participants. This subsection further requires that the Secretaries of Education and Labor, in collaboration with the States and with representative of business and industry, employees, educational agencies, service providers, participants, and others, promulgate technical definitions of each of the core indicators described in this Act, and shall be used in measuring performance.

Section 110(c), paragraph requires each State to identify the level of performance, consistent with State goals, that is expected for local workforce development areas and other applicable local administrative entities, taking in account world class levels identified pursuant to paragraph (2) of this subsection, and develop baseline levels of performance upon which to measure continuous improvement. This subsection clarifies that the Governor may adjust the expected level of performance for each local area taking into account economic, demographic, and geographic factors, and the characteristics of the population to be served. Paragraph (2) requires the Secretaries of Education and Labor, in collaboration with the States and with representative of business and industry, employees, educational agencies, service providers, participants, and oth-

ers, to identify world class levels of performance with respect to appropriate core indicators selected from among the core indicators described under this Act. Where appropriate, such standards shall reflect industry-recognized skill standards and national education goals.

Section 110(d) requires States to report to the Secretaries of Education and Labor, the levels of performance achieved by local workforce development areas and other applicable local administrative entities with respect to the indicators established by the State for each program year. The Secretaries are required to make such information available to the general public and to disseminate State-by-State comparisons, and where appropriate, comparisons to other industrialized nations. States are encouraged to utilize unemployment insurance wage data records in the collection and reporting of such data.

Section 110(e) requires that the Governor, through the collaborative process, establish criteria for determining whether or not local workforce development areas or other applicable local administrative entities have met expected levels of performance. This subsection further specifies that if a State fails to meet expected levels of performance for any program year, the Secretaries may provide technical assistance, including assistance in development of a performance improvement plan. If such failure continues for a second consecutive year, the Secretary may reduce by not more than 5 percent, the amount of the grant that would be payable to the State under the affected program for the following year, with such penalty based on the degree of failure. Under this subsection, if a local workforce development area or applicable local entity fails to meet expected levels of performance, the Governor, through the collaborative process, may provide technical assistance in after the first year of failure. After a second consecutive year of such failure, the Governor may take corrective action, such as the withholding of funds, or the redesignation of a local administrative entity, or such other action as the Governor, through the collaborative process, determined appropriate, consistent with State law.

SUBTITLE B—AMENDS THE WAGNER-PEYSER ACT

Section 131(a) amends the definitions to reflect the repeal of the Job Training Partnership Act and to conform to definitions and terms in the CAREERS Act.

Section 131(b) amends the duties of the Federal government by requiring the Secretary of Labor to 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 system; to assist in the development of performance standards, benchmarks, and continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of job seekers; and to ensure the continued services for individuals receiving unemployment compensation.

Section 131(c) requires the Governor of a State to designate a State agency to carry out this Act through the collaborative process described in title I of the CAREERS Act.

Section 131(d) requires that 25% of the funds appropriated for this Act go towards establishing a system of labor market information.

Section 131(e) conforms with repeal of JTPA.

Section 131(f) amends the State plan requirements to require the State to submit a planning information consistent with the unified State workforce development and literacy plan authorized under title I of the CAREERS Act.

Section 131(g) eliminates the Federal Advisory Council.

Section 131(h) includes conforming amendments.

Section 132 amends the Wagner-Peyser Act to establish a new "title II" creating a national labor market information system:

> Section 21 states that the purpose of this title is to ensure a comprehensive and coordinated system of labor market information which will provide locally based, accurate, up-to-date, easily accessible, and user friendly labor market information through a cooperative Federal, State, and local governance structure which includes partnerships with the private sector at all levels.
>
> Section 22 Requires the Secretary of Labor, in accordance with the provisions of title, to oversee the development, maintenance, and continuous improvement of a nationwide system of labor market information using data from all available and appropriate sources. Subsection (1) specifies the types of statistical data to be collected and disseminated. Subsection (2) specifies the types of State and local employment and consumer information to be collected and disseminated. Subsection (3) describes the types of technical standards to be established to ensure consistency of the data and information. Subsection (4) outlines the types and extent to which such data should be analyzed. Subsection (5) outlines the dissemination mechanisms for data and analysis. Subsection (6) establishes a requirement to provide technical assistance to States for the development of this system. Subsection (7) established programs of research and demonstration, which may be carried out by States and other public or private entities, on ways to improve the products and processes authorized in this title; and subsection (8) requires the development of objective performance measures, which will allow for the continuous monitoring of the progress of the labor market information system at national, State, and local levels.
>
> Section 23 lists the Federal responsibilities under this Title. Subsection (a) clarifies that the Nation's labor market information system shall be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government and the States. Subsection (b) outlines the duties of the Secretary of Labor which includes the reconciliation of data collection among the agencies within the Department of Labor; the assigning of responsibilities to assist the Bureau of Labor Statistics; working with other Federal departments and agencies to support this system. Subsection (c) requires the Secretary of Labor, in collaboration with the Bureau of Labor

Statistics and with the assistance of other agencies in the Department, to carry out additional duties with respect to function of the collection and dissemination of labor market information.

Section 24(a) requires that the Secretary of Labor, working through the Bureau of Labor Statistics and in consultation with other appropriate agencies, to prepare an annual plan to be the operational mechanism for achieving a cooperative Federal/State governance structure for labor market information. Subsection (b) requires the Secretary to involve the States with the Bureau of Labor Statistics in a cooperative manner in the development of the plan. Subsection (c) allows that State representatives serving on this board be allowed to be employees of the Department for purposes of the development of the annual plan and to meet the provisions of Office of Management and Budget Circular A–11.

Section 25 outlines the Governor's responsibilities. Subsection (a) requires the Governor of each State to designate a single State agency to be the agency responsible for the management and oversight of a statewide comprehensive labor market information system and for the State's participation in the cooperative Federal/State governance structure for the nationwide labor market information system. Subsection (b) outlines the duties of the State agency which includes the development, maintenance, and continuous improvement of a comprehensive labor market information system; ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination; conduct such other data collection, analysis, and dissemination activities as will ensure comprehensive State and local labor market information; actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarily and compatibility among data; and participate in the development of the national annual plan. Subsection (c) is a rule of construction to make clear that nothing in this Act shall be construed as limiting the State agency's ability to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this Act.

SUBTITLE C—WORKER RIGHTS

Section 141 prohibits the displacement of any currently employed worker by program participants; prohibits the impairment of existing contracts for services or collective bargaining agreement; prohibits the replacement of existing laid-off workers, or workers terminated with the intention of filling the vacancy so created with a student; ensures protection of students under applicable Federal, State and local health and safety requirements; and clarifies that nothing in this act shall be construed to modify or affect any Federal or State Civil Rights laws.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

Section 201 states that the purpose of this title is to design youth development and career preparation programs that provide States and local communities with maximum flexibility to design youth programs that help individuals attain the academic and occupational skills needed to succeed in a global economy; best suits the needs of youth and business in local communities as well as the needs of the State; promote strong connections between in-school and at-risk/out-of-school youth programs to ensure that youth are prepared for good jobs and further education opportunities and promote youth development and career preparation programs that provide opportunities for individuals to receive postsecondary education and occupational training; promote the formation of business and education partnerships; promote high academic and occupational standards; and promote quality vocational-technical education, including improved secondary and postsecondary programs by focusing on program improvement that help prepare students for further education and training and high wage jobs.

Section 202 includes definitions applicable to the youth title of this bill.

Section 211(a) reserves $25 million or 20% of the total appropriation, whichever is less, for national programs to be administered by the Secretary of Education.

Section 211(b) provides States with an amount of funding which bears the same ratio as the average of funds they received in FY 1995 under Section 101 and 101A of the Carl D. Perkins Vocational and Applied Technology Education Act and Section 252 and 262 of the Job Training Partnership Act. Small state minimum of ¼ percent included in language.

Section 211(c) requires Governor to send 90% of funds to local level. Of remaining 10% of funds, 8% are for State programs and 2% is for administration.

Section 212(a) of the 90% of funds sent to the local level, 40% of the funds must be used for programs serving in-school youth and 40% of the funds must be used for programs to serve at-risk and out-of-school youth. The Governor and collaborative process have discretion over the remaining 20% of funds flowing to the local level; however, the money must be used to serve either in-school or at-risk/out-of-school youth in combination with the 40% mandatory use of funds. The Governor, through the collaborative process, can use 10% of the remainder to the local level for incentive grants, competitive awards, or the money can be distributed by formula. The remaining funds may be split in any way between the in-school and at-risk/out-of-school youth programs, or may be applied to one or the other programs; however, the money must go out by formula. The 20% of discretionary funds cannot be used for any other purpose except for programs to serve in-school and at-risk/out-of-school youth.

Section 212(b) requires the Governor, through the collaborative process, to develop a formula taking into account local poverty rates, the proportion of the State's youth population residing within local communities and other factors considered appropriate. In es-

tablishing the formula, the Governor shall ensure that funds are equitably distributed throughout the State and that the factors described above do not receive disproportionate weighting.

Section 212(c) establishes minimum grant awards of $15,000 for a local education agency or consortium of such agencies; $15,000 for subgrants made by local workforce development boards to serve at-risk/out-of-school youth; $50,000 to postsecondary institutions or consortium of such institutions; and allows secondary-postsecondary institutions to form consortia to receive grant funds with a minimum award of $50,000.

Section 212(d) prevents consortium from forming to receive funds and then separate immediately after and dividing the funds. Requires that consortia must form for the purposes established under this title and to stay in a consortia arrangement for purposes of delivering services to youth under this title.

Section 212(e) permits a State to grant a waiver for the minimum grant amount in cases where the eligible recipient is located in a rural, sparsely populated area; and demonstrates that they are unable to enter into a consortium for purposes of providing services under this title.

Section 221 contains the State Plan. In order to receive funds under this title, requires State to submit additional information with infrastructure plan. Additional information that must be included: how State will adopt or develop model curricula and innovative instructional methodologies, to be used in schools, that integrate academic and vocational learning and promote career awareness; State plans for expansion of career exploration counseling for students in elementary and secondary schools and how State will effectively demonstrate system of career preparation for youth; how State plans to integrate academic and vocational education and description of how State will promote collaboration between secondary and postsecondary occupational and academic programs and institutions; description of how State will develop academic and occupational skills of students providing challenging vocational-technical education standards and how State will develop a process to issue skill certificates that are consistent with the skill standards endorsed by the National Skill Standards Board; description of how State will promote active involvement of business in planning, development and implementation of youth programs; and description of how State will coordinate Goals 2000 and Improving America's Schools Act and other State education improvement plans.

Section 222(a) grants general authority to State to conduct State programs and activities.

Section 222(b) requires that of the 8% of funds allotted for state activities, the State must use the funds for the development of performance standards and measures for programs; and program improvement and accountability.

Section 222(c) additional uses of the 8% state funds include: tech-prep programs; workforce preparation programs for single parents, displaced homemakers and single pregnant women; corrections vocational education; professional development activities regarding integration of vocational, academic and work-based curricula including support of public teacher-education programs to ensure vocational teachers stay current with industry needs; and in-service

and pre-service training of teachers in state-of-the-art programs and techniques; development, dissemination and field testing of curricula with a particular focus on curricula that integrate vocational, academic and work-based learning methodologies, curricula focusing on a coherent sequence of courses measuring academic and occupational skills, and curricula for work-based learning; leadership and instructional programs in technology education; data collection, including support for management information systems; 1-stop career centers; cooperative education and family and consumer science programs; creative use of technologies, including professional development in the use of such technologies for instructional purposes; support for vocational student organizations; and improving career guidance and counseling.

Section 223 contains the Incentive Awards. States are permitted to use money from the 8% of state-held funds to offer incentive awards to local communities. State has discretion as to how to construct awards with requirements for awards being performance goals exceeded; outstanding workforce development system implemented at the local level; or provided exemplary education services and activities for at-risk youth.

Section 224(a) each State is required to have in place, or develop and implement, a statewide system of core standards and measures of performance for programs serving youth under this title. The intent is to coordinate this system with other titles included under this Act. Each statewide system must: establish or have established, performance goals to measure the level of performance achieved by youth served under this title. The goals must evaluate the quality and effectiveness of services and activities under this title; goals must be expressed in an objective, quantifiable and measurable form; establish progress indicators that State and local recipients of funds will use to measure their progress toward these goals; and provide reports every 2 years to the public and to the Secretary of Education on the State's progress in achieving their goals.

Section 224(b) requires statewide system of standards and measures be developed and include: measures of academic and occupational competency gains, including progress in achieving academic and occupational competency (including attainment of: challenging State academic standards, challenging vocational-technical education standards; and industry recognized occupational standards including basic workplace competencies and industry recognized skill standards); retention in school or completion of secondary school or equivalent; placement into additional training, post-secondary education, military service, registered apprenticeship or employment; and employment retention and earnings level; reduction of drop-out rate; and success of special populations, including nontraditional training and employment in meeting the performance standards established by the State.

Section 224(c) the Governor, through the collaborative process, shall ensure that the performance goals are consistent with challenging State academic standards, industry recognized skill standards and State goals established under this title.

Section 231(a) in order to receive a grant at the local level, the local workforce development board and eligible institution(s) must

form a partnership. The purpose of the partnership is to allow for collaborative planning, coordination of programs serving in-school and at-risk/out-of-school youth and allow for effective public participation.

Section 231(b) the partnership must develop and submit for approval to the Governor and State collaborative process, a comprehensive plan outlining how they are planning to serve both in-school and at-risk/out-of-school youth. The partnership must assure the involvement of parents, teachers and the local community in the planning process.

Section 232(a) funds directed to the local level from the State to serve in-school youth must go to schools and eligible institutions.

Section 232(b) funds directed to the local level from the State to serve out-of-school youth will be sent to the local workforce development board to be subgranted to eligible entities for programs to serve at-risk and out-of-school youth.

Section 241(a) requires institutions receiving funds under this title to use the monies to improve youth development and career-related education programs.

Section 241(b) requires that funds received for in-school youth programs must be used for programs that are of such size, scope and quality as to be effective; integrate academic, vocational and work-based learning, stressing applied and contextual learning, through a coherent sequence of course so youth achieve both academic and occupational competencies; involve employers in design and implementation of programs; establish effective linkages between at-risk/out-of-school youth programs at both the secondary and postsecondary levels; provide work-based learning experiences with adult mentoring where appropriate, and to the extent possible, with strong experiences in, and understanding of, all aspects of an industry appropriately tied to the student's career major; with accommodations to be made for rural areas so that they can meet this requirements; and provide career exploration, including opportunities in the practical arts and trades at an early age.

Section 241(c) additional uses of funds at the local level for in-school youth programs include: purchasing, leasing or upgrading equipment; in-service training of providers on the integration of academic and vocational education; tech-prep education programs; supplementary services that might be required by members of special populations; adaptation of equipment; apprenticeship programs; comprehensive mentoring programs; activities which enable program participants and their parents in decisions influencing programs; local education/business partnerships for developing and implementing youth programs; and support for vocational student organizations.

Section 245(a) general authority for local workforce development boards to subgrant to providers for programs that serve at-risk and out-of-school youth.

Section 245(b) lists requirements for uses of funds for programs that serve at-risk and out-of-school youth as: such size, scope and quality as to be effective; integrate academic, vocational and work-based learning, stressing applied and contextual learning, through a coherent sequence of course so at-risk and out-of-school youth achieve both academic and occupational competencies; involve em-

ployers in design and implementation of programs; establish effective linkages between at-risk/out-of-school youth programs at both the secondary and postsecondary levels; provide work-based learning experiences, including experiences in the practical arts and trades, with accommodations to be made for rural areas so they can meet these requirements; provide adult mentoring as a core component of the program; provide objective assessment of academic level, skill level, and service needs of each participant in the program; and career exploration and counseling.

Section 245(c) lists additional uses of funds as: tutoring and study skills training leading to completion of high school; alternative high school services; community service opportunities that are combined with training or education; paid work experience; drop-out prevention strategies and strategies to encourage out-of-school youth to reenter high school or alternative high school programs; preemployment and work maturity skills training; peer-centered activities encouraging responsible behaviors; and training related services for participants who have exhausted all other resources.

Section 245(d) limits the amount of funds to be used for administrative purposes by local workforce development boards to 10%.

Section 246(a) provision does not permit local workforce boards to operate programs and requires that they subcontract to eligible providers.

Section 246(b) lists eligible providers to receive contracts from the local workforce development board as: eligible institutions including local educational agencies, area vocational schools, intermediate educational agencies; postsecondary institutions including community colleges, State corrections educational agency and any consortia of the aforementioned list; local government entities; private, nonprofit organizations including community based organizations; private, for-profit entities; 1-stop career center; or other organizations or entities that have a demonstrated effectiveness and have been approved by the local workforce development board to deliver such services to at-risk and out-of-school youth.

Section 251(a) permits Secretary of Education to make grants and other agreements to carry out research, development, dissemination of materials, replication of model programs, demonstration programs, evaluation, capacity building and technical assistance activities in regard to services and activities administered under this title. Activities may include support for occupational and career information systems.

Section 251(b) requires Secretary to establish a system for disseminating information gathered though research and development efforts under this title.

Section 252(a) requires Office of Educational Research and Improvement at the Department of Education to conduct a biennial assessment of services and activities funded under this title. Requires that independent studies and analyses be conducted through competitive awards.

Section 252(b) assessment shall examine the extent to which services and activities assisted under this title have achieved their intended purposes and results. Requires analysis of the extent to which State and local services and activities have developed, imple-

mented or improved systems established under this title; services and activities funded under this title have succeeded in preparing students, including members of special populations, for postsecondary education, further learning, or entry into high-skill, high wage careers; students participating in programs funded under this title have succeeded in meeting challenging State academic and industry-based skill standards; and the system improvement, participation, local and State assessment, and accountability provisions of this title including the effectiveness of the performance goals and indicators established under this title are effective.

Section 253(a) gives authority to Secretary of Education to establish national center or centers for conducting applied research, development, dissemination and technical assistance activities focusing on improving the career preparation of youth. Eligible entities include institutions of higher education, other public or private nonprofit organizations or agencies, or any consortia of the aforementioned entities. The national center in existence on the date of enactment of this Act shall continue to receive assistance under the current terms of its contract but shall not be guaranteed continued assistance except through a new competitive award. Funding for the center or centers shall be provided from funds allocated for national programs.

Section 253(b) required activities of the national center or centers include: activities that assist recipients of funds under this to develop, implement and measure core standards and performance; research and development of activities that combine academic, vocational education and work-based learning; developing new models of remediation of basic academic skills; identifying ways to establish links among education and job training activities at the State and local level; new models for career guidance, career information and counseling services; longitudinal studies on programs funds under this title including an analysis of the effectiveness of youth development and career preparation programs in serving at-risk youth; and other activities that the Secretary of Education determines to be appropriate. Requires also that the center or centers shall provide assistance to States and local recipients in developing and using systems of performance measures and standards. Technical assistance and outreach to practitioners or organizations in need of assistance is a required activity. Annual reports are due to the Secretary of Education and Secretary of Labor. The Secretary of Education shall then submit the report to the Senate Committee on Labor and Human Resources and the House Committee on Economic and Educational Opportunities.

Section 253(c) establishes a clearinghouse within the center or center(s) to provide data and information to federal, state and local organizations and agencies.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

SUBTITLE A—STATE AND LOCAL RESPONSIBILITIES

Section 301 states that the purpose of this title is to establish an efficient, high-quality, and equitable system of employment and

training designed to move adults into productive private sector employment.

Section 302 section establishes that each State submitting a State Workforce Development and Literacy Plan to the Secretary of Labor under this title, shall receive an amount consistent with their allotment as determined under section 303.

Section 303 requires that 85% of the funds appropriated for the adult employment and training grant be allotted to States, and that 15% be reserved by the Secretary of Labor for Federal Programs. This section establishes a set aside for the territories, set at not more than one-quarter of one percent of the 85% of the funds for the States. This section also establishes the formula by which funds are allotted to States, based on a proportionate share of funds as States currently receive under JTPA's title II-A economically disadvantaged, and title III dislocated worker programs. A small State minimum is set under this section, at one-quarter of one percent of the total State allotment.

Section 304(a) specifies that the Governor may reserve not more than 20 percent of the amount allotted to the State for a fiscal year, for statewide activities for employment, job training, and related assistance for adults. Such activities shall include rapid response activities, and additional assistance to areas that experience disasters, mass layoffs or plant closings, or other events which precipitate substantial increases in the number of unemployed workers, to be expended in accordance with the local plan of the relevant workforce development area. In addition, discretionary activities such as capacity building and technical assistance, incentives for program coordination, performance awards, research and demonstrations, implementation of innovative incumbent worker training programs, additional assistance for the development and implementation of the one-stop delivery system, and support for a common management information system are allowable uses of funds. Of this 20 percent, States are limited to not more than 5 percent of the State's total allotment for purposes of administration.

Section 304(b) establishes the within State allocation of funds under this title. Specifically, the Governor of the State, based upon an allocation formula established by the Governor, through the collaborative process, shall allocate not less than 80 percent of the State's allotment to workforce development areas for the purpose of providing employment, job training, and related assistance for adults. Such within State allocation formula is developed through the collaborative process, after consultation with local chief elected officials in the local workforce development area, and shall take into account: poverty rates; unemployment rates; and the proportion of the State's adult population residing within each local workforce development area; and such other factors as considered appropriate. In addition, the formula must ensure that funds are distributed equitably throughout the State, and that none of the above-listed factors receive disproportionate weighting. This section also allows the Governor to distribute 10 percent of the State's portion set aside for the within State distribution, to be allotted by means other than the established formula.

Section 305. States must provide 2 additional State plan requirements to their State Workforce Development and Literacy Plan, as

established under title I. Specifically, they must describe how they will serve the employment and training needs of dislocated workers, the economically disadvantaged, older workers, veterans, individuals with disabilities, and other adults with multiple barriers to employment, and they must describe how they will provide rapid response to mass layoffs and plant closings.

Section 306(a) outlines the allowable uses of funds under title III. Specifically, it requires that local programs provide: Core services to adults through one-stop career centers in accordance with section 107; intensive services to adults who are unable to obtain employment through core services and who have been determined to be in need of more intensive services in order to gain employment; and education and training to adults who are unable to obtain employment through core services and who are in need of education and training services in order to gain employment as a result of determinations made through preliminary assessments or through the provision of intensive services. Additional services may also be provided with funds under title III, including supportive services and limited needs-related payments.

Section 306(b) specifies that intensive services must be provided directly through one-stop career centers or through contract through such centers with service providers approved by the local workforce development board. Intensive services may include: comprehensive and specialized assessments of the skill levels and service needs of adults; development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and the appropriate combination of services for the adult to achieve the employment goal; group or individual counseling and career planning; case management for adults receiving education and training services; and follow up counseling for adults placed in training or employment, for up to 1 year.

Section 306(c) specifies that education and training services be provided through education and training providers certified in accordance with section 108, and that such services be provided through skill grants except in cases where such services are on-the-job training provided by an employer; the local workforce development board determines there are an insufficient number of certified providers of education and training services in the workforce development area to accomplish the purpose of a skill grant system; the local workforce development board determines that the certified providers of education and training in the workforce development area are unable to provide effective services to special participant populations; or the local workforce development board decides to enter into a direct training contract with a community based organization serving special populations. Further, it is required that education and training be directly linked to occupations for which there is a demand in the local workforce development area, or in another area to which an adult participant is willing to relocate. In addition, this section clarifies that performance-based payments are allowable under this title. Education and training services may include basic skills training, occupational skills training, on-the-job training, programs that combine workplace training with related instruction, training programs operated by the private sector, skill upgrading and retraining, entrepreneurial training, employability

training to enhance basic workplace competencies, and customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

Section 306(d) states that supportive services may be provided for individuals who are receiving assistance under this title, and who are unable to receive such services through other programs providing such services. Needs-related payments may be provided to adults who are unemployed and who do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such adults to participate in education and training programs. However for those individuals who have exhausted unemployment insurance benefits, such eligibility for receipt of needs-related payments is contingent upon that worker's enrollment in education or training by the end of the 8th week of the worker's initial unemployment compensation benefit period, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will in fact exceed 6 months.

Section 306(e) gives priority to dislocated workers and economically disadvantaged individuals, for receipt of intensive and education and training services in the event that funds are limited within a workforce development area.

Section 306(f) clarifies that nothing in this section shall be construed to establish a right for a participant to bring an action to obtain services under a program established under this section.

Section 306(g) limits administrative funds provided under this title to a local workforce development board to 10%.

Section 307 requires that States establish performance measurement systems and indicators of performance, based on the following outcomes for adults in employment and training programs: Placement, retention, and earnings (at placement, 6 months, and 1 year post-program termination); acquisition of skill certificates recognized by the National Skill Standards Board; and a measure of the provision of services to dislocated workers, the economically disadvantaged, older workers, individuals with disabilities, and other individuals with multiple barriers to employment. Such measures must be consistent with the State's goals and objectives, and benchmarking process described in the State plan required under section 104, and must be expressed in an objective, quantifiable, and measurable form. Further, States are required to provide biennial reports to the public and to the Secretary on the States progress in achieving its goals.

SUBTITLE B—FEDERAL PROGRAMS

Section 311(a) authorizes the Secretary to award national discretionary grants to address major economic dislocations that result from plant closures, base closures, or mass layoffs. Sets forth the application process. Lists the eligible entities to receive the grants.

Section 311(b) allows the Secretary to provide awards to States to assist in the implementation of exemplary statewide workforce development system designs; and for the achievement of exceptional performance in the statewide workforce development system.

Section 312(a) allows the Secretary of Labor to provide assistance to the Governor of any State that has suffered an emergency or a major disaster.

Section 312(b) includes the allowable use of funds.

Section 313(a) sets up a process for the Secretary to carry out research, demonstrations, evaluations, and capacity building.

Section 313(b) describes the types of activities to be carried out with respect to research, demonstrations, and evaluations, including effectiveness of programs and a national partnership and special training, capacity building and technical assistance.

Section 314(a) allows the Secretary to establish a program of workforce skills and development loans to assist in providing skills upgrading for non-managerial employees which may be provided to employers; representatives of employees; business associations; trade organizations; and consortiums consisting of more than 1 of these entities, or institutions of higher education along with 1 or more of the eligible entities.

Section 314(b) provides that funds may be used to establish a loan guarantee program to assist in providing skills upgrading for non-managerial employees and requires States to meet certain requirements in carrying out this program such as: establishing a reserve fund to guarantee the payment of principal and interest on loans made by financial institutions; establishing criteria for loan guarantees including a payment of an insurance premium; assurance that funds will go toward skills upgrading for mid- and lower-level employees (both of which are defined).

Section 314(c) prohibits funds be used to pay wages or other benefits. Also requires that the State reimburse funds to financial institutions that have provided loans to eligible entities that have defaulted on their loan. This subsection makes clear that the United States Government has no obligation or guarantees for these funds; limits the authority of a State to extend loan guarantees, and requires interest received from such fund to go back into the fund.

Section 314(d) requires that the Federal share of funds provided under this section may not exceed 50 percent of the total cost of the program and that the State share shall be provided from non-Federal sources and may be in cash or in-kind.

Section 315(a) requires the Secretary of Labor to provide assistance to eligible entities to provide employment, training, vocational rehabilitation, library services, and education assistance for Native Americans.

Section 315(b) allows the Secretary of Labor to transfer authority for vocational education activated to the Secretary of Education.

Section 315(c) makes clear that funds made available under this part may be used in accordance with the Indian Employment, Training and Related Services Demonstration Act (Public Law 102-477), which allows the consolidation of funds.

Section 315(d) requires the Secretary to consult with Indian, Alaska Native and Hawaiian Native groups in establishing regulations to carry out this section.

Section 316(a) requires the Secretary of Labor to provide assistance to eligible entities to provide employment, training, and education assistance for migrant and seasonal farm workers.

Section 316(b) describes the eligible entities and the allowable activities.

Section 316(c) allows for the transfer of authority for education activities to the Secretary of Education.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY GRANT

Section 401 sets forth the findings in this Title.

Section 402 contains definitions related to Title IV, including Correctional Education Agency, Educationally Disadvantaged Adult, Family Literacy Services, and Secretary.

SUBTITLE A—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT

Section 411 sets forth the purposes of this Subtitle.

Chapter 1—Funding

Section 421 sets forth amounts to be reserved at the National level for the National Institute for Literacy, and National Leadership Activities.

Section 422 establishes the formula for distributing funds to the States and defines the term "qualifying adult" for use in determining the allotment of funds.

Chapter 2—Grants to States

Section 431 sets forth requirements which States must meet in order to qualify for grants under this Title.

Section 432 outlines the purposes for which States can use funds received under this Title. Three percent of such funds are to be used for grants to local providers who are successful in providing services to specific target populations; at least 85 percent of funds are to be used for grants to local service providers; not more than 3 percent of funds are to be used for administrative expenses, and up to an additional 12 percent of funds may be used for other State activities, such as professional development programs, technology assistance to local providers and State Literacy Resource Centers.

Outlines the purposes for which local service providers can use funds received under this title, including, adult basic education, adult secondary education, English literacy instruction, and family literacy services.

Section 433 sets forth additional requirements States must meet in order to qualify to receive funds under this Title.

Section 434 outlines the categories for which States will measure performance of programs, services and activities carried out by each local service provider.

Chapter 3—National programs

Section 441 establishes the National Institute for Literacy. Sets forth the duties of the Institute, including the provision of national leadership for the improvement and expansions of the system for delivery of literacy services and assisting States in developing levels of performance. Outlines authorized activities, including the es-

tablishment of a national electronic database of information and the coordination of literacy and basic skill services across Federal agencies and at the State and local level. Establishes a National Institute for Literacy Advisory Board consisting of 10 individuals appointed by the President with the advice and consent of the Senate and establishes the duties, terms and general operating procedures for the Board.

Section 442 allows the Secretary to establish and carry out a program of national leadership and evaluation activities. Sets forth activities for which funds may be used.

Section 451 sets forth the purposes of the Library Services and Technology Consolidation Grant which are to consolidate programs, improve access to information through electronic networks and to provide linkages among and between libraries and one-stop career center systems.

Section 452(a) authorizes $110 million for libraries for each of fiscal years 1997, 1998, 1999, 2000, 2001 and 2002.

Section 452(b) provides for advance notice of funding.

Section 453(a)(1) sets forth the allocation formula for distribution of the Library Services and Technology Consolidation Grant to the States.

Section 453(a)(1)(A) provides, pursuant to the allocation formula, an initial allotment of $40,000 to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands.

Section 453(a)(1)(B) provides, pursuant to the allocation formula, an initial allotment of $200,000 to each of the States.

Section 453(a)(2) provides for a ratable reduction if funds are insufficient to pay all of the allotments.

Section 453(b)(1) provides for a second allotment to each State based upon the population of the State to the population of all States.

Section 453(b)(2) provides that population determinations, for purposes of the second allotment to each state, will be based upon the most recent census data available to the Secretary of Education, and the Secretary shall use, if available, the annual interim current census data of the Secretary of Commerce.

Section 454(a) sets forth the prerequisites a State must meet to receive a library grant.

Section 454(a)(1) requires a State to submit an annual application, approved by the Secretary, to receive a grant.

Section 454(a)(2) requires a State to submit a written agreement to the Secretary providing for transfer of funds to the State library administrative agency. The agreement will also assure that the State library administrative agency will carry out activities in accordance with the subtitle, that State and local sources will supply 25% matching funds, and that the agency has fiscal and legal authority and capability to administer the program.

Section 454(b) (1) and (2) provide that the grants to each state will equal the lesser of: (1) the initial and subsequent allotment; or (2) 75 percent of the total costs of carrying out the activities under subsection 454(a)(2)(B).

Section 455(a) sets forth as allowable uses of funds the electronic connection of libraries with one-stop centers and local service pro-

viders under Subtitle A of Title IV of the bill, the establishment of linkages among libraries, assistance in accessing information, the encouragement of consortia and sharing of resources, the acquisition or sharing of computer systems and telecommunications technologies, and the improvement of library and information services for individuals who have difficulty using a library or who need special library materials or services.

Section 455(b) provides a limit of 3 percent of a State's grant for planning, administration, evaluations, and interagency coordination.

Section 456(a) requires a State to submit an application to receive a grant and sets forth the items to be included in the application.

Section 456(b)(1) requires the Secretary to approve each application that satisfies the requirements of Section 456(a).

Section 456(b)(2) sets forth the rights of a State upon disapproval of an application.

TITLE V—AMENDMENTS TO THE REHABILITATION ACT OF 1973

SUBTITLE A—VOCATIONAL REHABILITATION CONSOLIDATION GRANT

Chapter 1—Transition period

Section 501 would require the Secretary of Education, acting through the Commissioner of the Rehabilitation Services Administration, to administer the amendment so that: During fiscal year 1996, the Secretary shall develop administrative policies for implementing the amendment; during fiscal years 1997 and 1998, the Secretary shall begin implementing the new policies; by the first day of fiscal year 1999, the amendment is fully implemented. Further, the Secretary shall ensure that before the beginning of FY 1999, the state took action to encourage the participation of certain service providers, established the voucher system for the title, trained staff of the one-stop in addressing the needs of disabled individuals, and made arrangements for the establishment of one-stop centers. This section also clarifies, that during 1996 through 1998, the provisions of title I of the Rehabilitation Act of 1973 that were in effect at enactment will continue to be in effect, subject to transition requirements. This section also clarifies that individuals currently receiving services should not have those services unnecessarily disrupted.

Chapter 2—Revision of title I of Rehabilitation Act of 1973

Section 511 is a comprehensive revision of the Rehabilitation Act of 1973. It would transfer the Client Assistance program from section 112 to a new section 510 of title V, and would amend title I to include the following sections:

TITLE I—VOCATIONAL REHABILITATION SERVICES

Section 100 establishes the purpose of the title—to assist States in making available to individuals with disabilities a program of employment, training, and rehabilitation services that is consistent with their strengths, resources,

priorities, concerns, abilities, and capabilities; that maximizes individuals' control over their vocational and career choices, and is in accordance with the goal of assuring equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals.

Section 101 would establish formula grants for States receiving funds under this title. Subsection (a) establishes that, for fiscal 1999 or any subsequent fiscal year, the State receiving funds shall receive an allotment determined for the State under section 107.

Subsection 101(b) designates the Secretary of Education, acting through the Commissioner of the Rehabilitation Services Administration, to administer the program.

Subsection 101(c) clarifies that the purpose must be carried out in accordance with the other requirements of the title.

Subsection 101(d) provides that there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2002, and that each year's appropriation must be adjusted by the previous year's Consumer Price Index, as published by the Secretary of Labor. It further provides that, if legislation has not been enacted to extend the authorization, then the authorization is automatically extended for one additional year.

Section 102 allocates administrative responsibilities within a State. Subsection (a)(1) allows the State, subject to subsection (b), to reserve not more than 20 percent of the grant for carrying out State responsibilities under the title. Subsection (a)(2) requires that not less than 80 percent of the grant will be designated for carrying out the responsibilities of local workforce development boards and one-stop career centers.

Section 102(b) allows a State to use funds under subsection (a)(1) to carry out certain responsibilities that otherwise would be carried out by local workforce development boards or one-stop career centers if it is necessary to make available goods and services that cannot be provided through the local workforce board, or to meet needs of individuals who cannot utilize the one-stop career centers, or to address other issues of equitable distribution of services, including the provision of services for individuals in rural areas.

Section (c) identifies the terms "State administrative agent", "local workforce development area", "local workforce development board", and "one-stop career center" with the meanings given in title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

Section 103 designates the responsibilities of the State Administrative Agent. Subsection (a) allows that, in carrying out the requirement to designate an administrative agent to carry out this title, a Governor may designate one State administrative agent to be responsible for carrying out this title for individuals who are blind, and a different

State administrative agent to carry out the remaining responsibilities in this title.

Section (b) designates State responsibilities. Subsection (b)(1) specifies that the title will be carried out in accordance with the collaborative process established under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

Section (b)(2) requires the State to provide an explanation of how it will provide vocational rehabilitation services to all eligible individuals within all workforce delivery areas within the State, and if it is not able to do so, the justification for the order to be followed in selecting individuals to whom the services will be provided. This order of selection under subparagraph (B) will be determined on the basis of serving first those individuals with the most severe disabilities, in accordance with State criteria.

Section (b)(3) requires the State to establish guidelines to provide the eligible individual with choice of receiving the services from a provider designated by the one-stop career center or from a provider selected by the individual with the use of vouchers.

Section (b)(4) requires the State to encourage the participation in the State program of community-based private providers, with special consideration given to providers who have received funds under the projects with industry or supported employment programs or employment and training services under the Javits-Wagner-O'Day Act.

Section (b)(5) requires the State to establish provisions to govern eligibility determinations, based on the criteria for eligibility found in this title.

Section (b)(6) requires the State to establish provisions to govern assessments of rehabilitation need, including a methodology that will be uniformly applied to prevent substantial disparities among individuals with comparable circumstances in the monetary value of the services to be provided based on the assessments.

Section (b)(7)(A) requires the State to establish procedures through which an individual may request and obtain an impartial review, utilizing an impartial hearing officer, of whether standards in the title have been correctly applied by the one-stop career center.

Section (b)(7)(B) requires the State to designate a number of days within which the review will be conducted.

Section (b)(7)(C) provides that there may be informal methods of dispute resolution utilized, if agreed to by both parties, and that impartial review is not precluded if the informal alternatives do not yield a final disposition of the matter.

Section (b)(8) requires the State to ensure that vocational rehabilitation services and core services are provided by personnel qualified to provide the services.

Section (b)(9) requires that State to establish interagency agreements with state education officials responsible for educating students disabilities. The plans, poli-

cies, and procedures must facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under this title.

Section (b)(10) requires the State administrative agent to cooperate with the Statewide Independent Living Council and independent living centers within the State.

Section (b)(11) requires the State administrative agent to cooperation with on an interagency basis, and coordinate the utilization of the services and facilities of, the State agencies administering programs for individuals with disabilities.

Section (b)(12) requires the State to provide for the appropriate training of the management and staff of the one-stop career centers regarding effective services to individuals with disabilities.

Section (b)(13) requires the State to provide technical assistance to local boards, one-stop career centers, and providers regarding vocational rehabilitation services, including development of individualized rehabilitation and employment plans.

Section (c) establishes the availability of vouchers for services. Subsection (c)(1) requires the State to establish a voucher system. Subsection (c)(2) provides that an eligible individual who has been assessed for rehabilitation needs will receive vocational rehabilitation services through the use of vouchers, at the choice of the individual. Subsection (c)(3) provides that the individual can use the vouchers to purchase services from among a list of approved providers. Subsection (c)(4) ensures that the monetary value of a voucher is calculated at a fair market value. Subsection (c)(5) provides that, when practicable, each workforce development area will have available within it a broad range of services.

Section (d) lists additional State options. Subsection (d)(1), a State may disseminate research findings, and under Subsection (d)(2), a State may conduct demonstration projects regarding improvements with respect to vocational rehabilitation services.

Section (e) addresses core standards, performance goals, and measures. Subsection (e)(1) requires the State to develop and implement a statewide system of standards and performance measures for the programs under this title. Subsection (e)(2) provides that the statewide system will establish performance goals and evaluate the services and activities under this title, create objective, measurable goals, and performance indicators, and provide biennial reports on the State's program. Subsection (e)(3) specifies that the State's measures will include: placement, retention, and earnings in integrated employment, including retention and earnings at 6 months and 1 year; the percentage of individuals served with severe disabilities, including SSI and SSDI recipients; and other relevant measures included in PWI standards and indicators and State grant

evaluation standards and indicators developed by the Department of Education.

Section 104 designates the Responsibilities for Local Boards and Service Centers. Subsection (a) designates the provision of vocational rehabilitation services. Subsection (a)(1) provides that local responsibilities will be carried out by the one-stop career centers in the State, acting under the guidance of the local workforce development board. Subsection (a)(2) provides that, under the State's order of selection criteria, the one-stop career center will make eligibility determinations, provide vocational rehabilitation services, and conduct outreach and intake activities for individuals with severe disabilities who are not able to access the one-stop career center system. Subsection (a)(3) provides that the one-stop center will make vocational rehabilitation services available at a variety of locations, and as appropriate, in a variety of environments.

Section (b) defines "vocational rehabilitation services" as goods or services that are necessary to render an individual employable and achieve an employment outcome, and that directly relate to the individual's disability and do not substantially duplicate the core services offered by the one-stop career center.

Section (c) provides that vocational rehabilitation services offered through the one-stop centers will include: (1) an assessment of the vocational rehabilitation needs; (2) Development of an individualized rehabilitation and employment plan to identify employment goals, intermediate objectives, and a combination of goods and services to achieve the individual's employment goals; (3) Counseling, guidance, and work-related placement services for individuals with disabilities; (4) Vocational and other training services for individuals with disabilities; (5) Rehabilitation technology services; (6) Supported employment services; (7) Physical and mental restoration services; (8) Interpreter services for individuals who are deaf, and reader services for individuals who are blind; (9) Rehabilitation teaching services and orientation and mobility services for individuals who are blind; (10) Referral and other services designed to assist individuals with disabilities in securing needed services from other agencies; (11) Transportation services; (12) Telecommunications, sensory, and other technological aids and devices; (13) on-the-job and other related personal assistance services.

Section (d) provides that the one-stop career center will provide for necessary arrangements with community-based providers regarding supported employment services and extended services, periodic reviews of individuals placed in extended employment, and services to promote movement from extended employment to integrated employment.

Section (e) allows a one-stop center to provide additional vocational rehabilitation services as the center determines to be appropriate.

Section (f)(1) provides that a workforce board shall reserve some funds under this title to supplement the provision of core services at the one-stop career center. Subsection (c)(2) clarifies that the amount of vocational rehabilitation funds reserved to supplement core services will be based on the number of eligible individuals with disabilities in the local workforce development area, and the costs of training employees of the one-stop career centers to address disability needs.

Section (g) establishes criteria for development by the Local Board of performance payments regarding vouchers. The Board will ensure that a provider does not receive full payment until the delivery of the services involved is completed, and for employment, training and placement services, the full payment is not made until the individual has successfully completed the training and been employed for 90 days.

Section (h) provides that the State will not pay for training services in institutions of higher education, or medical services, unless significant efforts have been made to secure payments from other sources. The provision makes an exception to this requirement if making such efforts would delay services to someone who is at extreme medical risk, or who would lose a job placement due to the delay.

Section 105 describes criteria for determining an individual's eligibility for services. Subsection (a) provides that the individual cannot receive vocational rehabilitation services under this title unless the individual meets the Act's definition of an individual with a disability, and the individual requires vocational rehabilitation services to prepare for, enter, engage in, or retain gainful employment.

Section (a)(2) clarifies that, if the individual has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act, the individual will be considered to have a disability under this title.

Section (a)(3) provides that it will be presumed that an individual can benefit in terms of an employment outcome from vocational rehabilitation services, unless the one-stop career center provides clear and convincing evidence otherwise.

Section (b) establishes the process by which eligibility will be determined. Under paragraph (1), once the individual makes a request for an eligibility determination, a qualified rehabilitation adviser will be made available, an initial interview will be conducted, followed by an initial assessment, and a final determination will be made within 30 days. The determination of eligibility will be based on the review of existing data and the preliminary assessment. If it is determined that the individual is not an eligible individual, the individual will be provided a written statement explaining the basis of the determination, the availability of an impartial review, and the availability of services under the client assistance program.

If, under subsection (b)(2), it is determined that the individual is an eligible individual, the needs of the individual for vocational rehabilitation services will be assessed, and an individual rehabilitation and employment plan will be developed for the individual and mutually agreed upon by the individual and an appropriate staff member of the one-stop career center. A plan is considered to be individualized if it is consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual. The subsection also allows the individual to forego developing a plan if the individual signs a waiver.

Section (c) clarifies that the title does not create an individual entitlement to services.

Section (d) defines the term "eligible individual."

Section 106 establishes criteria for the State Rehabilitation Advisory Council. Subsection (a)(1) provides that the State will establish a State Rehabilitation Advisory Council. Subsection (a)(2) establishes that the Council will include: Representatives of organizations within the State providing services to individuals with disabilities; Representatives of business, industry, and labor; Representatives of disability advocacy groups representing a cross section of disability; The State administrative agent as an ex officio member; and other members of the Council as appointed by the Governor. Subsection (a) also requires that a majority of Council members will be individuals with disabilities, and not employed by the designated State administrative agent. The subsection also provides for appointment of a chairperson, length of terms, and procedures to fill vacancies on the council.

Section (b) enumerates the functions of the council as the following: Advise the collaborative process, and the State administrative agent, in the preparation of the State workforce development and literacy plan; conduct a review and analysis of the effectiveness of the delivery of core services and vocational rehabilitation services to individuals with disabilities within the State; Prepare and submit an annual report to the collaborative process or appropriate State administrative agent and the Commissioner on the status of vocational rehabilitation programs operated within the State; and coordinate with other councils within the State established to address the needs of individuals with disabilities.

Section (c) clarifies the resources available to the Council by the State administrative agent, and that the council may hire staff and other personnel as necessary. The subsection also provides for resolution of disagreements by the governor between the Council and the State administrative agent.

Section (d) provides a protection against conflict of interest by members the Council.

Section (e) authorizes the Council to convene meetings and forums or hearings.

Section (f) allows the use of funds to reimburse members of the Council for reasonable and necessary expenses.

Section (g) clarifies that a governor may designate a separate council to carry out functions with respect to vocational rehabilitation services for individuals who are blind.

Section 107 describes the amount of the allotment, as in effect under current law.

SUBTITLE B—OTHER AMENDMENTS TO REHABILITATION ACT OF 1973

Section 521 makes amendments regarding training and demonstration projects within the Rehabilitation Act. Subsection 521(a) amends the Rehabilitation Act of 1973, effective October 1, 1995, by striking section 303, section 304, section 311(f), section 312; and section 316. The subsection also transfers subsection 802(a) to title III and redesignate it as section 311(f). The subsection further transfers subsection 802(g) to title III as section 311(g), transfers section 803(c) to title III and redesignates it as Section 311(h), and transfers section 803(b) to title III and redesignates it as section 302(j). Finally, the subsection strikes the remaining provisions of title VIII.

Section (b) would take effect October 1, 1998 and would amend section 311 of the Rehabilitation Act of 1973, by striking subsection (c), and redesignating subsections (d) through (g) as subsections (c) through (f), respectively.

Section 522 would take effect October 1, 1995, and would amend title VI to: strike part A; strike part C; strike part D; and retain the projects with industry program.

Section (b), effective October 1, 1998, would repeal the Projects With Industry in title VI.

Section (c) contains conforming amendments.

TITLE VI—REPEALERS AND OTHER AMENDMENTS

Section 601 repeals the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

Section 602 repeals the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

Section 603(a) repeals the Adult Education Act (20 U.S.C. 1201 et seq.).

Section 603(b)(1) makes technical and conforming changes to the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) (ESEA) by replacing the words "Adult Education Act" with "title IV of the CAREERS Act." This subsection also replaces the words "section 312(2) of the Adult Education Act" in Section 9161(2) of ESEA with "section 5 of the CAREERS Act."

Section 603(b)(2) makes technical and conforming changes to the Technology for Education Act of 1994 by replacing "section 312 of the Adult Education Act" with "section 5 of the CAREERS Act."

Section 604 repeals the National Literacy Act of 1991, except for section 101.

Section 605(a) repeals the Library Services and Construction Act (20 U.S.C. 351 et seq.).

Section 605(b) makes technical and conforming changes to the Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.). This

subsection replaces the words "section 3 of the Library Services and Construction Act" with "section 5 of the CAREERS Act."

Section 606 repeals sections 3601 through 3605 of the Technology for Education Act of 1994 (20 U.S.C. 7001 et seq.).

Section 607 repeals the Job Training Partnership Act (29 U.S.C. 1501), (except sections 421 through 439 relating to the Job Corps and section 441 relating to the Veterans' employment program), including:

(1) Title II(a) relating to the Adult Training Program.

(2) Title II(b) relating to the Summer Youth Program.

(3) Title II(c) relating to the Year Round Youth Program.

(4) Title III relating to Employment and Training Assistance for Dislocated Workers.

(5) Title IV relating to Federal Administered Programs.

(6) Title V relating to Jobs for Employable Individuals Incentive Bonus Program.

(7) Title VI relating to Miscellaneous provisions.

(8) Title VII relating to the State Human Resource Investment Council.

Section 608(a) repeals section 702 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421).

Section 608(b)(1) repeals subtitle C of Title VII of the Stewart B. McKinney Homeless Assistance Act, except section 738.

Section 608(b)(2) makes technical and conforming changes to the table of contents of the Stewart B. McKinney Homeless Assistance Act.

Section 609 sets an effective date of October 1, 1996, for this title.

OVERSIGHT FINDINGS OF THE COMMITTEE

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

INFLATIONARY IMPACT STATEMENT

In compliance with clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment into law of H.R. 1617 will have no significant inflationary impact on prices and costs in the operation of the national economy. It is the judgment of the Committee that the inflationary impact of this legislation as a component of the federal budget is negligible.

GOVERNMENT REFORM AND OVERSIGHT

With respect to the requirement of clause 2(l)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 1617.

COMMITTEE ESTIMATE

Clause 7 of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 1617. However, clause 7(d) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

APPLICATION OF LAW TO LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104-1 requires a description of the application of this bill to the legislative branch. This bill provides funds to States for programs and services to eligible recipients; the bill does not prohibit legislative branch employees from otherwise being eligible for such services.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget & Impoundment Control Act requires a statement of whether the provisions of the reported bill include unfunded mandates; the bill provides funds for administration of the programs authorized under this bill at the state and local level and as such does not contain any unfunded mandates.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 2(l)(3)(B) of rule XI of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 2(l)(3)(C) of rule XI of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 1617 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 19, 1995.

Hon. WILLIAM F. GOODLING,
Chairman, Committee on Economic and Educational Opportunities, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 1617, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems (CAREERS) Act as ordered reported by the House Committee on Economic and Educational Opportunities on May 24, 1995.

Enactment of H.R. 1617 would affect direct spending. Therefore, pay-as-you-go procedures would apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Christi Hawley and Deborah Kalcevic.

Sincerely,

JUNE E. O'NEILL.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 1617.

2. Bill title: Consolidated and Reformed Education, Employment, and Rehabilitation Systems (CAREERS) Act.

3. Bill status: As ordered reported by the House Committee on Economic and Educational Opportunities on May 24, 1995.

4. Bill purpose: H.R 1617 would repeal the authorizations of appropriations for many education, job training, and vocational rehabilitation programs. This bill also would modify other education and labor programs for the purpose of consolidating and reforming workforce development and literacy programs. In place of the programs repealed, four new consolidated state grant programs would be established beginning in 1997, and a substantially revised and consolidated vocational rehabilitation state grant program would be phased in by 1999. The four new consolidated state grants created by the bill would be: the Youth Workforce Preparation and Development Consolidation Grant; the Adult Employment and Training Consolidation Grant; the Adult Education and Family Literacy Consolidation Grant; and the Library Technology Consolidation Grant.

5. Estimated cost to the Federal Government: Most of the spending that would occur under H.R. 1617 would be subject to the availability of appropriated funds. For purposes of this estimate, CBO assumes that the bill will be enacted by the end of this fiscal year, and that the funds authorized by the bill for the 1996–2000 period will be appropriated. In general, the effective dates stated in the bill are fiscal year 1997 for Titles I, II, III, IV, and VI, and fiscal year 1996 for Title V. Estimated outlays are based on historical spending patterns of programs administered by the Department of Education and the Department of Labor that are similar in nature to the block grants created by the bill.

This bill also would affect direct spending by mandating that programs currently authorized under Titles II–VII of the Rehabilitation Act of 1973 be subject to annual appropriation action. Currently, these programs are considered mandatory spending under the Budget Enforcement Act.

The following table summarizes the estimated budgetary impact of the bill, with discretionary authorizations adjusted for inflation where such sums as necessary are authorized. Total direct spending under this bill would be $11.2 billion in outlays over five years from 1996 to 2000, compared with $12.7 billion under current law. The authorizations of appropriations total $34.2 billion for the same five-year period. Table 1 (attached) provides details on the costs and savings associated with individual provisions.

PROJECTED SPENDING UNDER H.R. 1617—INCLUDING INFLATION ADJUSTMENT FOR UNSPECIFIED AUTHORIZATIONS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
DIRECT SPENDING						
Projected spending under current law:						
Estimated budget authority	2,361	2,408	2,483	2,551	2,627	2,707
Estimated outlays	2,343	2,391	2,464	2,532	2,607	2,685
Proposed changes:						
Estimated budget authority	—	−301	−311	−322	−333	−345
Estimated outlays	—	−232	−297	−319	−330	−342
Direct spending under H.R. 1617:						
Estimated budget authority	2,361	2,106	2,172	2,228	2,294	2,362
Estimated outlays	2,343	2,160	2,167	2,213	2,277	2,344
AUTHORIZATION OF APPROPRIATIONS						
Spending under current law:						
Estimated authorizations	7,174	7,407	5,967	6,180	6,393	6,469
Estimated outlays	6,590	6,983	7,108	6,264	6,172	6,337
Proposed changes:						
Estimated authorizations	—	297	377	501	230	383
Estimated outlays	—	229	392	504	287	265
Authorization appropriations under H.R. 1617:						
Authorization level	7,174	7,704	6,344	6,680	6,623	6,851
Estimated outlays	6,590	7,212	7,501	6,768	6,459	6,602

Components may not sum to totals due to rounding.
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The following table shows spending under H.R. 1617 without adjustments for inflation where such sums as necessary as authorized. When inflation is not considered, estimated direct spending is the same as in the above tables, but the authorizations of appropriations total is $32.3 billion over the 1996–2000 period. The details on the costs and savings associated with individual provisions are shown in Table 2 (attached).

PROJECTED SPENDING UNDER H.R. 1617—WITH NO INFLATION ADJUSTMENT FOR UNSPECIFIED AUTHORIZATIONS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
DIRECT SPENDING						
Project spending under current law:						
Estimated budget authority	2,361	2,408	2,483	2,551	2,627	2,707
Estimated outlays	2,343	2,391	2,464,	2,532	2,607	2,685
Proposed changes:						
Estimated budget authority	.....	−301	−311	−322	−333	−345
Estimated outlays	.....	−232	−297	−319	−330	−342
Direct spending under H.R. 1617:						
Estimated budget authority	2,361	2,106	2,172	2,228	2,294	2,362
Estimated outlays	2,343	2,160	2,167	2,213	2,277	2,344
AUTHORIZATION OF APPROPRIATIONS						
Spending under current law:						
Estimated authorizations	7,174	7,169	5,585	5,585	5,585	5,460
Estimated outlays	6,589	6,966	6,916	5,907	5,614	5,570
Proposed changes:						
Estimated authorizations	.....	287	662	772	524	649
Estimated outlays	.....	221	386	711	568	549
Authorization of appropriations under H.R. 1617:						
Authorization level	7,174	7,456	6,247	6,357	6,110	6,110
Estimated outlays	6,589	7,187	7,301	6,618	6,183	6,119

Components may not sum to totals due to rounding.
Note.—Authorizations of Education programs assume a one-year extension as provided under the General Education Provisions Act (GEPA).

The costs of this bill fall within budget function 500.

6. Basis of estimate:

Direct spending

H.R. 1617 would mandate that numerous categorical vocational rehabilitation programs authorized under Titles II–VII of the Rehabilitation Act be subject to annual appropriations action. Currently, these programs, which received a total of $291 million in appropriations for fiscal year 1995, are considered mandatory spending under the Budget Enforcement Act. Establishing these programs as discretionary grant programs as of fiscal year 1996 would reduce direct spending outlays by $232 million in 1996, and by $1.5 billion over the 1996–2000 period. Most of these programs would remain in place but would be subject to appropriations action. Therefore, the spending would become subject to control under the discretionary spending limits. In addition to requiring that these programs be subject to annual appropriations, this bill would repeal the authorization of appropriations for several of these programs. Beginning in fiscal year 1996, the authorizations would be repealed for recreational programs, migratory worker programs, innovation and expansion programs, loan guarantee programs, and demonstration and training programs authorized under Title VIII. Beginning in fiscal year 1999, the authorizations would be repealed for the supported employment grants and the project with industry program.

Funds for the basic state grants for vocational rehabilitation services are considered mandatory spending under the Budget Enforcement Act. H.R. 1617 would make substantial changes to this program. Current state requirements for the use of the funds and the operations of the program would be reduced and streamlined. Similar to the new grants established in Titles II–IV, vocational rehabilitation training would be coordinated through the new one-stop career center system established in Title I. In addition, states would be required to establish a voucher system for training services. In 1995, the basic state grant program was funded at $2.1 billion. The revised program authorized under H.R. 1617 would retain the current legislative language for the program's funding mechanism. Each year's authorized funding level would be the preceding year's appropriation level adjusted for projected inflation. Because this funding level would not be altered, there would be no direct spending effect from the programmatic changes. The new program structure is effective for fiscal year 1999.

Authorizations of appropriations

Titles II, III, and IV would establish four new consolidation grants to states. Each of the four grants would serve a particular population or need—youth, adults, families, or libraries. If the programs are funded at the authorized levels, new budget authority for these grants would total nearly $5 billion in fiscal year 1997, the first year in which these grants are authorized.

Title VI would repeal several existing job training and education programs. Budget authority savings from these repeals relative to current authorization levels without inflation adjustments would be

nearly $4.5 billion in fiscal year 1997, the year in which these repeals take effect (see Table 2, attached). After accounting for the new authorizations provided by the bill, the total 1997 authorization levels for these types of programs under H.R. 1617 would be $662 million more than the estimated authorized levels under current law without discretionary inflation. Two factors account for this increase. One is the provisions of Title V that switches close to $300 million for vocation rehabilitation programs from mandatory to discretionary spending. The other is the fact that many of the programs repealed are not authorized past fiscal year 1996, and thus, spending for those programs in 1997 and beyond is not included in the comparison.

The effect of the bill becomes more clear when authorized levels for 1997 and beyond are compared to 1995 funding levels. On this basis, the bill would result in a net reduction in budget authority of $1.2 billion for fiscal year 1997 and $1.1 billion a year over the 1998–2000 period. Table 3 (attached) shows the changes proposed in H.R. 1617 relative to the 1995 funding levels.

Title II. This title would create a Youth Development and Career Preparation Consolidation Grant. The purpose of the grant is to provide states and local communities with funding and flexibility in designing workforce preparation programs. The grant program would be authorized at $2.3 billion for fiscal year 1997 and such sums as necessary for each fiscal year 1998–2002. Funds are to be appropriated on a forward-funded, or program-year basis; funds would become available July 1 of the year for which funds were appropriated. Because both the vocational education and JTPA youth programs are currently funded in this manner, estimated outlays reflect the spending patterns of the current programs.

Title III. This title would establish an Adult Employment and Training Consolidation Grant. The purpose of the grant is to fund a system of employment, job training, and related services designed to help adults gain private sector employment. The bill would authorize this program at $2.3 billion for fiscal year 1997 and such sums as necessary for each fiscal year 1998–2002. As with the program authorized by Title II, these grants are to be forward-funded, an arrangement similar to the one currently used by existing JTPA employment and training programs for adults and dislocated workers. Therefore, estimated outlays reflect the spending patterns of the current programs.

Title IV. This title would create two new grant programs: one for adult education and family literacy and one for library services and technology. An Adult Education and Family Literacy Consolidation Grant program would be established to provide adults with basic educational and literacy skills, as well as to fund the National Institute on Literacy. The authorization of appropriations for this grant would be $280 million for fiscal year 1997 and such sums as necessary for each fiscal year from 1998 to 2002. This grant would be forward-funded, similar to existing adult education and literacy programs. Consequently, estimated outlays reflect spending patterns of current programs.

A Library Services and Technology Consolidation Grant program also would be established. The purpose of this grant would be to consolidate federal library service programs, improve public access

to information through electronic networks, and provide linkages among and between libraries and one-stop career center systems. This program would be authorized at $110 million for each of the fiscal years 1997 through 2002. The Library Services and Technology Consolidation Grant program would be advance-funded; funds appropriated in one fiscal year would not become available for obligation until the following year. In contrast, existing library services grants are funded on a current-year basis. Estimated outlays for the new grant program reflect the assumption that outlays in the second year would be similar to the current program's pattern over the first two years.

Title V. As discussed above under direct spending, H.R. 1617 would mandate that the categorical vocational rehabilitation programs authorized under Titles II–VII of the rehabilitation Act be subject to annual appropriations action. The current authorization of appropriations expires at the end of 1998 for the special demonstration programs, supported employment projects, projects with industry, client assistance, supported employment grants, protection and advocacy, and the National Institute on Disability. The training grants are permanently authorized. Estimated authorization levels reflect the 1995 appropriations, and estimated outlays reflect the current programs' spending patterns.

Title VI. This title would repeal certain existing education and job training programs beginning in fiscal year 1997. Programs repealed under this title include the Vocational Education Programs, the School-to-Work Opportunities Act, the Adult Education Act, the National Literacy Act, the Library Services Construction Act, the Technology for Education Act, and the Job Training Partnership Act (except for the Job Corps and Veterans portions). Many of the programs that are repealed are authorized but have not received an appropriation. In other instances, authorizations expire prior to the repeal date. Overall, savings from repealing these programs as measured from the authorized level are significantly less than the savings as measured from baseline projections.

7. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. The pay-as-you-go effects of the bill are as follows:

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998
Change in outlays	.....	−232	−297	−319
Change in receipts	(1)	(1)	(1)	(1)

Not applicable.

8. Estimated cost to state and local governments: H.R. 1617 would require certain actions by the states in order for them to receive funding under any of the block grant programs it would establish. Many of the processes required in the act are similar to current requirements. However, application and reporting requirements, as well as funding streams, are consolidated under this bill, which could provide for administrative efficiencies at the state level.

This bill would have the effect of reducing federal funding for education and job training programs by about $1.1 billion per year, as measured from the fiscal year 1995 spending levels. No state match of resources or maintenance of effort is required for a state to receive funds under titles I, II, and III of the CAREERS Act. Some states may choose to devote additional state funds to continue current service levels; others could maintain their current efforts; and still others could choose to reduce current state spending for education and job training.

Title IV requires a state match of 25 percent on programs relating to adult education and family literacy services. This match is similar to that required under current law for adult education state grants. Title V retains the current state matching requirements for vocational rehabilitation services.

H.R. 1617 would require the governors to establish statewide criteria for workforce development boards to designate one-stop career center systems. These one-stop career centers would include common intake, preliminary assessment, and integrated job search assistance. Any entity or consortium of entities located in the workforce development area may be designated to operate a one-stop career center. Some states already have received preliminary grants for the development of one-stop career centers. Other states may incur some incremental costs for establishing such centers.

The bill also would establish a performance accountability system that would require states to establish indicators, which would take into account specific attributes of the local workforce development areas. If a state is found to have poor performance according to the criteria it establishes, it must receive technical guidance from the Department of Labor or the Department of Education, as appropriate. If the state is found to have poor performance for a second consecutive year, the state may receive up to a 5 percent reduction in its grant funds. At the local level, governors would be permitted to sanction workforce development boards that are found to have poor performance for two consecutive years. These sanctions may include withholding funds or redesignation of the workforce development board.

Under H.R. 1617, funding to states for vocational rehabilitation programs would be maintained at about the 1995 level.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Christi Hawley and Deborah Kalcevic

12. Estimate approved by: Robert A. Sunshine, for Paul N. Van de Water, Assistant Director for Budget Analysis.

TABLE 1.—PROJECTED SPENDING UNDER H.R. 1617 INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
DIRECT SPENDING						
Projected spending under current law:						
Estimated budget authority	2,361	2,408	2,483	2,551	2,627	2,707
Outlays	2,343	2,391	2,464	2,532	2,607	2,685
PROPOSED CHANGES						
Vocational Rehabilitation Act Programs:						
Estimated budget authority	.....	−301	−311	−322	−333	−345

TABLE 1.—PROJECTED SPENDING UNDER H.R. 1617 INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Outlays	.....	−232	−297	−319	−330	−342
Direct spending under H.R. 1617:						
Estimated budget authority	2,361	2,106	2,172	2,228	2,294	2,362
Outlays	2,343	2,160	2,167	2,213	2,277	2,344
AUTHORIZATION OF APPROPRIATIONS						
Authorizations under current law:						
Estimated authorization	7,174	7,407	5,967	6,180	6,393	6,469
Outlays	6,590	6,983	7,108	6,264	6,172	6,337
PROPOSED CHANGES						
Titles IHV: New Programs						
Youth development and career preparation consolidation grant:						
Estimated authorization	.....	.....	2,308	2,390	2,472	2,559
Outlays	.....	.....	146	1,796	2,354	2,459
Adult employment and training consolidation grant:						
Estimated authorization	.....	.....	2,263	2,344	2,424	2,509
Outlays	.....	.....	83	1,831	2,269	2,410
Adult education and family literacy consolidation grant:						
Estimated authorization	.....	.....	280	290	300	310
Outlays	.....	.....	34	225	284	299
Library services and technology consolidation grant:						
Estimated authorization	.....	.....	.....	110	110	110
Outlays	.....	.....	.....	85	110	110
Subtotal, Titles II–IV:						
Estimated authorization	.....	.....	4,852	5,134	5,307	5,489
Outlays	.....	.....	263	3,938	5,017	5,278
Title V: Vocational Rehabilitation act Changes						
Estimated authorization	.....	297	307	318	45	47
Outlays	.....	229	293	315	108	57
Title VI: Program Repeals						
Carl Perkins Vocational Education and Applied Technology Education Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
School to Work Opportunities Act:						
Estimated authorization	.....	.....	−267	−277	−286	−148
Outlays	.....	.....	−32	−215	−270	−267
Adult Education Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
National Literacy Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
Library Services and Construction Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
Technology for Education Act, Part F:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
Job Training Partnership Act, except Job Corps and Veterans:						
Estimated authorization	.....	.....	−4,504	−4,665	−4,825	−4,994
Outlays	.....	.....	−130	−3,526	−4,556	−4,792
Stewart B. McKinney Homeless Programs for Literacy Training and Job Training:						
Estimated authorization	.....	.....	−10	−11	−11	−11

TABLE 1.—PROJECTED SPENDING UNDER H.R. 1617 INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Outlays	.....	.....	−1	−8	−10	−11
Subtotal, Title VI:						
Estimated authorization	.....	.....	−4,781	−4,952	−5,122	−5,153
Outlays	.....	.....	−163	−3,748	−4,837	−5,070
Total change:						
Estimated authorization	.....	297	377	501	230	383
Outlays	.....	229	392	504	287	265
Authorizations under H.R. 1617:						
Estimated authorization	7,174	7,704	6,344	6,680	6,623	6,851
Outlays	6,590	7,212	7,501	6,768	6,459	6,602

Components may not sum to totals due to rounding.

Note: Authorizations of education programs assume a one-year extension as provided under the General Education Provisions Act.

TABLE 2.—PROJECTED SPENDING UNDER H.R. 1617 INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
DIRECT SPENDING						
Projected spending under current law:						
Estimated budget authority	2,361	2,408	2,483	2,551	2,627	2,707
Outlays	2,343	2,391	2,464	2,532	2,607	2,685
PROPOSED CHANGES						
Vocational Rehabilitation Act Programs:						
Estimated budget authority	.....	−301	−311	−322	−333	−345
Outlays	.....	−232	−297	−319	−330	−342
Direct spending under H.R. 1617:						
Estimated budget authority	2,361	2,106	2,172	2,228	2,294	2,362
Outlays	2,343	2,160	2,167	2,213	2,277	2,344
AUTHORIZATION OF APPROPRIATIONS						
Authorizations under current law:						
Estimated authorization	7,174	7,169	5,585	5,585	5,585	5,460
Outlays	6,589	6,966	6,916	5,907	5,614	5,570
PROPOSED CHANGES						
Titles II–IV: New Programs						
Youth development and career preparation consolidation grant:						
Estimated authorization	.....	.....	2,308	2,308	2,308	2,308
Outlays	.....	.....	146	1,791	2,285	2,308
Adult employment and training consolidation grant:						
Estimated authorization	.....	.....	2,263	2,263	2,263	2,263
Outlays	.....	.....	83	1,828	2,201	2,263
Adult education and family literacy consolidation grant:						
Estimated authorization	.....	.....	280	280	280	280
Outlays	.....	.....	34	224	274	280
Library services and technology consolidation grant:						
Estimated authorization	.....	.....	.....	110	110	110
Outlays	.....	.....	.....	85	110	110
Subtotal, Titles II–IV:						
Estimated authorization	.....	.....	4,852	4,962	4,962	4,962
Outlays	.....	.....	263	3,928	4,871	4,962

TABLE 2.—PROJECTED SPENDING UNDER H.R. 1617 INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Title V: Vocational Rehabilitation Act Changes						
Estimated authorization	.....	287	287	287	40	40
Outlays	.....	221	276	287	97	50
Title VI: Program Repeals						
Carl Perkins Vocational Education and Applied Technology Education Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
School to Work Opportunities Act:						
Estimated authorization	.....	.....	−250	−250	−250	−125
Outlays	.....	.....	−30	−200	−245	−235
Adult Education Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
National Literacy Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
Library Services and Construction Act:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
Technology for Education Act, Part F:						
Estimated authorization	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
Job Training Partnership Act, Except Job Corps and Veterans:						
Estimated authorization	.....	.....	−4,218	−4,218	−4,218	−4,218
Outlays	.....	.....	−121	−3,297	−4,145	−4,218
Stewart B. McKinney Homeless Programs for Literacy Training and Job Training:						
Estimated authorization	.....	.....	−9	−9	−9	−9
Outlays	.....	.....	−1	−8	−9	−9
Subtotal, Title VI:						
Estimated authorization	.....	.....	−4,477	−4,477	−4,477	−4,352
Outlays	.....	.....	−153	−3,504	−4,399	−4,462
Total change:						
Estimated authorization	.....	287	662	772	524	649
Outlays	.....	221	386	711	568	549
Authorizations under H.R. 1617:						
Estimated authorization	7,174	7,456	6,247	6,357	6,110	6,110
Outlays	6,589	7,187	7,301	6,618	6,183	6,119

Components may not sum to totals due to rounding.

Note: Authorizations of education programs assume a one-year extension as provided under the General Education Provisions Act.

TABLE 3.—PROJECTED DISCRETIONARY SPENDING CHANGES INCLUDED IN H.R. 1617 ESTIMATED RELATIVE TO THE CBO FEBRUARY 1995 BASELINE WITHOUT DISCRETIONARY INFLATION (WODI) ADJUSTMENTS AND EXCLUDING PROGRAMS AUTHORIZED UNDER TITLE V [1]

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
DISCRETIONARY SPENDING						
Current programs included in CBO baseline without discretionary inflation:						
Budget authority	7,174	7,174	7,174	7,174	7,174	7,174
Outlays	6,589	6,966	7,142	7,171	7,174	7,174

TABLE 3.—PROJECTED DISCRETIONARY SPENDING CHANGES INCLUDED IN H.R. 1617 ESTIMATED RELATIVE TO THE CBO FEBRUARY 1995 BASELINE WITHOUT DISCRETIONARY INFLATION (WODI) ADJUSTMENTS AND EXCLUDING PROGRAMS AUTHORIZED UNDER TITLE V [1]—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
PROPOSED CHANGES						
Titles II–IV: New Programs						
Youth development and career preparation consolidation grant:						
Budget authority	.....	.....	2,308	2,308	2,308	2,308
Outlays	.....	.....	146	1,791	2,285	2,308
Adult employment and training consolidation grant:						
Budget authority	.....	.....	2,263	2,263	2,263	2,263
Outlays	.....	.....	83	1,828	2,201	2,263
Adult education and family literacy consolidation grant:						
Budget authority	.....	.....	280	280	280	280
Outlays	.....	.....	34	224	274	280
Library services and technology consolidation grant:						
Budget authority	.....	.....	.....	110	110	110
Outlays	.....	.....	.....	85	110	110
Subtotal, Titles II–IV:						
Budget authority	.....	.....	4,852	4,962	4,962	4,962
Outlays	.....	.....	263	3,928	4,871	4,962
Title V: Vocational Rehabilitation Act Changes						
Budget authority	.....	(1)	(1)	(1)	(1)	(1)
Outlays	.....	(1)	(1)	(1)	(1)	(1)
Title VI: Program Repeals						
Carl Perkins Vocational Education and Applied Technology Education Act:						
Budget authority	.....	.....	−1,171	−1,171	−1,171	−1,171
Outlays	.....	.....	−141	−937	−1,148	−1,171
School to Work Opportunities Act:						
Budget authority	.....	.....	−250	−250	−250	−250
Outlays	.....	.....	−30	−200	−245	−250
Adult Education Act:						
Budget authority	.....	.....	−269	−269	−269	−269
Outlays	.....	.....	−32	−215	−264	−269
National Literacy Act:						
Budget authority	.....	.....	−5	−5	−5	−5
Outlays	.....	.....	−1	−4	−5	−5
Library Services and Construction Act:						
Budget authority	.....	.....	−133	−133	−133	−133
Outlays	.....	.....	−48	−98	−133	−133
Technology for Education Act, Part F:						
Budget authority	.....	.....	0	0	0	0
Outlays	.....	.....	0	0	0	0
Job Training Partnership Act, except Job Corps:						
Budget authority	.....	.....	−4,218	−4,218	−4,218	−4,218
Outlays	.....	.....	−121	−3,297	−4,145	−4,218
Stewart B. McKinney Homeless Programs for Literacy Training and Job Training:						
Budget authority	.....	.....	−15	−15	−15	−15
Outlays	.....	.....	−2	−12	−14	−15
Subtotal, Title VI:						
Budget authority	.....	.....	−6,060	−6,060	−6,060	−6,060
Outlays	.....	.....	−375	−4,763	−5,953	−6,061
Total change:						
Budget authority	.....	.....	−1,208	−1,098	−1,098	−1,098
Outlays	.....	.....	−112	−835	−1,082	−1,099

TABLE 3.—PROJECTED DISCRETIONARY SPENDING CHANGES INCLUDED IN H.R. 1617 ESTIMATED RELATIVE TO THE CBO FEBRUARY 1995 BASELINE WITHOUT DISCRETIONARY INFLATION (WODI) ADJUSTMENTS AND EXCLUDING PROGRAMS AUTHORIZED UNDER TITLE V [1]—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Current Programs Included in CBO Baseline Without Discretionary Inflation Revised for H.R. 1617:						
Budget authority	7,174	7,174	5,966	6,076	6,076	6,076
Outlays	6,589	6,966	7,030	6,336	6,092	6,075

Components may not sum to totals due to rounding.

[1] The title V Vocational Rehabilitation Act changes switch the curernt programs from the direct category to the discretionary category but do not, for the most part, alter the programs. Therefore, vocational rehabilitation programs have not been included in this table designed to show program increases and decreases.

MOTION TO ORDER REPORTED H.R. 1617, AS AMENDED

The bill H.R. 1617 as amended was ordered reported favorably to the House by a vote of 29 ayes to 5 noes, on May 24, 1995.

The roll call vote is as follows:

AYES	NOES
Chairman Goodling	Mr. Miller
Mr. Petri	Mr. Owens
Mrs. Roukema	Mr. Payne
Mr. Gunderson	Mrs. Mink
Mr. Fawell	Mr. Becerra
Mr. Ballenger	
Mr. Barrett	
Mr. Cunningham	
Mr. Hoekstra	
Mr. McKeon	
Mr. Castle	
Mr. Johnson	
Mr. Talent	
Mr. Hutchinson	
Mr. Riggs	
Mr. Graham	
Mr. Weldon	
Mr. Funderburk	
Mr. Souder	
Mr. Clay	
Mr. Kildee	
Mr. Williams	
Mr. Martinez	
Mr. Andrews	
Mr. Reed	
Mr. Roemer	
Mr. Scott	
Mr. Green	
Ms. Woolsey	

MOTION TO ADOPT THE GOODLING AMENDMENT IN THE NATURE OF A SUBSTITUTE AS AMENDED

The Goodling substitute to the bill H.R. 1617 was adopted with amendments by voice vote on May 24, 1995. The substitute makes a number of technical and clarifying changes to the bill, including: changes to several of the definitions included in Title I; a clarification that representatives of community colleges, employees, and veterans are part of the State collaborative process; a clarification that representatives of education, community-based organizations, employees, and veterans will serve on local workforce development boards; changes in the Youth title, reflecting input from the education community and others; additional language ensuring that vocational rehabilitation services are provided as an integral part of this legislation; and number of clarifying changes, highlighting the important role of the Governor, and the collaborative process at the State level, in the overall design of the workforce development and literacy system within each State.

VOTES ON AMENDMENTS

The Committee defeated an amendment (13 ayes to 22 noes) offered by Mr. Owens as a substitute to Title V of the bill relating to Title I of the Rehabilitation Act of 1973. The Owens amendment would amend the State plan requirement section of the Rehabilitation Act to include, among others, the following provisions: requires the State to designate an agency to be responsible for vocational rehabilitation; requires the State to describe how it will provide vocational rehabilitation services through and in coordination with the one-stop career centers under the CAREERS Act; requires the State to describe a comprehensive system of personnel development within the State (including national or State certification and licensing requirements); requires development of an individualized written rehabilitation program for each participant; requires the State to collect data as required by the Commissioner of the Rehabilitation Service Administration; requires the State to provide for information and referral programs; requires the State to conduct public meetings and provide for public comment; and establishes a State Rehabilitation Advisory Council. The substitute also would require the State to spend 1.5 percent of its allotment for activities to improve quality of vocational rehabilitation services and coordination of services with the one-stop career center system in the CAREERS Act. The Substitute also would repeal part C of Title I, relating to development of strategic plans by the State.

The roll call vote is as follows:

AYES	NOES
Mr. Williams	Chairman Goodling
Mr. Martinez	Mr. Petri
Mr. Owens	Mrs. Roukema
Mr. Sawyer	Mr. Gunderson
Mr. Payne	Mr. Fawell
Mrs. Mink	Mr. Ballenger
Mr. Andrews	Mr. Barrett
Mr. Reed	Mr. Cunningham

Mr. Roemer	Mr. Hoekstra
Mr. Becerra	Mr. McKeon
Mr. Scott	Mr. Castle
Mr. Green	Mr. Johnson
Mr. Reynolds	Mr. Talent
	Mr. Hutchinson
	Mr. Knollenberg
	Mr. Riggs
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. McIntosh
	Mr. Norwood

The Committee defeated an amendment (16 ayes to 19 noes) offered by Mr. Green of Texas to strike Title V of the bill, relating to provision of vocational rehabilitation services to individuals with disabilities.

AYES	NOES
Mr. Williams	Chairman Goodling
Mr. Martinez	Mr. Petri
Mr. Owens	Mrs. Roukema
Mr. Sawyer	Mr. Fawell
Mr. Payne	Mr. Ballenger
Mrs. Mink	Mr. Barrett
Mr. Andrews	Mr. Cunningham
Mr. Reed	Mr. Hoekstra
Mr. Roemer	Mr. McKeon
Mr. Engel	Mr. Castle
Mr. Becerra	Mr. Johnson
Mr. Scott	Mr. Talent
Mr. Green	Mr. Hutchinson
Ms. Woolsey	Mr. Knollenberg
Mr. Romero-Barcelo	Mr. Riggs
Mr. Reynolds	Mr. Graham
	Mr. Funderburk
	Mr. Souder
	Mr. McIntosh

The Committee defeated an amendment (12 ayes to 19 noes) offered by Mrs. Mink to Title II of the bill. The amendment targeted the 20% of the locally driven youth funds that the Governor, through the collaborative process, has discretion to apply to the in-school or at-risk/out-of-school youth programs. Mrs. Mink's amendment would have required the State provide competitive grants with the funds for the purpose of providing programs to single parents, displaced homemakers and single pregnant women and for programs that eliminate sex bias.

The roll call vote is as follows:

AYES	NOES
Mr. Kildee	Chairman Goodling
Mr. Martinez	Mr. Petri
Mr. Owens	Mrs. Roukema

Mr. Sawyer
Mr. Payne
Mrs. Mink
Mr. Andrews
Mr. Reed
Mr. Roemer
Mr. Scott
Mr. Green
Ms. Woolsey

Mr. Gunderson
Mr. Fawell
Mr. Ballenger
Mr. Barrett
Mr. Cunningham
Mr. Hoekstra
Mr. McKeon
Mr. Talent
Mr. Greenwood
Mr. Knollenberg
Mr. Riggs
Mr. Graham
Mr. Weldon
Mr. Funderburk
Mr. Souder
Mr. McIntosh

The Committee adopted an amendment (20 ayes to 9 noes) offered by Mr. Riggs and Mrs. Roukema to add a new section on performance and accountability in Title I, requiring the following: that the Secretaries of Education and Labor, in collaboration with States and with business, employees, educational agencies, service providers, etc., establish technical definitions of "core indicators," as established within each of the consolidation grants under the bill, to ensure comparability of performance data across States; that the Secretaries, through this "collaborative process", identify world class levels of performance with respect to appropriate core indicators, selected from among those described in Titles II–V of the bill, in order to encourage high levels of performance and advance the Nation's competitiveness; that States would be required to identify indicators of performance for each of the programs established under this Act, and for Title I of the Vocational Rehabilitation Act of 1973, which at a minimum take into account the core indicators included in the bill, and which take into account (but are not required to meet) the national indicators previously described; that Governors establish uniform criteria for determining performance of local providers, and establishing that Governors are authorized to provide technical assistance to locals who do not meet expected levels of performance after one year, and to take appropriate corrective action, which may include the withholding of funds or the redesignation of service providers, for failure to meet expected levels performance after a 2nd year of such failure; and that the Secretaries take similar corrective action as described above in dealing with States who fail to meet their own performance criteria, including the imposition of up to 5% of the State's subsequent year's funding from the program in which they failed in meeting performance goals.

The roll call vote is as follows:

AYES	NOES
Chairman Goodling	Mr. Hoekstra
Mr. Petri	Mr. Talent
Mrs. Roukema	Mr. Hutchinson
Mr. Cunningham	Mr. Graham
Mr. McKeon	Mr. Funderburk

Mr. Castle	Mr. Souder
Mr. Knollenberg	Mr. McIntosh
Mr. Riggs	Mr. Owens
Mr. Weldon	Mrs. Mink
Mr. Kildee	
Mr. Williams	
Mr. Martinez	
Mr. Sawyer	
Mr. Reed	
Mr. Roemer	
Mr. Engel	
Mr. Becerra	
Mr. Scott	
Mr. Green	
Ms. Woolsey	

The Committee defeated an amendment (12 ayes to 20 noes) offered by Ms. Woolsey to increase authorization levels for each of the consolidation grants established under Titles II, III, and IV of H.R. 1617, to the levels proposed by the Administration in its FY 1996 budget, equalling $2.905 billion for Title II, $3.225 billion for Title III, and $597 million for Title IV in FY 1997, and such sums thereafter.

The roll call vote is as follows:

AYES	NOES
Mr. Kildee	Chairman Goodling
Mr. Williams	Mr. Petri
Mr. Martinez	Mrs. Roukema
Mr. Owens	Mr. Fawell
Mr. Sawyer	Mr. Barrett
Mr. Reed	Mr. Cunningham
Mr. Roemer	Mr. Hoekstra
Mr. Becerra	Mr. McKeon
Mr. Scott	Mr. Castle
Mr. Green	Mr. Johnson
Ms. Woolsey	Mr. Talent
Mr. Reynolds	Mr. Hutchinson
	Mr. Knollenberg
	Mr. Riggs
	Mr. Graham
	Mr. Weldon
	Mr. Funderburk
	Mr. Souder
	Mr. McIntosh
	Mr. Norwood

The Committee defeated an amendment (12 ayes to 20 noes) offered by Mr. Becerra to Title II which would have changed the definition of ''at-risk'' youth to include only out-of-school youth.

The roll call vote is as follows:

AYES	NOES
Mr. Miller	Chairman Goodling
Mr. Kildee	Mr. Petri

Mr. Williams
Mr. Martinez
Mr. Owens
Mr. Andrews
Mr. Reed
Mr. Becerra
Mr. Scott
Mr. Green
Ms. Woolsey
Mr. Reynolds

Mrs. Roukema
Mr. Ballenger
Mr. Barrett
Mr. Cunningham
Mr. Hoekstra
Mr. McKeon
Mr. Castle
Mr. Johnson
Mr. Talent
Mr. Hutchinson
Mr. Riggs
Mr. Graham
Mr. Weldon
Mr. Funderburk
Mr. Souder
Mr. McIntosh
Mr. Sawyer
Mr. Roemer

CORRESPONDENCE

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 8, 1995.

Hon. WILLIAM GOODLING,
Chairman, Economic and Educational Opportunities Committee, Washington, DC.

DEAR MR. CHAIRMAN: I was unavoidably detained during final passage of H.R. 1617, the CAREERS bill, on May 24, 1995 and was unable to cast my vote.

Had I been present, I would have voted "no". Please enter my statement into the record. Thank you for consideration.

Sincerely,

ELIOT L. ENGEL,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 25, 1995.

Chairman WILLIAM GOODLING,
Committee on Economic and Educational Opportunities, Washington, DC.

DEAR CHAIRMAN GOODLING: Due to a meeting of the Committee on Standards, I was unable to be present for the final vote on reporting H.R. 1617 out of the Committee on Economic and Educational Opportunities.

I would like to note for the record that if I had been present, I would have voted, "aye".

Sincerely,

THOMAS C. SAWYER,
Member of Congress.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF JUNE 6, 1933

(Commonly Known as the "Wagner-Peyser Act")

* * * * * * *

AN ACT To provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes

* * * * * * *

SEC. 2. For purposes of this Act—

(1) the term "chief elected official or officials" has the same meaning given that term under the [Job Training Partnership Act] *Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act*;

[(2) the term "private industry council" has the same meaning given that term under the Job Training Partnership Act;]

(2) the term "local workforce development board" means a local workforce development board established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;

(3) the term "Secretary" means the Secretary of Labor;

[(4) the term "service delivery area" has the same meaning given that term under the Job Training Partnership Act; and]

(4) the term "local workforce development area" means a local workforce development area established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;

(5) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands[.]*;*

(6) the term "local public service office" means an office which provides employment services to the general public under a one-stop career center system; and

(7) the term "one-stop career center system" means a one-stop career center system established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

TITLE I—GENERAL PROGRAM REQUIREMENTS

SEC. 3. [(a) The United States Employment Service shall assist in coordinating the State public employment services throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and

publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the States.] *(a) The Secretary of Labor shall, pursuant to title II of the Wagner-Peyser Act—*

(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 system, in coordination with the public employment services;

(2) assist in the development of performance standards, benchmarks, and continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers; and

(3) ensure the continued services for individuals receiving unemployment compensation.

SEC. 4. In order to obtain the benefits of appropriations apportioned under section 5, [a State shall, through its legislature] *the Governor of a State, through the collaborative process described in title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act,* accept the provisions of this Act and designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the [United States Employment Service] *Secretary of Labor* under this Act.

SEC. 5. (a) There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts from time to time as the Congress may deem necessary to carry out the purposes of this Act, *of which not less than 25 percent shall be for carrying out both section 14 and title II of this Act.*

* * * * * * *

SEC. 7. (a) * * *

(b) Ten percent of the sums allotted to each State pursuant to section 6 shall be reserved for use in accordance with this subsection by the Governor of each such State to provide—

(1) * * *

(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and the appropriate [private industry council] *local workforce development board* and chief elected official or officials or other public agencies or private nonprofit organizations; and

* * * * * * *

(c)(1) Funds made available to States under this section may be used to provide additional funds under an applicable program if—

(A) * * *

(2) For purposes of this subsection, the term "applicable program" means any program under [any of the following provisions of law:

[(A) The Carl D. Perkins Vocational and Applied Technology Education Act.

[(B) Section 123, title II, and title III of the Job Training Partnership Act.] *Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.*

(d) In addition to the services and activities otherwise authorized by this Act, the [United States Employment Service] *Secretary of*

Labor or any State agency designated under this Act may perform such other services and activities as shall be specified in contracts for payment or reimbursement of the costs thereof made with the Secretary of Labor or with any Federal, State, or local public agency, or administrative entity under the [Job Training Partnership Act] *Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act,* or private nonprofit organization.

SEC. 8. [(a) Any State desiring to receive the benefits of this Act shall, by the agency designated to cooperate with the United States Employment Service, submit to the Secretary of Labor detailed plans for carrying out the provisions of this Act within such State.] *(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State workforce development and literacy plan authorized under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, detailed plans for carrying out the provisions of this Act within such State.*

[(b) Prior to submission of such plans to the Secretary—

[(1) the employment service shall develop jointly with each appropriate private industry council and chief elected official or officials for the service delivery area (designated under the Job Training Partnership Act) those components of such plans applicable to such area;

[(2) such plans shall be developed taking into consideration proposals developed jointly by the appropriate private industry council and chief elected official or officials in the service delivery area affected;

[(3) such plans shall be transmitted to the State job training coordinating council (established under such Act) which shall certify such plans if it determines (A) that the components of such plans have been jointly agreed to by the employment service and appropriate private industry council and chief elected official or officials; and (B) that such plans are consistent with the Governor's coordination and special services plan under the Job Training Partnership Act;

[(4) if the State job training coordinating council does not certify that such plans meet the requirements of clauses (A) and (B) of paragraph (3), such plans shall be returned to the employment service for a period of thirty days for it to consider, jointly with the appropriate private industry council and chief elected official or officials, the council's recommendations for modifying such plans; and

[(5) if the employment service and the appropriate private industry council and chief elected official or officials fail to reach agreement upon such components of such plans to be submitted finally to the Secretary, such plans submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any appropriate disagreeing private industry council and chief elected official or officials affected, and the State job training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

[(c) The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of such plans submitted.]

[(d)] *(b)* Such plans shall include provision for the promotion and development of employment opportunities for handicapped persons and for job counseling and placement of such persons, and for the designation of at least one person in each State or Federal employment office, whose duties shall include the effectuation of such purposes. In those States where a State board, department, or agency exists which is charged with the administration of State laws for vocational rehabilitation of physically handicapped persons, such plans shall include provision for cooperation between such board, department, or agency and the agency designated to cooperate with the United States Employment Service under this Act.

[(e) If such plans are in conformity with the provisions of this Act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the Secretary of Labor and due notice of such approval shall be given to the State agency.]

* * * * * * *

[SEC. 11. (a) The Director shall establish a Federal Advisory Council composed of men and women representing employers and employees in equal numbers and the public for the purpose of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems. Members of such council shall be selected from time to time in such manner as the Director shall prescribe and shall serve without compensation, but when attending meetings of the council they shall be allowed necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government. The council shall have access to all files and records of the United States Employment Service. The Director shall also require the organization of similar State advisory councils composed of men and women representing employers and employees in equal numbers and the public. Nothing in this section shall be construed to prohibit the Governor from carrying out functions of such State advisory council through the State job training coordinating council in accordance with section 122(c) of the Job Training Partnership Act.

[(b) In carrying out the provisions of this Act the Director is authorized and directed to provide for the giving of notice of strikes or lockouts to applicants before they are referred to employment.]

SEC. 12. [The Director, with the approval of the Secretary of Labor,] *The Secretary of Labor* is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

* * * * * * *

TITLE II—LABOR MARKET INFORMATION

SEC. 21. PURPOSE.

The purpose of this title is to ensure a comprehensive and coordinated system of labor market information which will provide locally based, accurate, up-to-date, easily accessible, and user friendly labor market information through a cooperative Federal, State, and local governance structure which includes partnerships with the private sector at all levels.

SEC. 22. SYSTEM CONTENT.

The Secretary of Labor, in accordance with the provisions of this title, shall oversee the development, maintenance, and continuous improvement of a nationwide system of labor market information using data from all available and appropriate sources, which shall include—

(1) statistical data from survey and projection programs and data from administrative reporting systems, which, taken together, shall enumerate, estimate, and project the supply and demand for labor at national, State, and local levels in a timely manner, including data on—

(A) the demographic characteristics, as defined in title I of the Careers Act, socioeconomic characteristics, and current employment status of the population, including self-employed, part-time, and seasonal workers, and individuals with severe disabilities;

(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 population by demographic characteristics such as unemployment insurance wage data records;

(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 such 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 local employment and consumer information on—

(A) job openings, locations, hiring requirements, and application procedures, as well as profiles of employers in the local labor market describing the nature of work performed, employment requirements, wages, benefits, and hiring patterns;

(B) job seekers, including their education and training, skills, skill levels, employment experience, and employment goals; and

(C) education courses, training programs, job placement programs, and vocational rehabilitation programs (where appropriate), including—

(i) performance information, such as the ratio of program completion, acquisition of industry-recognized skill standards, job placement, earnings, and the level of satisfaction of the participants and their employers; and

(ii) descriptive information, such as eligibility requirements, costs, financial support, or other supportive services, and other appropriate information which may be available with these courses and programs;

(3) technical standards for data and information that will—

(A) ensure compatibility and additivity of data and information from local to State and national levels;

(B) support standardization and aggregation of data and information from the administrative reporting systems of employment-related programs; and

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of terms;

(iii) a common system for designating geographic areas;

(iv) quality control mechanisms for data collection and analysis; and

(v) common schedules for data collection and dissemination;

(4) analysis of data and information for uses including—

(A) national, State, and local economic policymaking;

(B) the implementation of Federal policies, including the allocation of Federal funds to States and localities and the facilitation of job search and hiring in local labor markets;

(C) national, State, and local program planning and evaluation; and

(D) research on labor market dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms which may be standardized among the States and technical standards in the design of automated data bases, and the design of user interfaces and communications protocols;

(6) programs of technical assistance for States and localities in the development, maintenance, and utilization of data, analysis, and dissemination mechanisms, including assistance in adopting and utilizing automated systems and improving the access, through electronic and other means, of youth, adults, and employers to labor market information for localities, States, and the Nation;

(7) programs of research and demonstration, which may be carried out by States and other public or private entities, on ways to improve the products and processes authorized in this title; and

(8) objective performance measures, which will allow for the continuous monitoring of the progress of the labor market information system at national, State, and local levels.

SEC. 23. FEDERAL RESPONSIBILITIES.

(a) IN GENERAL.—The Nation's labor market information system shall be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government and the States.

(b) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information, shall carry out the following duties:

(1) Ensure that all statistical and administrative data collection activities within the Department of Labor, including the Employment and Training Administration, Veterans' Employment and Training Service, Employment Standards Administration, and Occupational Health and Safety Administration, are consistent with those of the Bureau of Labor Statistics.

(2) Assign responsibilities, as appropriate, to agencies such as the Employment and Training Administration to work with the Bureau of Labor Statistics in the collection, analysis and, particularly, in the dissemination of labor market information, and in the provision of training and technical assistance to users of information, including the States, employers, youth, and adults.

(3) In cooperation with other Federal agencies, including but not limited to the Departments of Commerce, Defense, Treasury, Education, Health and Human Services, Agriculture, Veterans' Affairs, and the Office of Management and Budget, establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities, in order to ensure a comprehensive labor market information system.

(4) Actively seek the participation of other Federal agencies, particularly the National Center for Education Statistics and the Division of Adult and Vocational Education, and the Rehabilitation Services Administration of the Department of Education, the Veterans' Employment and Training Service of the Department of Labor and the Department of Veterans' Affairs with respect to vocational rehabilitation programs in the design and provision of standardized information to the States to support section 22(2), and in the dissemination of labor market information.

(5) Establish confidentiality standards for the labor market information system at national, State, and local levels, including such provisions as may be necessary, to be taken in coordination with the States, to ensure that privacy and confidentiality protections are guaranteed with respect to individuals and firm data.

(c) ADDITIONAL DUTIES.—The Secretary, in collaboration with the Bureau of Labor Statistics, with the assistance of other agencies of the Department where appropriate, shall—

(1) establish and maintain, with the cooperation of the States, elements of the system described in sections 22(1) and 22(3);

(2) develop and promulgate standards, definitions, formats, collection methodologies, and other necessary system elements for the use of the States in their assembling and presentation of the employment information specified in section 22(2);

(3) eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority;

(4) recommend any needed improvements in administrative reporting systems to support the development of labor market information from their data; and

(5) ensure that—

(A) data are sufficiently timely and locally detailed for uses including those specified in section 22(4);

(B) administrative records are standardized to facilitate the aggregation of data from local to State and national levels and to support the creation of new statistical series from program records; and

(C) paperwork and reporting requirements on employers and individuals are reduced.

SEC. 24. ANNUAL PLAN.

(a) IN GENERAL.—The Secretary of Labor, working through the Bureau of Labor Statistics, and in consultation with other appropriate Federal agencies, shall prepare an annual plan, which shall be the operational mechanism for achieving a cooperative Federal/State governance structure for labor market information. The annual plan shall provide the verbal justification for the Department of Labor's budget request to Congress by describing the activities of the Bureau, other agencies of the Department of Labor, and other Federal agencies with regard to data collection, analysis, and dissemination of labor market information for fiscal years succeeding the fiscal year in which the plan is developed and shall include—

(1) the results of a periodic review of users' needs, including the identification of new employment issues and the attendant emergence of new needs, on the part of Congress, the States, employers, youth, and adults, for data, analysis, and dissemination;

(2) an evaluation, including the results of objective measures, of the performance of the labor market information system in meeting these needs and the steps to be taken to overcome deficiencies;

(3) a summary of ongoing data programs and activities under section 22 and a description of the development of new data programs, analytical techniques, definitions and standards, dissemination mechanisms, training and technical assistance, governance mechanisms, and funding processes to meet new needs; and

(4) the results of an annual review of the costs to the States of meeting contract requirements for data production under this title, including a description of how the Secretary's requested budget will cover these costs.

(b) COOPERATION WITH THE STATES.—The Secretary shall involve the States with the Bureau of Labor Statistics in a cooperative manner in the development of the plan by—

(1) establishing procedures and mechanisms for holding formal and periodic consultations on products and administration of the system, at least once each quarter, with representatives of the States from each of the 10 Federal regions of the Department of Labor, elected by and from among the State directors

of labor market information, according to a process set forth by the Secretary; and

(2) incorporating in the annual plan, for its submission to Congress, the results of these consultations, including any supplementary or dissenting views from representatives of the States.

(c) REPRESENTATIVES OF STATES DEEMED TO BE FEDERAL EMPLOYEES.—For purposes of the development of the annual plan and to meet the provisions of Office of Management and Budget Circular A–11, the representatives of the States, elected in accordance with subsection (b)(1), shall be considered to be employees of the Department of Labor.

SEC. 25. GOVERNOR'S RESPONSIBILITIES.

(a) DESIGNATION OF STATE AGENCY.—The Governor of each State shall designate a single State agency to be the agency responsible for the management and oversight of a statewide comprehensive labor market information system and for the State's participation in the cooperative Federal/State governance structure for the nationwide labor market information system.

(b) DUTIES.—In order to receive Federal financial assistance under this Act, the State agency shall—

(1) develop, maintain, and continuously improve a comprehensive labor market information system, which shall—

(A) include all the elements specified in section 22; and

(B) be responsive to the needs of the State and its localities for planning and evaluative data, including employment and economic analyses and projections, as required by this Act, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Social Security Act, and other provisions of law under which Congress has required the use of labor market information;

(2) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination;

(3) conduct such other data collection, analysis, and dissemination activities as will ensure comprehensive State and local labor market information;

(4) actively seek the participation of other State and local agencies, with particular attention 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; and

(5) participate in the development of the national annual plan.

(c) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed as limiting the State agency's ability to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this Act.

REHABILITATION ACT OF 1973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act,

with the following table of contents, may be cited as the "Rehabilitation Act of 1973":

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AVAILABILITY OF FUNDS

SEC. 3A. Notwithstanding any other provision of law, funding to carry out titles II through VII for any fiscal year is available only to such extent as is provided, or in such amounts as are provided, in appropriations Acts.

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[TITLE I—VOCATIONAL REHABILITATION SERVICES

[PART A—GENERAL PROVISIONS

[DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS

[SEC. 100. (a)(1) Congress finds that—

[(A) work—

[(i) is a valued activity, both for individuals and society; and

[(ii) fulfills the need of an individual to be productive, promotes independence, enhances self-esteem, and allows for participation in the mainstream of life in America;

[(B) as a group, individuals with disabilities experience staggering levels of unemployment and poverty;

[(C) individuals with disabilities, including individuals with the most severe disabilities, have demonstrated their ability to achieve gainful employment in integrated settings if appropriate services and supports are provided;

[(D) reasons for the significant number of individuals with disabilities not working, or working at a level not commensurate with their abilities and capabilities, include—

[(i) discrimination;

[(ii) lack of accessible and available transportation;

[(iii) fear of losing health coverage under the medicare and medicaid programs under titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq. and 1396 et seq.) or fear of losing existing private health insurance; and

[(iv) lack of education, training, and supports to meet job qualification standards necessary to enter or retain or advance in employment;

[(E) enforcement of title V and of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) holds the promise of ending discrimination for individuals with disabilities; and

[(F) the provision of vocational rehabilitation services can enable individuals with disabilities, including individuals with the most severe disabilities, to pursue meaningful careers by securing gainful employment commensurate with their abilities and capabilities.

[(2) The purpose of this title is to assist States in operating a comprehensive, coordinated, effective, efficient, and accountable program of vocational rehabilitation that is designed to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities, consistent with their strengths, resources, priorities, concerns, abilities, and capabilities, so that such individuals may prepare for and engage in gainful employment.

[(3) It is the policy of the United States that such a program shall be carried out in a manner consistent with the following principles:

[(A) Individuals with disabilities, including individuals with the most severe disabilities, are generally presumed to be capable of engaging in gainful employment and the provision of individualized vocational rehabilitation services can improve their ability to become gainfully employed.

[(B) Individuals with disabilities must be provided the opportunities to obtain gainful employment in integrated settings.

[(C) Individuals with disabilities must be active participants in their own rehabilitation programs, including making mean-

ingful and informed choices about the selection of their vocational goals and objectives and the vocational rehabilitation services they receive.

[(D) Families and natural supports can play an important role in the success of a vocational rehabilitation program, if the individual with a disability requests, desires, or needs such supports.

[(E) Qualified vocational rehabilitation counselors, other qualified rehabilitation personnel, and other qualified personnel facilitate the accomplishment of the employment goals and objectives of an individual.

[(F) Individuals with disabilities and their advocates are full partners in the vocational rehabilitation program and must be involved on a regular basis and in a meaningful manner with respect to policy development and implementation.

[(G) Accountability measures must facilitate and not impede the accomplishment of the goals and objectives of the program, including providing vocational rehabilitation services to, among others, individuals with the most severe disabilities.

[(b)(1) For the purpose of making grants to States under part B (other than grants under section 112) to assist States in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there are authorized to be appropriated such sums as may be necessary for fiscal years 1993 through 1997, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this subsection for the immediately preceding fiscal year, plus the amount of the Consumer Price Index addition determined under subsection (c) for the immediately preceding fiscal year.

[(2) There are authorized to be appropriated to carry out part C such sums as may be necessary for fiscal years 1993 through 1997.

[(c)(1) No later than November 15 of each fiscal year (beginning with the fiscal year 1979), the Secretary of Labor shall publish in the Federal Register the percentage change in the Consumer Price Index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

[(2)(A) If in any fiscal year the percentage change published under paragraph (1) indicates an increase in the Consumer Price Index, then the amount to be appropriated under subsection (b) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under paragraph (1) increased by such percentage change.

[(B) If in any fiscal year the percentage change published under paragraph (1) does not indicate an increase in the Consumer Price Index, then the amount to be appropriated under subsection (b) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under paragraph (1).

[(3) For purposes of this section, the term "Consumer Price Index" means the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

[(d)(1)(A) Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year—

[(i) of the authorization of appropriations for the program authorized by the State grant program under part B of this title; or

[(ii) of the duration of the program authorized by the State grant program under part B of this title;

has passed legislation which would have the effect of extending the authorization or duration (as the case may be) of such program, such authorization is automatically extended for one additional year for the program authorized by this title.

[(B) The amount authorized to be appropriated for the additional fiscal year described in subparagraph (A) shall be an amount equal to the amount appropriated for such program for fiscal year 1997, plus the amount of the Consumer Price Index addition determined under subsection (c) for the immediately preceding fiscal year.

[(2)(A) For the purposes of subdivision (i) of paragraph (1), the Congress shall not have been deemed to have passed legislation unless such legislation becomes law.

[(B) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations which are necessary for the continuation of the program authorized by this title, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of paragraph (1) of this subsection which follows subdivision (ii) of paragraph (1) is in operation.

[STATE PLANS

[SEC. 101. (a) In order to be eligible to participate in programs under this title, a State shall submit to the Commissioner a State plan for vocational rehabilitation services for a 3-year period, or shall submit the plan on such date, and at such regular intervals, as the Secretary may determine to be appropriate to coincide with the intervals at which the State submits State plans under other Federal laws, such as part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.). In order to be eligible to participate in programs under this title, a State, upon the request of the Commissioner, shall make such annual revisions in the plan as may be necessary. Each such plan shall—

[(1)(A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where, under the State's law, the State agency for individuals who are blind or other agency which provides assistance or services to adults who are blind is authorized to provide vocational rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for individuals who are blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency with respect to the rest of the State plan, (ii) the Commissioner, upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to individuals with disabilities,

and may waive compliance with respect to vocational rehabilitation services furnished under such programs with the requirement of paragraph (4) of this subsection that the plan be in effect in all political subdivisions of that State, and (iii) in the case of American Samoa, the appropriate State agency shall be the Governor of American Samoa;

[(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subparagraph (A) of this paragraph) to supervise or administer the part of the State plan that does not relate to services for individuals who are blind, shall be (i) a State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities, (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

[(2) provide, except in the case of agencies described in paragraph (1)(B)(i)—

[(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit which (i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities, and is responsible for the vocational rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full time on such work; and

[(B)(i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in paragraph (1)(B)(ii), either that such unit shall be so located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to paragraph (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational rehabilitation services are provided for the blind to one organizational unit of such agency, and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this paragraph applying separately to each of such units;

[(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

[(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of individuals with disabilities or groups of individuals with disabilities the Com-

missioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by the Commissioner, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including, to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

[(5)(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including the results of a comprehensive, Statewide assessment of the rehabilitation needs of individuals with severe disabilities residing within the State and the State's response to the assessment, 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 of this Act, and a description of the method to be used to utilize community rehabilitation programs to the maximum extent feasible, 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 eligible individuals with disabilities who apply for such services, (i) show and provide the justification for the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, and (ii) show the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those 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;

[(B) provide satisfactory assurances to the Commissioner that the State has studied and considered a broad variety of means for providing services to individuals with the most severe disabilities, including the use of funds under part C of title VI to supplement funds under part B of this title to pay for the cost of services leading to supported employment; and

[(C) 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, and other related services personnel;

[(6)(A) provide for such methods of administration, other than methods relating to the establishment and maintenance of personnel standards, as are found by the Commissioner to be necessary for the proper and efficient administration of the plan (including a requirement that the State agency and facilities in receipt of assistance under this title shall take affirmative action to employ and

advance in employment qualified individuals with disabilities covered under, and on the same terms and conditions as set forth in, section 503); and

[(B) provide satisfactory assurances that facilities used in connection with the delivery of services assisted under the plan will comply with the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968, with section 504 of this Act, and with the Americans with Disabilities Act of 1990;

[(7)(A) include a description (consistent with the purposes of this Act) of a comprehensive system of personnel development, which shall include—

[(i) a description of the procedures and activities the State agency will undertake to ensure an adequate supply of qualified State rehabilitation professionals and paraprofessionals for the designated State unit, including the development and maintenance of a system for determining, on an annual basis—

[(I) the number and type of personnel that are employed by the State agency in the provision of vocational rehabilitation services, including ratios of counselors to clients; and

[(II) the number and type of personnel needed by the State, and a projection of the numbers of such personnel that will be needed in 5 years, based on projections of the number of individuals to be served, the number of such personnel who are expected to retire or leave the field, and other relevant factors;

[(ii) where appropriate, a description of the manner in which activities will be undertaken through this section to coordinate the system of personnel development with personnel development under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

[(iii) a description of the development and maintenance of a system of determining, on an annual basis, information on the institutions of higher education within the State that are preparing rehabilitation professionals, including—

[(I) the numbers of students enrolled in such programs; and

[(II) the number who graduated with certification or licensure, or with credentials to qualify for certification or licensure, during the past year;

[(iv) a description of the development, updating, and implementation of a plan that—

[(I) will address the current and projected vocational rehabilitation services personnel training needs for the designated State unit; and

[(II) provides for the coordination and facilitation of efforts between the designated State unit and institutions of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) and professional associations to recruit, prepare and retain qualified personnel, including personnel from minority backgrounds, and personnel who are individuals with disabilities; and

[(v) a description of the procedures and activities the State agency will undertake to ensure that all personnel employed by

the designated State unit are appropriately and adequately trained and prepared, including—

[(I) a system for the continuing education of rehabilitation professionals and paraprofessionals within the designated State unit, particularly with respect to rehabilitation technology; and

[(II) procedures for acquiring and disseminating to rehabilitation professionals and paraprofessionals within the designated State unit significant knowledge from research and other sources, including procedures for providing training regarding the amendments to the Rehabilitation Act of 1973 made by the Rehabilitation Act Amendments of 1992;

[(B) set forth policies and procedures relating to the establishment and maintenance of standards to ensure that personnel, including professionals and paraprofessionals, needed within the State agency to carry out this part are appropriately and adequately prepared and trained, including—

[(i) the establishment and maintenance of standards that are consistent with any national or State approved or recognized certification, licensing, registration, or other comparable requirements that apply to the area in which such personnel are providing vocational rehabilitation services; and

[(ii) to the extent such standards are not based on the highest requirements in the State applicable to a specific profession or discipline, the steps the State is taking to require the retraining or hiring of personnel within the designated State unit that meet appropriate professional requirements in the State; and

[(C) contain provisions relating to the establishment and maintenance of minimum standards to ensure the availability of personnel within the designated State unit, to the maximum extent feasible, trained to communicate in the native language or mode of communication of the client;

[(8) provide, at a minimum, for the provision of the vocational rehabilitation services specified in paragraphs (1) through (3) and paragraph (12) of section 103(a), and for the provision of such other services as are specified under such section after a determination that comparable services and benefits are not available under any other program, except that such a determination shall not be required—

[(A) if the determination would delay the provision of such services to any individual at extreme medical risk; or

[(B) prior to the provision of such services if an immediate job placement would be lost due to a delay in the provision of such comparable benefits;

[(9) provide that—

[(A) to the maximum extent appropriate, and consistent with the requirements of this Act, existing information available from other programs and providers (particularly information used by education officials and the Social Security Administration) and information that can be provided by the individual with a disability or the family of the individual shall be used for purposes of determining eligibility for vocational rehabilita-

tion services and for choosing rehabilitation goals, objectives, and services;

[(B) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each individual with a disability eligible for vocational rehabilitation services under this Act;

[(C) such services will be provided under the plan in accordance with such program; and

[(D) records of the characteristics of each applicant will be kept, specifying, as to those individuals who apply for services under this title and are determined not to be eligible therefor, the reasons for such determinations in such detail as required by the Commissioner in order for the Commissioner to analyze and evaluate annually the reasons for and numbers of such ineligibility determinations as part of the Commissioner's responsibilities under section 13, and that the State agency will at least annually categorize and analyze such reasons and numbers and report this information to the Commissioner and will, not later than 12 months after each such determination, review each such ineligibility determination in accordance with the criteria set forth in section 102;

[(10)(A) provide that the State agency will make such reports in such form, containing such information (including the data described in subparagraph (D) of paragraph (9) of this subsection, periodic estimates of the population of individuals with disabilities eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with paragraph (5) of this subsection, and the service costs for each such category), and at such time 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

[(B) provide that reports under subparagraph (A) will include information 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 programs, and other functions carried out under this Act; and

[(iii) the utilization by such individuals of other programs pursuant to paragraph (11);

[(11)(A) provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, other programs for individuals with disabilities, veterans programs, community mental health programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health and Human Services, the Department of Veterans Affairs, and other Federal, State, and local public agencies providing services related to the rehabilitation of individuals with disabilities (specifically including arrangements for the coordination of services to individuals eligible for services under this Act, the Individuals

with Disabilities Education Act (20 U.S.C. 1400 et seq.), the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), and 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.);

[(B) provide that cooperation under subparagraph (A) shall include, to the extent practicable, means for providing training to staff of the agencies described in subparagraph (A) as to the availability and benefits of, and eligibility standards for, vocational rehabilitation services, in order to enhance the opportunity of individuals receiving the services described in subparagraph (A) to obtain vocational rehabilitation services; and

[(C) in providing for interagency cooperation under subparagraph (A), provide for such cooperation by means including, if appropriate—

[(i) establishing interagency working groups; and

[(ii) entering into formal interagency cooperative agreements that—

[(I) identify policies, practices, and procedures that can be coordinated among the agencies (particularly definitions, standards for eligibility, the joint sharing and use of evaluations and assessments, and procedures for making referrals);

[(II) identify available resources and define the financial responsibility of each agency for paying for necessary services (consistent with State law) and procedures for resolving disputes between agencies; and

[(III) include all additional components necessary to ensure meaningful cooperation and coordination;

[(12)(A) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation services, maximum utilization shall be made of public or other vocational or technical training programs or other appropriate resources in the community; and

[(B) provide (as appropriate) for entering into agreements with the operators of community rehabilitation programs for the provision of services for the rehabilitation of individuals with disabilities;

[(13)(A) provide that vocational rehabilitation services provided under the State plan shall be available to any civil employee of the United States who is disabled while in the performance of the employee's duty on the same terms and conditions as apply to other persons, and

[(B) provide that special considerations will be given to the rehabilitation under this Act of an individual with a disability whose disability was sustained in the line of duty while such individual was performing as a public safety officer if the proximate cause of such disability was a criminal act, apparent criminal act, or hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;

[(14) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

[(15) provide for continuing statewide studies of the needs of individuals with disabilities and how these needs may be most effectively met, including—

[(A) a full needs assessment for serving individuals with severe disabilities;

[(B) an assessment of the capacity and effectiveness of community rehabilitation programs, plans for improving such programs, and policies for the use thereof by the State agency;

[(C) review of the efficacy of the criteria employed with respect to ineligibility determinations described in paragraph (9)(C) of this subsection with a view toward the relative need for services to significant segments of the population of individuals with disabilities and the need for expansion of services to those individuals with the most severe disabilities; and

[(D) outreach procedures to identify and serve individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved by the vocational rehabilitation system;

[(16) provide for—

[(A)(i) at least annual review and reevaluation of the status of each individual with a disability placed in an extended employment setting in a community rehabilitation program (including a workshop) or other employment under section 14(c) of the Fair Labor Standards Act (29 U.S.C. 214(c)), to determine the interests, priorities, and needs of the individual for employment, or training for competitive employment, in an integrated setting in the labor market; and

[(ii) input into the review and reevaluation by the individual with a disability, or, in an appropriate case, a parent, a family member, a guardian, an advocate, or an authorized representative, of the individual, if the individual requests, desires, or needs assistance;

[(B) maximum efforts, including the identification of vocational rehabilitation services, reasonable accommodations, and other support services, to enable such an individual to benefit from training or to be placed in employment in an integrated setting; and

[(C) services designed to promote movement from extended employment to integrated employment, including supported employment, independent living, and community participation;

[(17) provide that if, under special circumstances, the State plan includes provisions for the construction of facilities for community rehabilitation programs—

[(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

[(B) the provision of section 306 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

[(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will re-

duce its efforts in providing other vocational rehabilitation services (other than for the establishment of facilities for community rehabilitation programs) because its plan includes such provisions for construction;

[(18) provide satisfactory assurances to the Commissioner that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational rehabilitation services (or, in appropriate cases, their parents or guardians), personnel working in the field of vocational rehabilitation, providers of vocational rehabilitation services, and the Director of the client assistance program under section 112;

[(19) provide satisfactory assurances to the Commissioner that the continuing studies required under paragraph (15) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan, and for developing and updating the strategic plan required under part C;

[(20) provide satisfactory assurances to the Commissioner that, as appropriate, the State shall actively consult with Indian tribes and tribal organizations and native Hawaiian organizations in the development of the State plan, and that, except as otherwise provided in section 130, the State shall provide vocational rehabilitation services to American Indians who are individuals with disabilities residing in the State to the same extent as the State provides such services to other significant segments of the population of individuals with disabilities residing in the State;

[(21) provide that the State agency has the authority to enter into contracts with profitmaking organizations for the purpose of providing on-the-job training and related programs for individuals with disabilities under part B of title VI upon a determination by such agency that such profitmaking organizations are better qualified to provide such rehabilitation services than nonprofit agencies and organizations;

[(22) provide for the establishment and maintenance of information and referral programs (the staff of which shall include, to the maximum extent feasible, interpreters for individuals who are deaf) in sufficient numbers to assure that individuals with disabilities within the State are afforded accurate vocational rehabilitation information and appropriate referrals to other Federal and State programs and activities which would benefit them;

[(23)(A) provide satisfactory assurances that in the formulation of policies governing the provision of the rehabilitation services consistent with the State plan, and any revisions, that the State agency conducts public meetings throughout the State, after appropriate and sufficient notice, to allow interested groups and organizations and all segments of the public an opportunity to comment on the State plan before development of the plan by the State, (B) include a summary of such comments and the State agency's re-

sponse to such comments, and (C) provide satisfactory assurances that the State agency will consult with the Director of the client assistance program under section 112 in the formulation of policies governing the provision of vocational rehabilitation services consistent with the State plan and other revisions;

[(24) contain plans, policies, and procedures to be followed (including entering into a formal interagency cooperative agreement, in accordance with paragraph (11)(C)(ii), with education officials responsible for the provision of a free appropriate public education to students who are individuals with disabilities) that are designed to—

[(A) facilitate the development and accomplishment of—

[(i) long-term rehabilitation goals;

[(ii) intermediate rehabilitation objectives; and

[(iii) goals and objectives related to enabling a student to live independently before the student leaves a school setting,

to the extent the goals and objectives described in clauses (i) through (iii) are included in an individualized education program of the student, including the specification of plans for coordination with the educational agencies in the provision of transition services;

[(B) facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under the responsibility of the designated State unit, including the specification of plans for coordination with educational agencies in the provision of transition services authorized under section 103(a)(14) to an individual, consistent with the individualized written rehabilitation program of the individual; and

[(C) provide that such plans, policies, and procedures will address—

[(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

[(ii) procedures for outreach to and identification of youth in need of such services; and

[(iii) a timeframe for evaluation and followup of youth who have received such services;

[(25) provide assurances satisfactory to the Secretary that the State has an acceptable plan for carrying out part C of title VI, including the use of funds under that part to supplement funds under part B of this title for the cost of services leading to supported employment;

[(26) describe the manner in which on-the-job or other related personal assistance services will be provided to assist individuals with disabilities while the individuals are receiving vocational rehabilitation services;

[(27) describe the manner in which cooperative agreements with private nonprofit vocational rehabilitation service providers will be established;

[(28) identify the needs and utilization of community rehabilitation programs under the Act commonly known as the Wagner-O'Day Act (41 U.S.C. 46 et seq.);

[(29) describe the manner in which individuals with disabilities will be given choice and increased control in determining their vocational rehabilitation goals and objectives;

[(30) describe the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;

[(31) describe the manner in which assistive technology devices and services will be provided, or worksite assessments will be made as part of the assessment for determining eligibility and vocational rehabilitation needs of an individual;

[(32) describe the manner in which the State will modify the policies and procedures of the State based on consumer satisfaction surveys conducted by the State Rehabilitation Advisory Council or independent commission described in paragraph (36);

[(33) provide for coordination and working relationships with the Statewide Independent Living Council established under section 705 and independent living centers within the State;

[(34) provide satisfactory assurances to the Commissioner that the State—

[(A) has developed and implemented a strategic plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis in accordance with part C of this title; and

[(B) will use at least 1.5 percent of the allotment of the State under section 110 for the uses described in section 123;

[(35)(A) describe how 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; and

[(B) provide satisfactory assurances that the system in no way impedes such accomplishment; and

[(36) provide satisfactory assurances to the Commissioner that—

[(A)(i) the State has established a State Rehabilitation Advisory Council that meets the criteria set forth in section 105;

[(ii) the designated State agency and the designated State unit seek and seriously consider on a regular and ongoing basis advice from the Council regarding the development and implementation of the State plan and the strategic plan and amendments to the plans, and other policies and procedures of general applicability pertaining to the provision of vocational rehabilitation services in the State;

[(iii) the designated State agency includes, in its State plan or an amendment to the plan, a summary of advice provided by the Council, including recommendations from the annual report of the Council, the survey of consumer satisfaction, and other reports prepared by the Council, and the response of the designated State agency to such advice and recommendations (including explanations with respect to advice and recommendations that were rejected); and

[(iv) the designated State unit transmits to the Council—

[(I) all plans, reports, and other information required under the Act to be submitted to the Commissioner;

[(II) all policies, practices, and procedures of general applicability provided to or used by rehabilitation personnel; and

[(III) copies of due process hearing decisions, which shall be transmitted in such a manner as to preserve the confidentiality of the participants in the hearings;

[(B) an independent commission—

[(i) is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State;

[(ii) is consumer-controlled by persons who—

[(I) are individuals with physical or mental impairments that substantially limit major life activities; and

[(II) represent individuals with a broad range of disabilities;

[(iii) includes individuals representing family members, advocates, and authorized representatives of individuals with mental impairments; and

[(iv) undertakes the function set forth in section 105(c)(3); or

[(C) in the case of a State that, under section 101(a)(1)(A)(i), designates a State agency to administer the part of the State plan under which vocational rehabilitation services are provided for individuals who are blind and designates a separate State agency to administer the remainder of the State plan—

[(i) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation programs of both such agencies and meets the requirements of clauses (ii) and (iv) of subparagraph (B);

[(ii)(I) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State for individuals who are blind, is consumer-controlled by and represents individuals who are blind, and undertakes the function set forth in section 105(c)(3); and

[(II) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State for all individuals with disabilities except for individuals who are blind and meets the requirements of clauses (ii) and (iv) of subparagraph (B); or

[(iii)(I) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State for individuals who are blind, is consumer-controlled by and represents individuals who are blind, and undertakes the function set forth in section 105(c)(3); and

[(II) the State has established a State Rehabilitation Advisory Council that meets the criteria set forth in section 105 and carries out the duties of such a Council with respect to functions for, and services pro-

vided to, individuals with disabilities except for individuals who are blind.

[(b) The Commissioner shall approve any plan which the Commissioner finds fulfills the conditions specified in subsection (a) of this section, and shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of the intention to disapprove its plan, and shall afford such State reasonable notice and opportunity for hearing.

[INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

[SEC. 102. (a)(1) An individual is eligible for assistance under this title if the individual—

[(A) is an individual with a disability under section 7(8)(A); and

[(B) requires vocational rehabilitation services to prepare for, enter, engage in, or retain gainful employment.

[(2) An individual who has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act (42 U.S.C. 401 et seq. and 1381 et seq.) shall be considered to have—

[(A) a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment under section 7(8)(A)(i); and

[(B) a severe physical or mental impairment which seriously limits one or more functional capacities in terms of an employment outcome under section 7(15)(A)(i).

[(3) Determinations made by officials of other agencies, particularly the education officials described in section 101(a)(24), regarding whether an individual satisfies one or more factors relating to whether an individual is an individual with a disability under section 7(8)(A) or an individual with a severe disability under section 7(15)(A), shall be used (to the extent appropriate and available and consistent with the requirements under this Act) for making such determinations under this Act.

[(4)(A) It shall be presumed that an individual can benefit in terms of an employment outcome from vocational rehabilitation services under section 7(8)(A)(ii), unless the designated State unit can demonstrate by clear and convincing evidence that such individual is incapable of benefiting from vocational rehabilitation services in terms of an employment outcome.

[(B) In making the demonstration required under subparagraph (A) with respect to cases in which the issue concerns the severity of the disability of an individual, the designated State unit shall first conduct an extended evaluation by providing the services described in subparagraph (C)(iii)(I), and conducting the assessment described in subparagraph (C)(iii)(II), of section 7(22).

[(5)(A) The designated State unit shall determine whether an individual is eligible for vocational rehabilitation services under this title within a reasonable period of time, not to exceed 60 days after the individual has submitted an application to receive the services unless—

[(i) the designated State unit notifies the individual that exceptional and unforeseen circumstances beyond the control of the agency preclude the agency from completing the deter-

mination within the prescribed time and the individual agrees that an extension of time is warranted; or

[(ii) such an extended evaluation is required.

[(B) The determination of eligibility shall be based on the review of existing data described in section 7(22)(A)(i), and, to the extent necessary, the preliminary assessment described in section 7(22)(A)(ii).

[(6) The designated State unit shall ensure that a determination of ineligibility made with respect to an individual prior to the initiation of an individualized written rehabilitation program, based on the review, and to the extent necessary, the preliminary assessment, shall include specification of—

[(A) the reasons for such a determination;

[(B) the rights and remedies available to the individual, including, if appropriate, recourse to the processes set forth in subsections (b)(2) and (d); and

[(C) the availability of services provided by the client assistance program under section 112 to the individual.

[(b)(1)(A) As soon as a determination has been made that an individual is eligible for vocational rehabilitation services, the designated State unit shall complete an assessment for determining eligibility and vocational rehabilitation needs described in subparagraphs (B) and (C) of section 7(22) (if such assessment is necessary) and ensure that—

[(i) an individualized written rehabilitation program is jointly developed, agreed upon, and signed by—

[(I) such eligible individual (or, in an appropriate case, a parent, a family member, a guardian, an advocate, or an authorized representative, of such individual); and

[(II) the vocational rehabilitation counselor or coordinator; and

[(ii) such program meets the requirements set forth in subparagraph (B).

[(B) Each individualized written rehabilitation program shall—

[(i) be designed to achieve the employment objective of the individual, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities, of the individual;

[(ii) include a statement of the long-term rehabilitation goals based on the assessment for determining eligibility and vocational rehabilitation needs described in section 7(22)(B), including an assessment of career interests, for the individual, which goals shall, to the maximum extent appropriate, include placement in integrated settings;

[(iii) include a statement of the intermediate rehabilitation objectives related to the attainment of such goals, determined through such assessment carried out in the most individualized and integrated setting (consistent with the informed choice of the individual);

[(iv)(I) include a statement of the specific vocational rehabilitation services to be provided, and the projected dates for the initiation and the anticipated duration of each such service;

[(II) if appropriate, include a statement of the specific rehabilitation technology services to be provided to assist in the im-

plementation of intermediate rehabilitation objectives and long-term rehabilitation goals for the individual; and

[(III) if appropriate, include a statement of the specific on-the-job and related personal assistance services to be provided to the individual, and, if appropriate and desired by the individual, the training in managing, supervising, and directing personal assistance services to be provided to the individual;

[(v) include an assessment of the expected need for postemployment services and, if appropriate, extended services;

[(vi) provide for—

[(I) a reassessment of the need for postemployment services and, if appropriate, extended services prior to the point of successful rehabilitation, in accordance with this subsection; and

[(II) if appropriate, the development of a statement detailing how such services shall be provided or arranged through cooperative agreements with other service providers;

[(vii) include objective criteria and an evaluation procedure and schedule for determining whether such goals and objectives are being achieved;

[(viii) include the terms and conditions under which goods and services described above will be provided to the individual in the most integrated settings;

[(ix) identify the entity or entities that will provide the vocational rehabilitation services and the process used to provide or procure such services;

[(x) include a statement by the individual, in the words of the individual (or, if appropriate, in the words of a parent, a family member, a guardian, an advocate, or an authorized representative, of the individual), describing how the individual was informed about and involved in choosing among alternative goals, objectives, services, entities providing such services, and methods used to provide or procure such services;

[(xi) include, if necessary, an amendment specifying—

[(I) the reasons that an individual for whom a program has been prepared is no longer eligible for vocational rehabilitation services; and

[(II) the rights and remedies available to such an individual including, if appropriate, recourse to the processes set forth in subsections (b)(2) and (d);

[(xii) set forth the rights and remedies available to such an individual including, if appropriate, recourse to the processes set forth in subsections (b)(2) and (d);

[(xiii) provide a description of the availability of a client assistance program established pursuant to section 112;

[(xiv) to the maximum extent possible, be provided in the native language, or mode of communication, of the individual, or, in an appropriate case, of a parent, a family member, a guardian, an advocate, or an authorized representative, of such individual; and

[(xv) include information identifying other related services and benefits provided pursuant to any Federal, State, or local

program that will enhance the capacity of the individual to achieve the vocational objectives of the individual.

[(C) The designated State unit shall furnish a copy of the individualized written rehabilitation program and amendments to the program to the individual with a disability or, in an appropriate case, a parent, a family member, a guardian, an advocate, or an authorized representative, of the individual.

[(2) Each individualized written rehabilitation program shall be reviewed annually, at which time such individual (or, in appropriate cases, the parents or guardian of the individual) will be afforded an opportunity to review such program and jointly redevelop and agree to its terms. Any revisions or amendments to the program resulting from such review shall be incorporated into or affixed to such program. Such revisions or amendments shall not take effect until agreed to and signed by the individual with a disability, or, if appropriate, by a parent, a family member, a guardian, an advocate, or an authorized representative, of such individual. Each individualized written rehabilitation program shall be revised as needed.

[(c) The Director of the designated State unit shall also ensure that (1) in making any determination of ineligibility referred to in subsection (a) of this section, or in developing and carrying out the individualized written rehabilitation program required by section 101 in the case of each individual with a disability, emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal and thus is not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, such individual's parents or guardians), and only upon the certification, as an amendment to such written program, or as a part of the specification of reasons for an ineligibility determination, as appropriate, that the preliminary diagnosis or assessment for determining eligibility and vocational rehabilitation needs described in subparagraphs (B) and (C) of section 7(22), as appropriate, has demonstrated that such individual is not then capable of achieving such a goal, and (3) any such decision, as an amendment to such written program, shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

[(d)(1) Except as provided in paragraph (4), the Director of any designated State unit shall establish procedures for the review of determinations made by the rehabilitation counselor or coordinator under this section, upon the request of an individual with a disability (or, in appropriate cases, such individual's parents or guardian).

[(2)(A) Such review procedures shall provide an opportunity to such individuals for the submission of additional evidence and information to an impartial hearing officer who shall make a decision based on the provisions of the State plan approved under section 101(a).

[(B) The impartial hearing officer shall be selected to hear a particular case—

[(i) on a random basis; or

[(ii) by agreement between—

[(I) the Director of the designated State unit and the individual with a disability; or

[(II) in an appropriate case, the Director and a parent, a family member, a guardian, an advocate, or an authorized representative, of such individual.

[(C) The impartial hearing officer shall be selected from among a pool of qualified persons identified jointly by—

[(i) the designated State unit; and

[(ii)(I) the members of the State Rehabilitation Advisory Council established under section 105 who were appointed under one of clauses (v) through (viii) of section 105(b)(1)(A), or under one of clauses (v) through (ix) of section 105(b)(1)(B), as appropriate;

[(II) the commission described in subparagraph (B) or (C)(i) of section 101(a)(36); or

[(III) the commissions described in section 101(a)(36)(C)(ii).

[(3)(A) Within 20 days of the mailing of the decision to the individual with a disability (or, in appropriate cases, such individual's parents or guardian), the Director shall notify such individuals of the intent to review such decision in whole or in part.

[(B) If the Director decides to review the decision, such individuals shall be provided an opportunity for the submission of additional evidence and information relevant to a final decision.

[(C)(i) The Director may not overturn or modify a decision of an impartial hearing officer, or part of such a decision, that supports the position of the individual unless the Director concludes, based on clear and convincing evidence, that the decision of the independent hearing officer is clearly erroneous on the basis of being contrary to Federal or State law, including policy.

[(ii) A final decision shall be made in writing by the Director and shall include a full report of the findings and the grounds for such decision.

[(iii) Upon making a final decision, the Director shall provide a copy of such decision to such individual.

[(D) Except as provided in paragraph (4), the Director may not delegate responsibility to make any such final decision to any other officer or employee of the designated State unit.

[(4)(A) A fair hearing board, established by a State before January 1, 1985, and authorized under State law to review determinations under this Act, is authorized to carry out the responsibilities of the Director under this subsection.

[(B) The provisions of paragraphs (1) through (3) of this subsection shall not apply to any State to which subparagraph (A) of this paragraph applies.

[(5) Unless the individual with a disability so requests, or, in an appropriate case, a parent, a family member, a guardian, an advocate, or an authorized representative, of such individual so requests, pending a final determination of such hearing or other final resolution under this subsection, the designated State unit shall not institute a suspension, reduction, or termination of services being provided under the individualized written rehabilitation program, unless such services have been obtained through misrepresentation, fraud, collusion, or criminal conduct on the part of the individual with a disability.

[(6)(A) The Director shall collect data described in subparagraph (B) and prepare and submit to the Commissioner a report containing such data. For the report submitted on or before February 1, 1988, the Commissioner shall prepare a summary of the information furnished under this paragraph and include the summary in the annual report submitted under section 13.

[(B) The data required to be collected under this paragraph shall include—

[(i) a description of State procedures for review;

[(ii) the number of appeals to the independent hearing officer and the State Director, including the type of complaint and the issues involved;

[(iii) the number of decisions by the State Director reversing in whole or in part the decision of the impartial hearing officer; and

[(iv) the number of decisions affirming the position of the individual with a disability assisted through the client assistance program.

[SCOPE OF VOCATIONAL REHABILITATION SERVICES

[SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render an individual with a disability employable, including, but not limited to, the following:

[(1) an assessment for determining eligibility and vocational rehabilitation needs by qualified personnel, including, if appropriate, an assessment by personnel skilled in rehabilitation technology;

[(2) counseling, guidance, and work-related placement services for individuals with disabilities, including job search assistance, placement assistance, job retention services, personal assistance services, and followup, follow-along, and specific postemployment services necessary to assist such individuals to maintain, regain, or advance in employment;

[(3) vocational and other training services for individuals with disabilities, which shall include personal and vocational adjustment, books, or other training materials, and such services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals, except that no training services in institutions of higher education shall be paid for with funds under this title unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

[(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial impediment to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or reduce such impediment to employment within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by qualified personnel, under State licensure

laws, that are selected by the individual, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals with end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by qualified personnel under State licensure laws;

[(5) maintenance for additional costs incurred while participating in rehabilitation;

[(6) interpreter services for individuals who are deaf, and reader services for those individuals determined to be blind after an examination by qualified personnel under State licensure laws;

[(7) recruitment and training services for individuals with disabilities to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

[(8) rehabilitation teaching services and orientation and mobility services for individuals who are blind;

[(9) occupational licenses, tools, equipment, and initial stocks and supplies;

[(10) transportation in connection with the rendering of any vocational rehabilitation service;

[(11) telecommunications, sensory, and other technological aids and devices;

[(12) rehabilitation technology services;

[(13) referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed under section 101(a)(11), if such services are not available under this Act;

[(14) transition services that promote or facilitate the accomplishment of long-term rehabilitation goals and intermediate rehabilitation objectives;

[(15) on-the-job or other related personal assistance services provided while an individual with a disability is receiving services described in this section; and

[(16) supported employment services.

[(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

[(1) In the case of any type of small business operated by individuals with the most severe disabilities the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, along or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies.

[(2) The establishment, development, or improvement of community rehabilitation programs, including, under special circumstances, the construction of a facility, and the provision of other services (including services offered at community rehabilitation programs) which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized rehabilitation written program of any one individual with a disability. Such programs

shall be used to provide services that promote integration and competitive employment.

[(3) The use of existing telecommunications systems (including telephone, television, satellite, radio, and other similar systems) which have the potential for substantially improving service delivery methods, and the development of appropriate programing to meet the particular needs of individuals with disabilities.

[(4) The use of services providing recorded material for individuals who are blind and captioned films or video cassettes for individuals who are deaf.

[(5) Technical assistance and support services to businesses that are not subject to title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.) and that are seeking to employ individuals with disabilities.

[NON-FEDERAL SHARE FOR CONSTRUCTION

[SEC. 104. For the purpose of determining the amount of payments to States for carrying out part B of this title (or to an Indian tribe under part D of this title), the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of establishment of a community rehabilitation program or construction, under special circumstances, of a facility for such a program, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to establishment of such a program or construction of such a facility.

[SEC. 105. STATE REHABILITATION ADVISORY COUNCIL.

[(a) ESTABLISHMENT.—

[(1) IN GENERAL.—Except as provided in subparagraph (B) or (C) of section 101(a)(36), to be eligible to receive financial assistance under this title a State shall establish a State Rehabilitation Advisory Council (referred to in this section as the "Council") in accordance with this section.

[(2) SEPARATE AGENCY FOR INDIVIDUALS WHO ARE BLIND.—A State that designates a State agency to administer the part of the State plan under which vocational rehabilitation services are provided for individuals who are blind under section 101(a)(1)(A)(i) may establish a separate Council in accordance with this section to perform the duties of such a Council with respect to such State agency.

[(b) COMPOSITION AND APPOINTMENT.—

[(1) COMPOSITION.—

[(A) IN GENERAL.—Except in the case of a separate Council established under subsection (a)(2), the Council shall be composed of—

[(i) at least one representative of the Statewide Independent Living Council established under section 705, which representative may be the chairperson or other designee of the Council;

[(ii) at least one representative of a parent training and information center established pursuant to section 631(e)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1431(e)(1));

[(iii) at least one representative of the client assistance program established under section 112;

[(iv) at least one vocational rehabilitation counselor, with knowledge of and experience with vocational rehabilitation programs, who shall serve as an ex officio, nonvoting member of the Council if the counselor is an employee of the designated State agency;

[(v) at least one representative of community rehabilitation program service providers;

[(vi) four representatives of business, industry, and labor;

[(vii) representatives of disability advocacy groups representing a cross section of—

[(I) individuals with physical, cognitive, sensory, and mental disabilities; and

[(II) parents, family members, guardians, advocates, or authorized representatives, of individuals with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves; and

[(viii) current or former applicants for, or recipients of, vocational rehabilitation services.

[(B) SEPARATE COUNCIL.—In the case of a separate Council established under subsection (a)(2), the Council shall be composed of—

[(i) at least one representative described in subparagraph (A)(i);

[(ii) at least one representative described in subparagraph (A)(ii);

[(iii) at least one representative described in subparagraph (A)(iii);

[(iv) at least one vocational rehabilitation counselor described in subparagraph (A)(iv), who shall serve as described in such subparagraph;

[(v) at least one representative described in subparagraph (A)(v);

[(vi) four representatives described in subparagraph (A)(vi);

[(vii) at least one representative of a disability advocacy group representing individuals who are blind;

[(viii) at least one parent, family member, guardian, advocate, or authorized representative, of an individual who—

[(I) is an individual who is blind and has multiple disabilities; and

[(II) has difficulty in representing himself or herself or is unable due to disabilities to represent himself or herself; and

[(ix) applicants or recipients described in subparagraph (A)(viii).

[(C) EXCEPTION.—In the case of a separate Council established under subsection (a)(2), any Council that is required by State law, as in effect on the date of enactment of the Rehabilitation Act Amendments of 1992, to have fewer than 13 members shall be deemed to be in compliance with subparagraph (B) if the Council—

[(i) meets the requirements of subparagraph (B), other than the requirements of clauses (vi) and (ix) of such subparagraph; and

[(ii) includes at least—

[(I) one representative described in subparagraph (B)(vi); and

[(II) one applicant or recipient described in subparagraph (B)(ix).

[(2) EX OFFICIO MEMBER.—The Director of the designated State unit shall be an ex officio member of the Council.

[(3) APPOINTMENT.—Members of the Council shall be appointed by the Governor. In the case of a State that, under State law, vests appointment authority in an entity in lieu of, or in conjunction with, the Governor, such as one or more houses of the State legislature, or an independent board that has general appointment authority, that entity shall make the appointments. The appointing authority shall select members after soliciting recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in individuals with disabilities.

[(4) QUALIFICATIONS.—A majority of Council members shall be persons who are—

[(A) individuals with disabilities described in section 7(8)(B); and

[(B) not employed by the designated State unit.

[(5) CHAIRPERSON.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the Council shall select a chairperson from among the membership of the Council.

[(B) DESIGNATION BY GOVERNOR.—In States in which the Governor does not have veto power pursuant to State law, the Governor shall designate a member of the Council to serve as the chairperson of the Council or shall require the Council to so designate such a member.

[(6) TERMS OF APPOINTMENT.—

[(A) LENGTH OF TERM.—Each member of the Council shall serve for a term of not more than 3 years, except that—

[(i) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

[(ii) the terms of service of the members initially appointed shall be (as specified by the appointing authority) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

[(B) NUMBER OF TERMS.—No member of the Council may serve more than two consecutive full terms.

[(7) VACANCIES.—Any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

[(c) FUNCTIONS OF COUNCIL.—The Council shall—

[(1) review, analyze, and advise the designated State unit regarding the performance of the responsibilities of the unit under this title, particularly responsibilities relating to—

[(A) eligibility (including order of selection);

[(B) the extent, scope, and effectiveness of services provided; and

[(C) functions performed by State agencies that affect or that potentially affect the ability of individuals with disabilities in achieving rehabilitation goals and objectives under this title;

[(2) advise the designated State agency and the designated State unit, and, at the discretion of the designated State agency, assist in the preparation of applications, the State plan, the strategic plan and amendments to the plans, reports, needs assessments, and evaluations required by this title;

[(3) to the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with—

[(A) the functions performed by State agencies and other public and private entities responsible for performing functions for individuals with disabilities; and

[(B) vocational rehabilitation services—

[(i) provided, or paid for from funds made available, under this Act or through other public or private sources; and

[(ii) provided by State agencies and other public and private entities responsible for providing vocational rehabilitation services to individuals with disabilities;

[(4) prepare and submit an annual report to the Governor or appropriate State entity and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public;

[(5) coordinate with other councils within the State, including the Statewide Independent Living Council established under section 705, the advisory panel established under section 613(a)(12) of the Individuals with Disabilities Education Act (20 U.S.C. 1413(a)(12)), the State Planning Council described in section 124 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6024), and the State mental health planning council established under section 1916(e) of the Public Health Service Act (42 U.S.C. 300x–4(e));

[(6) advise the State agency designated under section 101(a)(1) and provide for coordination and the establishment of working relationships between the State agency and the Statewide Independent Living Council and centers for independent living within the State; and

[(7) perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Advisory Council

determines to be appropriate, that are comparable to the other functions performed by the Council.

[(d) RESOURCES.—

[(1) PLAN.—The Council shall prepare, in conjunction with the designated State unit, a plan for the provision of such resources, including such staff and other personnel, as may be necessary to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

[(2) RESOLUTION OF DISAGREEMENTS.—To the extent that there is a disagreement between the Council and the designated State unit in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement shall be resolved by the Governor or appointing agency consistent with paragraph (1).

[(3) SUPERVISION AND EVALUATION.—Each Council shall, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

[(4) PERSONNEL CONFLICT OF INTEREST.—While assisting the Council in carrying out its duties, staff and other personnel shall not be assigned duties by the designated State unit or any other agency or office of the State, that would create a conflict of interest.

[(e) CONFLICT OF INTEREST.—No member of the Council shall cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

[(f) MEETINGS.—The Council shall convene at least 4 meetings a year in such places as it determines to be necessary to conduct Council business and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums shall be publicly announced. The meetings shall be open and accessible to the general public unless there is a valid reason for an executive session.

[(g) COMPENSATION AND EXPENSES.—The Council may use funds appropriated under this title (except for funds appropriated to carry out the client assistance program under section 112 and funds reserved pursuant to section 110(d) to carry out part D of this title) to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing the duties of the Council.

[(h) HEARINGS AND FORUMS.—The Council is authorized to hold such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council.

[(i) USE OF EXISTING COUNCILS.—To the extent that a State has established a Council before September 30, 1992, that is comparable to the Council described in this section, such established Council shall be considered to be in compliance with this section.

Within 1 year after the date of enactment of the Rehabilitation Act Amendments of 1992, such State shall establish a Council that complies in full with this section.

[SEC. 106. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

[(a) ESTABLISHMENT.—

[(1) IN GENERAL.—The Commissioner shall, not later than September 30, 1994, establish and publish evaluation standards and performance indicators for the vocational rehabilitation program under this title.

[(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that facilitate and in no way impede the accomplishment of the purpose and policy of this title.

[(3) COMMENT.—The standards and indicators shall be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other interested parties. The Commissioner shall publish in the Federal Register a notice of intent to regulate regarding the development of proposed standards and indicators. Proposed standards and indicators shall be published in the Federal Register for review and comment. Final standards and indicators shall be published in the Federal Register.

[(b) COMPLIANCE.—

[(1) STATE REPORTS.—In accordance with regulations established by the Secretary, each State shall report to the Commissioner after the end of each fiscal year the extent to which the State is in compliance with the standards and indicators.

[(2) PROGRAM IMPROVEMENT.—

[(A) PLAN.—If the Commissioner determines that the performance of any State is below established standards, the Commissioner shall provide technical assistance to the State and the State and the Commissioner shall jointly develop a program improvement plan outlining the specific actions to be taken by the State to improve program performance.

[(B) REVIEW.—The Commissioner shall—

[(i) review the program improvement efforts of the State on a biannual basis and, if necessary, request the State to make further revisions to the plan to improve performance; and

[(ii) continue to conduct such reviews and request such revisions until the State sustains satisfactory performance over a period of more than 1 year.

[(c) WITHHOLDING.—If the Commissioner determines that a State whose performance falls below the established standards has failed to enter into a program improvement plan, or is not complying substantially with the terms and conditions of such a program improvement plan, the Commissioner shall, consistent with subsections (c) and (d) of section 107, reduce or make no further payments to the State under this program, until the State has entered into an approved program improvement plan, or satisfies the Commissioner that the State is complying substantially with the terms

and conditions of such a program improvement plan, as appropriate.

[(d) REPORT TO CONGRESS.—Beginning in fiscal year 1996, the Commissioner shall include in each annual report to the Congress under section 13 an analysis of program performance, including relative State performance, based on the standards and indicators.

[SEC. 107. MONITORING AND REVIEW.

[(a) IN GENERAL.—

[(1) DUTIES.—In carrying out the duties of the Commissioner under this title, the Commissioner shall—

[(A) provide for the annual review and periodic on-site monitoring of programs under this title; and

[(B) determine whether, in the administration of the State plan, a State is complying substantially with the provisions of such plan and with evaluation standards and performance indicators established under section 106.

[(2) PROCEDURES FOR REVIEWS.—In conducting reviews under this section the Commissioner shall consider, at a minimum—

[(A) State policies and procedures;

[(B) guidance materials;

[(C) decisions resulting from hearings conducted in accordance with due process;

[(D) strategic plans and updates;

[(E) plans and reports prepared under section 106(b);

[(F) consumer satisfaction surveys described in section 101(a)(32);

[(G) information provided by the State Rehabilitation Advisory Council established under section 105;

[(H) reports; and

[(I) budget and financial management data.

[(3) PROCEDURES FOR MONITORING.—In conducting monitoring under this section the Commissioner shall conduct—

[(A) on-site visits, including on-site reviews of records to verify that the State is following requirements regarding the order of selection set forth in section 101(a)(5)(A);

[(B) public hearings and other strategies for collecting information from the public;

[(C) meetings with the State Rehabilitation Advisory Council;

[(D) reviews of individual case files, including individualized written rehabilitation programs and ineligibility determinations; and

[(E) meetings with rehabilitation counselors and other personnel.

[(4) AREAS OF INQUIRY.—In conducting the review and monitoring, the Commissioner shall examine—

[(A) the eligibility process;

[(B) the provision of services, including, if applicable, the order of selection;

[(C) whether the personnel evaluation system described in section 101(a)(35) facilitates and does not impede the accomplishments of the program;

[(D) such other areas as may be identified by the public or through meetings with the State Rehabilitation Advisory Council; and

[(E) such other areas of inquiry as the Commissioner may consider appropriate.

[(b) TECHNICAL ASSISTANCE.—The Commissioner shall—

[(1) provide technical assistance to programs under this title regarding improving the quality of vocational rehabilitation services provided; and

[(2) provide technical assistance and establish a corrective action plan for a program under this title if the Commissioner finds that the program fails to comply substantially with the provisions of the State plan, or with evaluation standards or performance indicators established under section 106, in order to ensure that such failure is corrected as soon as practicable.

[(c) FAILURE TO COMPLY WITH PLAN.—

[(1) WITHHOLDING PAYMENTS.—Whenever the Commissioner, after providing reasonable notice and an opportunity for a hearing to the State agency administering or supervising the administration of the State plan approved under section 101, finds that—

[(A) the plan has been so changed that it no longer complies with the requirements of section 101(a); or

[(B) in the administration of the plan there is a failure to comply substantially with any provision of such plan or with an evaluation standard or performance indicator established under section 106,

the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in the discretion of the Commissioner, that such further payments will be reduced, in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until the Commissioner is satisfied there is no longer any such failure.

[(2) PERIOD.—Until the Commissioner is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall reduce payments or limit payments to projects under those parts of the State plan in which there is no such failure).

[(3) DISBURSAL OF WITHHELD FUNDS.—The Commissioner may, in accordance with regulations the Secretary shall prescribe, disburse any funds withheld from a State under paragraph (1) to any public or nonprofit private organization or agency within such State or to any political subdivision of such State submitting a plan meeting the requirements of section 101(a). The Commissioner may not make any payment under this paragraph unless the entity to which such payment is made has provided assurances to the Commissioner that such entity will contribute, for purposes of carrying out such plan, the same amount as the State would have been obligated to contribute if the State received such payment.

[(d) REVIEW.—

[(1) PETITION.—Any State that is dissatisfied with a final determination of the Commissioner under section 101(b) or subsection (c) may file a petition for judicial review of such determination in the United States Court of Appeals for the circuit in which the State is located. Such a petition may be filed only within the 30-day period beginning on the date that notice of such final determination was received by the State. The clerk of the court shall transmit a copy of the petition to the Commissioner or to any officer designated by the Commissioner for that purpose. In accordance with section 2112 of title 28, United States Code, the Commissioner shall file with the court a record of the proceeding on which the Commissioner based the determination being appealed by the State. Until a record is so filed, the Commissioner may modify or set aside any determination made under such proceedings.

[(2) SUBMISSIONS AND DETERMINATIONS.—If, in an action under this subsection to review a final determination of the Commissioner under section 101(b) or subsection (c), the petitioner or the Commissioner applies to the court for leave to have additional oral submissions or written presentations made respecting such determination, the court may, for good cause shown, order the Commissioner to provide within 30 days an additional opportunity to make such submissions and presentations. Within such period, the Commissioner may revise any findings of fact, modify or set aside the determination being reviewed, or make a new determination by reason of the additional submissions and presentations, and shall file such modified or new determination, and any revised findings of fact, with the return of such submissions and presentations. The court shall thereafter review such new or modified determination.

[(3) STANDARDS OF REVIEW.—

[(A) IN GENERAL.—Upon the filing of a petition under paragraph (1) for judicial review of a determination, the court shall have jurisdiction—

[(i) to grant appropriate relief as provided in chapter 7 of title 5, United States Code, except for interim relief with respect to a determination under subsection (c); and

[(ii) except as otherwise provided in subparagraph (B), to review such determination in accordance with chapter 7 of title 5, United States Code.

[(B) SUBSTANTIAL EVIDENCE.—Section 706 of title 5, United States Code, shall apply to the review of any determination under this subsection, except that the standard for review prescribed by paragraph (2)(E) of such section 706 shall not apply and the court shall hold unlawful and set aside such determination if the court finds that the determination is not supported by substantial evidence in the record of the proceeding submitted pursuant to paragraph (1), as supplemented by any additional submissions and presentations filed under paragraph (2).

[SEC. 108. EXPENDITURE OF CERTAIN AMOUNTS.

[(a) EXPENDITURE.—Amounts described in subsection (b) may not be expended by a State for any purpose other than carrying out programs for which the State receives financial assistance under this title, under part C of title VI, or under title VII.

[(b) AMOUNTS.—The amounts referred to in subsection (a) are amounts provided to a State under the Social Security Act (42 U.S.C. 301 et seq.) as reimbursement for the expenditure of payments received by the State from allotments under section 110 of this Act.

[SEC. 109. TRAINING OF EMPLOYERS WITH RESPECT TO AMERICANS WITH DISABILITIES ACT OF 1990.

[A State may expend payments received under section 111—

[(1) to carry out a program to train employers with respect to compliance with the requirements of title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.); and

[(2) to inform employers of the existence of the program and the availability of the services of the program.

[PART B—BASIC VOCATIONAL REHABILITATION SERVICES

[STATE ALLOTMENTS

[SEC. 110. (a)(1) Subject to the provisions of subsection (d), for each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under section 100(b)(1) for allotment under this section as the product of (A) the population of the State, and (B) the square of its allotment percentage, bears to the sum of the corresponding products for all the States.

[(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

[(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized to be appropriated for such fiscal year under section 100(b)(1)(A) for allotment under this section in excess of the amount appropriated under section 100(b)(1)(A) for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

[(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

[(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

[(3) The sum of the payment to any State (other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Republic of Palau) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 100(b)(1)(A), or $3,000,000, whichever is greater, shall be increased to that amount, the total of the in-

creases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

[(4) For each fiscal year beginning on or after October 1, 1984, for which any amount is appropriated pursuant to section 100(b)(1)(B), each State shall receive an allocation (from such appropriated amount) in addition to the allotment to which such State is entitled under paragraphs (2) and (3) of this subsection. Such additional allocation shall be an amount which bears the same ratio to the amount so appropriated as that State's allotment under paragraphs (2) and (3) of this subsection bears to the sum of such allotments of all the States.

[(5) The Republic of Palau may receive allotments or allocations under this section only until the Compact of Free Association with Palau takes effect.

[(b)(1) If the payment to a State under section 111(a) for a fiscal year is less than the total payments such State received under section 2 of the Vocational Rehabilitation Act for the fiscal year ending June 30, 1973, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this part) equal to the difference between such payment under section 111(a) and the amount so received by it.

[(2) If a State receives as its Federal share under section 111(a) for any fiscal year less than the applicable Federal share of the expenditure of such State for fiscal year 1972 for vocational rehabilitation services under the plan for such State approved under section 101 (including any amount expended by such State for the administration of the State plan but excluding any amount expended by such State from non-Federal sources for construction under such plan), such State shall be entitled to an additional payment for such fiscal year, subject to the same terms and conditions applicable to other payments under this part, equal to the difference between such payment under section 111(a) and an amount equal to the applicable Federal share of such expenditure for vocational rehabilitation services.

[(3) Any payment attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.

[(c)(1) Not later than forty-five days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to the Commissioner of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

[(2) As soon as practicable but not later than the end of the fiscal year, the Commissioner shall make such amount available for carrying out the purposes of this title to one or more other States to the extent the Commissioner determines such other State will be

able to use such additional amount during that fiscal year or the subsequent fiscal year for carrying out such purposes. The Commissioner shall make such amount available only if such other State will be able to make sufficient payments from non-Federal sources to pay for the non-Federal share of the cost of vocational rehabilitation services under the State plan for the fiscal year for which the amount was appropriated.

[(3) For the purposes of this part, any amount made available to a State for any fiscal year pursuant to this subsection shall be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

[(d)(1) For fiscal year 1987 and for each subsequent fiscal year, the Commissioner shall reserve from the amount appropriated under section 100(b)(1) for allotment under this section a sum, determined under paragraph (2), to carry out the purposes of part D of this title.

[(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary—

[(A) not less than one-third of one percent and not more than 1.5 percent of the amount under paragraph (1), for fiscal years 1993 and 1994; and

[(B) not less than one-half of one percent and not more than 1.5 percent of the amount under paragraph (1), for fiscal years 1995, 1996, and 1997.

[PAYMENTS TO STATES

[SEC. 111. (a)(1) Except as provided in paragraph (2), from each State's allotment under this part for any fiscal year, the Commissioner shall pay to a State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for that State approved under section 101, including expenditures for the administration of the State plan and development and implementation of the strategic plan as provided in section 101(a)(34)(A). Any State that receives such an amount shall expend, for development and implementation of the strategic plan, not less than the percentage of the allotment of the State referred to in section 101(a)(34)(B).

[(2)(A) The total of payments under paragraph (1) to a State for a fiscal year may not exceed its allotment under subsection (a) of section 110 for such year 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).

[(B)(i) For fiscal year 1993, the amount otherwise payable to a State for a fiscal year under this section shall be reduced by the amount by which expenditures from non-Federal sources under the State plan under this title for the previous fiscal year are less than the average of the total of such expenditures for the 3 fiscal years preceding the previous fiscal year.

[(ii) For fiscal year 1994 and each fiscal year thereafter, the amount otherwise payable to a State for a fiscal year under this section shall be reduced by the amount by which expenditures from non-Federal sources under the State plan under this title for the previous fiscal year are less than the total of such expenditures for the second fiscal year preceding the previous fiscal year.

[(C) The Commissioner may waive or modify any requirement or limitation under paragraphs (A) and (B) if the Commissioner determines that a waiver or modification is an equitable response to exceptional or uncontrollable circumstances affecting the State.

[(3)(A) Except as provided in subparagraph (B), the amount of a payment under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share that is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 291o(a))), in such State.

[(B) If the Federal share with respect to rehabilitation facilities in such State is determined pursuant to section 645(b)(2) of such Act (42 U.S.C. 291o(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Commissioner designed to achieve as nearly as practicable results comparable to the results obtained under such section.

[(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

[(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by the Commissioner, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation as the Commissioner may find necessary.

[(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by the Commissioner for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which the Commissioner finds that the estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

[CLIENT ASSISTANCE PROGRAM

[SEC. 112. (a) From funds appropriated under subsection (i), the Secretary shall, in accordance with this section, make grants to States to establish and carry out client assistance programs to provide assistance in informing and advising all clients and client applicants of all available benefits under this Act, and, upon request of such clients or client applicants, to assist and advocate for such clients or applicants in their relationships with projects, programs, and community rehabilitation programs providing services to them under this Act, including assistance and advocacy in pursuing legal, administrative, or other appropriate remedies to ensure the protection of the rights of such individuals under this Act and to facilitate access to the services funded under this Act through individual and systemic advocacy. The client assistance program shall

provide information on the available services and benefits under this Act and title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.) to individuals with disabilities in the State, especially with regard to individuals with disabilities who have traditionally been unserved or underserved by vocational rehabilitation programs. In providing assistance and advocacy under this subsection with respect to services under this title, a client assistance program may provide the assistance and advocacy with respect to services that are directly related to facilitating the employment of the individual.

[(b) No State may receive payments from its allotment under this Act in any fiscal year unless the State has in effect not later than October 1, 1984, a client assistance program which—

[(1) has the authority to pursue legal, administrative, and other appropriate remedies to ensure the protection of rights of individuals with disabilities who are receiving treatments, services, or rehabilitation under this Act within the State; and

[(2) meets the requirements of designation under subsection (c).

[(c)(1)(A) The Governor shall designate a public or private agency to conduct the client assistance program under this section. Except as provided in the last sentence of this paragraph, the Governor shall designate an agency which is independent of any agency which provides treatment, services, or rehabilitation to individuals under this Act. If there is an agency in the State which has, or had, prior to the date of enactment of the Rehabilitation Amendments of 1984, served as a client assistance agency under this section and which received Federal financial assistance under this Act, the Governor may, in the initial designation, designate an agency which provides treatment, services, or rehabilitation to individuals with disabilities under this Act.

[(B) The Governor may not redesignate the agency designated under subparagraph (A) without good cause and unless—

[(i) the Governor has given the agency 30 days notice of the intention to make such redesignation, including specification of the good cause for such redesignation and an opportunity to respond to the assertion that good cause has been shown;

[(ii) individuals with disabilities or their representatives have timely notice of the redesignation and opportunity for public comment; and

[(iii) the agency has the opportunity to appeal to the Commissioner on the basis that the redesignation was not for good cause.

[(2) In carrying out the provisions of this section, the Governor shall consult with the director of the State vocational rehabilitation agency, the head of the developmental disability protection and advocacy agency, and with representatives of professional and consumer organizations serving individuals with disabilities in the State.

[(3) The agency designated under this subsection shall be accountable for the proper use of funds made available to the agency.

[(4) For the purpose of this subsection, the term "Governor" means the chief executive of the State.

[(d) The agency designated under subsection (c) of this section may not bring any class action in carrying out its responsibilities under this section.

[(e)(1)(A) The Secretary shall allot the sums appropriated for each fiscal year under this section among the States on the basis of relative population of each State, except that no State shall receive less than $50,000.

[(B) The Secretary shall allot $30,000 each to American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, and the Republic of Palau, except that the Republic of Palau may receive such allotment under this section only until the Compact of Free Association with Palau takes effect.

[(C) For the purpose of this paragraph, the term "State" does not include American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, and the Republic of Palau.

[(D)(i) In any fiscal year that the funds appropriated for such fiscal year exceed $7,500,000, the minimum allotment shall be $100,000 for States and $45,000 for territories.

[(ii) For any fiscal year in which the total amount appropriated under subsection (h) exceeds the total amount appropriated under such subsection for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index For All Urban Consumers published by the Secretary of Labor under section 100(c)(1), the Secretary shall increase each of the minimum allotments under clause (i) by such percentage change in the Consumer Price Index For All Urban Consumers.

[(2) The amount of an allotment to a State for a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which allotted shall be available for reallotment by the Secretary at appropriate times to other States with respect to which such a determination has not been made, in proportion to the original allotments of such States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period; and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any such amount so reallotted to a State for a fiscal year shall be deemed to be a part of its allotment for such fiscal year.

[(3) Except as specifically prohibited by or as otherwise provided in State law, the Secretary shall pay to the agency designated under subsection (c) the amount specified in the application approved under subsection (f).

[(f) No grant may be made under this section unless the State submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary to meet the requirements of this section.

[(g) The Secretary shall prescribe regulations applicable to the client assistance program which shall include the following requirements:

[(1) No employees of such programs shall, while so employed, serve as staff or consultants of any rehabilitation

project, program, or facility receiving assistance under this Act in the State.

[(2) Each program shall be afforded reasonable access to policymaking and administrative personnel in the State and local rehabilitation programs, projects, or facilities.

[(3) Each program shall contain provisions designed to assure that to the maximum extent possible mediation procedures are used prior to resorting to administrative or legal remedies.

[(4) The agency designated under subsection (c) shall submit an annual report to the Secretary on the operation of the program during the previous year, including a summary of the work done and the uniform statistical tabulation of all cases handled by such program. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Secretary, together with a summary of such reports and the Secretary's evaluation of the program, including appropriate recommendations.

[(5) Each such report shall contain information on the number of requests the client assistance program under this section receives annually, the number of requests such program is unable to serve, and the reasons that the program is unable to serve all the requests.

[(6) For purposes of such report or for any other periodic audit, report, or evaluation of the performance of a client assistance program under this section, the Secretary shall not require such a program to disclose the identity of, or any other personally identifiable information related to, any individual requesting assistance under such program.

[(h) There are authorized to be appropriated such sums as may be necessary for fiscal years 1993 through 1997 to carry out the provisions of this section.

[PART C—INNOVATION AND EXPANSION GRANTS

[SEC. 120. STATE ELIGIBILITY.

[Effective October 1, 1993, any State desiring to receive assistance under this part and part B of this title shall prepare and submit to the Commissioner a statewide strategic plan for developing and using innovative approaches for achieving long-term success in expanding and improving vocational rehabilitation services, including supported employment services, provided under the State plan submitted under section 101 and the supplement to the State plan submitted under part C of title VI.

[SEC. 121. CONTENTS OF STRATEGIC PLANS.

[(a) PURPOSE AND POLICY.—The strategic plan shall be designed to achieve the purpose and policy of this title and carry out the State plan and the supplement to the State plan submitted under part C of title VI.

[(b) CONTENTS.—The strategic plan shall include—

[(1) a statement of the mission, philosophy, values, and principles of the vocational rehabilitation program in the State;

[(2) specific goals and objectives for expanding and improving the system for providing the vocational rehabilitation program;

[(3) specific multifaceted and systemic approaches for accomplishing the objectives, including interagency coordination and cooperation, that build upon state-of-the-art practices and research findings and that implement the State plan and the supplement to the State plan submitted under part C of title VI;

[(4) a description of the specific programs, projects, and activities funded under this part and how the programs, projects, and activities accomplish the objectives; and

[(5) specific criteria for determining whether the objectives have been achieved, an assurance that the State will conduct an annual evaluation to determine the extent to which the objectives have been achieved, and, if specific objectives have not been achieved, the reasons that the objectives have not been achieved and a description of alternative approaches that will be taken.

[SEC. 122. PROCESS FOR DEVELOPING STRATEGIC PLANS.

[(a) PERIOD AND UPDATES.—The strategic plan shall cover a 3-year period and shall be updated on an annual basis to reflect actual experience over the previous year and input from the State Rehabilitation Advisory Council established under section 105, individuals with disabilities, and other interested parties.

[(b) RECOMMENDATIONS.—Prior to developing the strategic plan, the State shall hold public forums and meet with and receive recommendations from members of the State Rehabilitation Advisory Council and the Statewide Independent Living Council established under section 705.

[(c) CONSIDERATION OF RECOMMENDATIONS.—The State shall consider the recommendations and, if the State rejects the recommendations, shall include a written explanation of the rejection in the strategic plan.

[(d) PROCEDURE.—The State shall develop a procedure for ensuring ongoing comment from the councils described in subsection (b) as the plan is being implemented.

[(e) DISSEMINATION.—The State shall widely disseminate the strategic plan to individuals with disabilities, disability organizations, rehabilitation professionals, and other interested persons.

[SEC. 123. USE OF FUNDS.

[A State may use funds made available under this part, directly or by grant, contract, or other arrangement, to carry out—

[(1) programs to initiate and expand employment opportunities for individuals with severe disabilities in integrated settings that allow for the use of on-the-job training to promote the objectives of title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.);

[(2) programs or activities to improve the provision of, and expand, employment services in integrated settings to individuals with sensory, cognitive, physical, and mental impairments who have traditionally not been served by the State vocational rehabilitation agency;

[(3) programs and activities to maximize the ability of individuals with disabilities to use rehabilitation technology in employment settings;

[(4) programs and activities that—

[(A) assist employers in accommodating, evaluating, training, or placing individuals with disabilities in the workplace of the employer consistent with provisions of this Act and title I of the Americans with Disabilities Act of 1990; and

[(B) may include short-term technical assistance or other effective strategies;

[(5) programs and activities that expand and improve the extent and type of client involvement in the review and selection of the training and employment goals of the client;

[(6) programs and activities that expand and improve opportunities for career advancement for individuals with severe disabilities;

[(7) programs, projects, and activities designed to initiate, expand, or improve working relationships between vocational rehabilitation services provided under this title and independent living services provided under title VII;

[(8) programs, projects, and activities designed to improve functioning of the system for delivering vocational rehabilitation services and to improve coordination and working relationships with other State and local agencies, business, industry, labor, community rehabilitation programs, and centers for independent living, including projects designed to—

[(A) increase the ease of access to, timeliness of, and quality of vocational rehabilitation services through the development and implementation of policies, procedures, and systems and interagency mechanisms for providing vocational rehabilitation services;

[(B) improve the working relationships between State vocational rehabilitation agencies, and other State agencies, centers for independent living, community rehabilitation programs, educational agencies involved in higher education, adult basic education, and continuing education, and businesses, industry, and labor organizations, in order to create and facilitate cooperation in—

[(i) planning and implementing services; and

[(ii) the development of an integrated system of community-based vocational rehabilitation service that includes appropriate transitions between service systems; and

[(C) improve the ability of professionals, clients, advocates, business, industry, and labor to work in cooperative partnerships to improve the quality of vocational rehabilitation services and job and career opportunities for individuals with disabilities;

[(9) support efforts to ensure that the annual evaluation of the effectiveness of the program in meeting the goals and objectives set forth in the State plan, including the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State, facilitates and

does not impede the accomplishment of the purpose and policy of this title, including serving, among others, individuals with the most severe disabilities;

[(10) support the initiation, expansion, and improvement of a comprehensive system of personnel development;

[(11) support the provision of training and technical assistance to clients, business, industry, labor, community rehabilitation programs, and others regarding the implementation of the amendments made by the Rehabilitation Act Amendments of 1992, of title V of this Act, and of the Americans with Disabilities Act of 1990; and

[(12) support the funding of the State Rehabilitation Advisory Council and the Statewide Independent Living Council established under section 705.

[SEC. 124. ALLOTMENTS AMONG STATES.

[(a) IN GENERAL.—

[(1) STATES.—

[(A) POPULATION BASIS.—Except as provided in subparagraph (B), from sums appropriated for each fiscal year to carry out this part (not including sums used in accordance with section 101(a)(34)(B)), the Commissioner shall make an allotment to each State whose State plan has been approved under section 101 of an amount bearing the same ratio to such sums as the population of the State bears to the population of all States.

[(B) MINIMUMS.—Subject to the availability of appropriations to carry out this part, the allotment to any State under subparagraph (A) shall be not less than $200,000 or one-third of one percent of the sums made available for the fiscal year for which the allotment is made, whichever is greater, and the allotment of any State under this section for any fiscal year that is less than $200,000 or one-third of one percent of such sums shall be increased to the greater of the two amounts.

[(2) CERTAIN TERRITORIES.—

[(A) IN GENERAL.—For the purposes of paragraph (1)(B), Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau shall not be considered to be States.

[(B) ALLOTMENT.—Each jurisdiction described in subparagraph (A) shall be allotted under paragraph (1)(A) not less than one-eighth of one percent of the amounts made available for purposes of this part for the fiscal year for which the allotment is made, except that the Republic of Palau may receive such allotment under this section only until the Compact of Free Association with Palau takes effect.

[(3) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 1994, in which the total amount appropriated to carry out this part exceeds the total amount appropriated to carry out this part for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index For All Urban Consumers published by the Secretary of Labor under section 100(c)(1), the

Commissioner shall increase the minimum allotment under paragraph (1)(B) by such percentage change in the Consumer Price Index For All Urban Consumers.

[(b) PROPORTIONAL REDUCTION.—To provide minimum allotments to States (as increased under subsection (a)(3)) under subsection (a)(1)(B), or to provide minimum allotments to States under subsection (a)(2)(B), the Commissioner shall proportionately reduce the allotments of the remaining States under subsection (a)(1)(A), with such adjustments as may be necessary to prevent the allotment of any such remaining State from being reduced to less than the minimum allotment for a State (as increased under subsection (a)(3)) under subsection (a)(1)(B), or the minimum allotment for a State under subsection (a)(2)(B), as appropriate.

[(c) REALLOTMENT.—Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State for carrying out the provisions of this part, the Commissioner shall make such amount available for carrying out the purposes of this part to one or more of the States that the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the State (as determined under the preceding provisions of this section) for such year.

[PART D—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

[VOCATIONAL REHABILITATION SERVICES GRANTS

[SEC. 130. (a) The Commissioner, in accordance with the provisions of this part, may make grants to the governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay 90 percent of the costs of vocational rehabilitation services for American Indians who are individuals with disabilities residing on such reservations. The non-Federal share of such costs may be in cash or in kind, fairly valued, and the Commissioner may waive such non-Federal share requirement in order to carry out the purposes of this Act.

[(b)(1) No grant may be made under this part for any fiscal year unless an application therefor has been submitted to and approved by the Commissioner. The Commissioner may not approve an application unless the application—

[(A) is made at such time, in such manner, and contains such information as the Commissioner may require;

[(B) contains assurances that the rehabilitation services provided under this part to American Indians who are individuals with disabilities residing on a reservation in a State shall be, to the maximum extent feasible, comparable to rehabilitation services provided under this title to other individuals with disabilities residing in the State and that, where appropriate, may include services traditionally used by Indian tribes; and

[(C) contains assurances that the application was developed in consultation with the designated State unit of the State.

[(2) The provisions of sections 5, 6, 7, and 102(a) of the Indian Self-Determination and Education Assistance Act shall be applicable to any application submitted under this part. For purposes of this paragraph, any reference in any such provision to the Secretary of Education or to the Secretary of the Interior shall be considered to be a reference to the Commissioner.

[(3) Any application approved under this part shall be effective for not less than twelve months or more than 36 months, except as determined otherwise by the Commissioner pursuant to prescribed regulations. The State shall continue to provide vocational rehabilitation services under its State plan to American Indians residing on a reservation whenever such State includes any such American Indians in its State population under section 110(a)(1).

[(4) In making grants under this part, the Secretary shall give priority consideration to applications for the continuation of programs which have been funded under this part.

[(5) Nothing in this section may be construed to authorize a separate service delivery system for Indian residents of a State who reside in non-reservation areas.

[(c) The term "reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.

[PART E—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

[SEC. 140. REVIEW OF DATA COLLECTION AND REPORTING SYSTEM.

[(a) REVIEW.—The Commissioner shall conduct a comprehensive review of the current system for collecting and reporting data on clients of programs carried out under this Act, particularly data on clients of the programs carried out under this title.

[(b) CONSIDERATIONS.—

[(1) CURRENT DATA.—In conducting the review, the Commissioner shall examine the kind, quantity, and quality of the data that are currently collected and reported, taking into consideration the range of purposes that the data serve at the Federal, State, and local levels.

[(2) ADDITIONAL INFORMATION.—In conducting the review, the Commissioner shall examine the feasibility of collecting and reporting under the system information, if such information can be determined, with respect to each client participating in a program under this Act, regarding—

[(A) other programs in which the client participated during the 3 years before the date on which the client applied to participate in a program under this Act;

[(B) the number of jobs held, hours worked, and earnings received by the client during such 3 years;

[(C) the types of major and secondary disabilities of the client;

[(D) the dates of the onset of the disabilities;

[(E) the severity of the disabilities;

[(F) the source from which the client was referred to a program under this Act;

[(G) the hours worked by the client;

[(H) the size and industry code of the place of employment of the client at the time of entry into such a program and at the termination of services under the program;

[(I) the number of services provided to the client under the programs and the cost of each service;

[(J) the types of public support received by the client;

[(K) the primary sources of economic support and amounts of public assistance received by the client before and after receiving the services;

[(L) whether the client is covered by health insurance from any source and whether health insurance is available through the employer of the client;

[(M) the supported employment status of the client; and

[(N) the reasons for terminating the services received by the client.

[(c) RECOMMENDATIONS.—Based on the review, the Commissioner shall recommend improvements in the data collection and reporting system.

[(d) VIEWS.—In developing the recommendations, the Commissioner shall seek views of persons and entities providing or using such data, including State agencies, State Rehabilitation Advisory Councils, providers of vocational rehabilitation services, professionals in the field of vocational rehabilitation, clients and organizations representing clients, the National Council on Disability, other Federal agencies, non-Federal researchers, other analysts using the data, and other members of the public.

[(e) PUBLICATION AND SUBMISSION OF REPORT.—Not later than 18 months after the date of the enactment of the Rehabilitation Act Amendments of 1992 (Public Law 102–569), the Commissioner shall publish the recommendations in the Federal Register and shall prepare and submit a report containing the recommendations to the appropriate committees of Congress. The Commissioner shall not implement the recommendations earlier than 90 days after the date on which the Commissioner submits the report.

[SEC. 141. EXCHANGE OF DATA.

[(a) EXCHANGE.—The Secretary of Education and the Secretary of Health and Human Services shall enter into a memorandum of understanding for the purposes of exchanging data of mutual importance—

[(1) that concern clients of State vocational rehabilitation agencies; and

[(2) that are data maintained either by—

[(A) the Rehabilitation Services Administration, as required by section 13; or

[(B) the Social Security Administration, from its Summary Earnings and Records and Master Beneficiary Records.

[(b) TREATMENT OF INFORMATION.—For purposes of the exchange, the data described in subsection (a)(2)(B) shall not be considered return information (as defined in section 6103(b)(2) of the Internal Revenue Code of 1986) and, as appropriate, the confidentiality of all client information shall be maintained by both agencies.]

TITLE I—VOCATIONAL REHABILITATION SERVICES

SEC. 100. PURPOSE.

The purpose of this title is to assist States in making available to individuals with disabilities a program of employment, training, and rehabilitation services that is consistent with their strengths, resources, priorities, concerns, abilities, and capabilities; that maximizes individuals' control over their vocational and career choices; and that is in accordance with the goal of assuring equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals.

SEC. 101. FORMULA GRANTS.

(a) IN GENERAL.—

(1) FORMULA GRANTS.—In the case of each State that submits to the Secretary a workforce development and literacy plan for fiscal year 1999 or any subsequent fiscal year that meets the requirement of section 104 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Secretary shall make a grant for the year to the State as the Federal share of carrying out the purposes specified in this title. The grant shall consist of the allotment determined for the State under section 107.

(2) CONDITIONS FOR GRANT.—A State may receive a grant under paragraph (1) for a fiscal year only if the State meets the conditions described in this title for the State for the fiscal year.

(b) ADMINISTRATOR OF FEDERAL PROGRAM.—The Secretary shall carry out this title acting through the Commissioner of the Rehabilitation Services Administration, except as indicated otherwise.

(c) RULE OF CONSTRUCTION.—The purpose specified in section 100 shall be carried out only in accordance with the other provisions of this title.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2002, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this subsection for the immediately preceding fiscal year, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

(2) ADJUSTMENTS PURSUANT TO CONSUMER PRICE INDEX.—

(A) Not later than November 15 of each fiscal year, the Secretary of Labor shall publish in the Federal Register the percentage change in the Consumer Price Index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

(B) If in any fiscal year the percentage change published under subparagraph (A) indicates an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in

which the publication is made under subparagraph (A) increased by such percentage change.

(C) If in any fiscal year the percentage change published under subparagraph (A) does not indicate an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A).

(D) For purposes of this paragraph, the term "Consumer Price Index" means the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

(3) AUTOMATIC EXTENSION OF AUTHORIZATION.—

(A) Unless, in the regular session that ends prior to the beginning of the last fiscal year for which an authorization of appropriations is provided in paragraph (1), legislation has been enacted that has the effect of extending such authorization, such authorization is automatically extended for one additional year.

(B) The amount authorized to be appropriated for the additional fiscal year described in subparagraph (A) shall be an amount equal to the amount appropriated for such program for fiscal year 2002, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

(C) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations that are necessary for the continuation of the program authorized by this title, and such acts or determinations are required during the last fiscal year for which an authorization of appropriations is provided in paragraph (1), such acts and determinations shall be required during any fiscal year for which subparagraph (A) is in operation.

SEC. 102. ALLOCATION WITHIN STATE OF ADMINISTRATIVE RESPONSIBILITIES.

(a) IN GENERAL.—For purposes of section 101(a), a State will—

(1) subject to subsection (b), reserve not more than 20 percent of the grant under such section for the fiscal year involved for carrying out the responsibilities of a State administrative agent under section 103; and

(2) reserve not less than 80 percent of the grant for carrying out the responsibilities under section 104 of local workforce development boards and one-stop career centers with respect to workforce development areas.

(b) ADDITIONAL STATE RESPONSIBILITIES.—Amounts reserved by a State under subsection (a)(1) may be expended by the State administrative agent to carry out responsibilities that otherwise would be carried out under section 104 by local workforce development boards or one-stop career centers, if the State determines that such expenditures are justified to make available goods and services that could not otherwise be obtained within a local workforce development area, to provide services to individuals unable to utilize the one-stop career centers, or to otherwise ensure the efficient and equitable pro-

vision in the State of services under this title, including the provision of services for individuals in rural areas.

(c) CERTAIN DEFINITIONS.—For purposes of this Act, the terms "State administrative agent", "local workforce development area", "local workforce development board", and "one-stop career center" have the meanings given such terms in sections 105 through 108, respectively, of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

SEC. 103. RESPONSIBILITIES OF STATE ADMINISTRATIVE AGENT.

(a) STATE ADMINISTRATIVE AGENT.—In carrying out the requirements of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, a Governor may designate—

(1) one State administrative agent to be responsible for carrying out this title for individuals who are blind; and

(2) a different State administrative agent to carry out the remaining responsibilities in this title.

(b) RESPONSIBILITIES.—For purposes of section 101(a) and the operation in a State of the program under this title:

(1) This subsection, and the subsequent provisions of this section, will be carried out by State administrative agents designated by the Governor in accordance with subsection (a), through the collaborative process established under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

(2)(A) The State will provide to the public an explanation of the methods by which the State will provide vocational rehabilitation services (as defined in section 104(b))—

(i) to all eligible individuals (as defined in section 105(d)); and

(ii) within all local workforce delivery areas in the State.

(B) In the event that such services cannot be provided to all eligible individuals who apply for the services, the State will show and provide the justification for the order to be followed in selecting individuals to whom the services will be provided.

(C) The order of selection under subparagraph (B) will be determined on the basis of serving first those individuals with the most severe disabilities, in accordance with criteria established by the State.

(3) The State will establish guidelines providing that, in the case of an individual to whom the State will provide a service (in accordance with the order of selection under paragraph (2) and the assessment of needs under section 104(c)(1)), the individual will have the option of receiving the service from a provider designated by the center or from a provider selected by the individual pursuant to vouchers under subsection (c).

(4) Pursuant to section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the State will make significant efforts to encourage the participation in the State program of community-based private providers, with special consideration given to providers who have received funds under this Act regarding projects with industry or supported employment services, or under the Act commonly known as the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) for employment and training services.

(5) The State will establish provisions to govern determinations under section 105 (relating to the eligibility of individuals).

(6) The State will establish standards to govern the conduct under section 104(c)(1) of assessments of need, including the development of a methodology that will be applied in a reasonably uniform manner to all individuals for whom such assessments are conducted, and that (subject to the order of selection under paragraph (2)) will be designed to prevent substantial disparities, among individuals with comparable circumstances, in the monetary value of the services to be provided pursuant to the assessments.

(7)(A) The State will establish procedures through which an individual may request and obtain an impartial review, utilizing an impartial hearing officer, of whether standards for determinations of eligibility for services, assessments of vocational rehabilitation needs, and development of individualized rehabilitation and employment plans under this title were correctly applied to the individual by the one-stop career center involved.

(B) The State will designate a number of days (applied uniformly to all individuals) within which review under subparagraph (A) will be conducted once a request for such review is made by an individual, subject to subparagraph (C).

(C)(i) The State will provide that there may be an informal hearing, mediation, or alternatives to such review, if agreed upon by the individual and the one-stop career center involved.

(ii) The State will provide that if, in a process utilized under clause (i) by an individual, there is a not a final disposition of the matter involved, review under subparagraph (A) will remain available to the individual.

(8) The State will ensure that vocational rehabilitation services under this title, and related core services, are provided by personnel who are qualified to provide the services involved. For purposes of the preceding sentence, the term "core services" has the meaning indicated for such term under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

(9) The State will establish plans, policies, and procedures to be followed in carrying out the program under this title in the State (including entering into a formal interagency cooperative agreement with education officials responsible for the provision of a free appropriate public education to students who are individuals with disabilities). The State will ensure that such plans, policies, and procedures are designed in accordance with the following:

> *(A)(i) To facilitate the development and accomplishment of the goals and objectives described in clause (ii) (including the specification of plans for coordination with the educational agencies in the provision of transition services), to the extent that the goals and objectives are included in an individualized education program of a student.*
>
> *(ii) The goals and objectives referred to in clause (i) are long-term rehabilitation goals; intermediate rehabilitation objectives; and goals and objectives related to enabling a*

student to live independently before the student leaves a school setting.

(B) To facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under this title, including the specification of plans for coordination with educational agencies in the provision of transition services to an individual.

(C) To provide for—

(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

(ii) procedures for outreach to and identification of youth in need of such services; and

(iii) a timeframe for evaluation and followup of youth who have received such services.

(10) The State will provide for coordination and working relationships with the Statewide Independent Living Council established under section 705 and independent living centers within the State.

(11) The State will provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, and other programs for individuals with disabilities.

(12) With respect to the one-stop career centers operated pursuant to section 104, the State will provide for the appropriate training of the management and staff of the centers regarding the effective provision of services to individuals with disabilities.

(13) The State will provide technical assistance to local boards, one-stop career centers, and providers relating to the effective provision of vocational rehabilitation services under this title, including the effective development of individualized rehabilitation and employment plans, and will ensure that such technical assistance is provided through appropriate means.

(c) AVAILABILITY OF VOUCHER SYSTEM REGARDING SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

(1) The State will provide for the establishment of a system to carry out this subsection.

(2) In the case of an eligible individual who (in accordance with the order of selection under subsection (b)(2) and the assessment of needs under section 105(b)(2)(A)) will receive vocational rehabilitation services under this title, the one-stop career center involved will, upon request of the individual, provide to the individual vouchers in accordance with this subsection.

(3) Vouchers under this subsection will enable such individual to obtain the vocational rehabilitation services involved from providers selected by the individual from among a list of providers approved by the State for such purpose in accordance with section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

(4) The monetary value of a voucher provided to the individual for a particular type of service will be calculated at a fair market value.

(5) To the extent practicable, the list of providers under paragraph (3) will provide for the availability within each local workforce development area of a broad range of services.

(d) STATE OPTIONS.—With respect to compliance with this section, a State may, in the discretion of the State, expend a grant under section 101 for the following:

(1) To disseminate findings from research regarding vocational rehabilitation services, after consideration of requests from local workforce development boards and one-stop career centers regarding the types of information needed by such boards and centers.

(2) To conduct demonstration projects regarding improvements with respect to vocational rehabilitation services, subject to providing the results of such projects to the Commissioner and as appropriate disseminating the results within the State.

(e) CORE STANDARDS, PERFORMANCE GOALS, AND MEASURES.—For purposes of section 101(a):

(1) The State involved will develop and implement a statewide system of core standards and measures of performance for programs established under this title, based upon performance standards described in paragraph (3), and consistent with the State's goals and objectives and the benchmarking process described in the workforce development and literacy plan submitted by the State under section 104 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

(2) The statewide system will—

(A) establish performance goals to define the level of performance to be achieved by individuals served under this title and to evaluate the quality and effectiveness of services and activities under this title;

(B) express such goals in an objective, quantifiable, and measurable form;

(C) establish performance indicators or benchmarks that the State and local recipients of funds will use in measuring or assessing progress toward achieving such goals; and

(D) provide biennial reports to the public and to the Secretary on the State's progress in achieving its goals.

(3) The statewide system will include measures of—

(A) placement, retention, and earnings of participants in integrated employment, including retention and earnings at 6 months, and at 1 year after program termination, respectively;

(B) the percentage of individuals served who had severe disabilities, including those individuals determined to have a disability under title II or title XVI of the Social Security Act; and

(C) other relevant measures of program performance included in the standards and indicators promulgated by the Commissioner under sections 621 and 106 (relating to projects with industry, and relating to evaluation stand-

ards and indicators for vocational rehabilitation, respectively), as such sections were in effect for fiscal year 1995.

SEC. 104. RESPONSIBILITIES FOR LOCAL BOARDS AND SERVICE CENTERS.

(a) PROVISION OF VOCATIONAL REHABILITATION SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

(1) This section will be carried out by the one-stop career centers in the State, with each such center acting under the guidance of the local workforce development board for the local workforce area within which the center operates. Such centers will provide services under this section directly or through contract.

(2) In accordance with the order of selection under section 103(b)(2), a one-stop career center will, in expending amounts provided to the center from a grant under section 101, carry out the following:

(A) Make determinations under section 105 of the eligibility of individuals for vocational rehabilitation services (as defined in subsection (b)).

(B) Provide for vocational rehabilitation services for eligible individuals.

(C) In the case of individuals with severe disabilities, conduct outreach and intake activities for such individuals who are not able to directly access the one-stop career centers because of the nature of their disabilities.

(3) A one-stop career center will, in expending amounts provided to the center from a grant under section 101, make vocational rehabilitation services available at a variety of locations and, as appropriate for particular populations, in a variety of environments.

(b) DEFINITION.—For purposes of this title, the term "vocational rehabilitation services" means such goods or services for eligible individuals as are—

(1) necessary to render the individuals employable and achieve an employment outcome; and

(2) provided in response to needs that arise, to a significant extent, from the disability involved and do not duplicate, to any significant extent, the core services available under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

(c) CERTAIN SERVICES.—For purposes of section 101(a), the vocational rehabilitation services available through one-stop career centers will include the following:

(1) An assessment of the needs of eligible individuals for such services.

(2) Development, in accordance with section 105(b)(2), of an individualized rehabilitation and employment plan for the purpose of identifying employment goals, appropriate intermediate rehabilitation objectives, and an appropriate combination of goods and services for the individual to achieve the employment goals.

(3) Counseling, guidance, and work-related placement services for individuals with disabilities, including job search as-

sistance, placement assistance, job retention services, personal assistance services, and followup, follow-along, and specific postemployment services necessary to assist such individuals to maintain, regain, or advance in employment.

(4) Vocational and other training services for individuals with disabilities, including personal and vocational adjustment, books, or other training materials, and such services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals.

(5) Rehabilitation technology services.

(6) Supported employment services.

(7) Physical and mental restoration services.

(8) Interpreter services for individuals who are deaf, and reader services for individuals who are blind.

(9) Rehabilitation teaching services and orientation and mobility services for individuals who are blind.

(10) Referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed under section 103(b)(10), if such services are not available under this Act.

(11) Transportation in connection with the rendering of any vocational rehabilitation service.

(12) Telecommunications, sensory, and other technological aids and devices.

(13) On-the-job, or other related personal-assistance services, provided while eligible individuals are receiving other vocational rehabilitation services under this title.

(d) CERTAIN ARRANGEMENTS.—For purposes of section 101(a), a one-stop career center will, with respect to the provision of vocational rehabilitation services to individuals with the most severe disabilities, provide for necessary arrangements with community-based providers, including arrangements regarding supported employment services and extended services, periodic reviews of individuals placed in extended employment, and services to promote movement from extended employment to integrated employment.

(e) OPTIONAL PROVISION OF OTHER SERVICES.—For purposes of this title, a one-stop career center may provide such vocational rehabilitation services in addition to the services specified in subsection (c) as the center determines to be appropriate.

(f) ALLOCATION FOR CORE SERVICES.—For purposes of section 101(a):

(1) With respect to a fiscal year, a local workforce development board receiving amounts from a grant under section 101 will reserve an amount for the provision of core services under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

(2) The amount so reserved will be based on the number of eligible individuals with disabilities in the local workforce development area and the costs of training employees of the one-stop career centers to provide high-quality services to individuals with disabilities.

(g) PERFORMANCE PAYMENTS REGARDING VOUCHERS.—For purposes of section 101(a):

(1) The local workforce development board involved will ensure that, in providing for the payment of services provided pursuant to vouchers, a portion of the total payment is withheld from the provider until the delivery of the services involved is completed in reasonable accordance with the outcome designated for the service pursuant to a prior understanding with the provider.

(2) In the case of education, training, and placement services that are designed to lead to an employment outcome, a portion of the total payment will be withheld from the provider until—

(A) the participant has successfully completed the training; and

(B) the participant has been employed, and has retained employment for a period of not less than 90 days.

(h) PAYOR OF LAST RESORT REGARDING MEDICAL SERVICES AND EDUCATIONAL ASSISTANCE.—For purposes of section 101(a), a State will not expend a grant under section 101 to pay for training services in institutions of higher education, or to pay for medical services, unless significant efforts have been made to secure payments, in whole or in part, from other sources, except that such efforts are not required if making the efforts would delay the provision of such services to any eligible individual who is at extreme medical risk, or if making the efforts would result in the loss of a job placement that (but for the efforts) would be immediately available to an eligible individual.

SEC. 105. ELIGIBLE INDIVIDUAL.

(a) IN GENERAL.—For purposes of section 101:

(1) An individual will not receive vocational rehabilitation services under this title unless the individual—

(A) is an individual with a disability under section 7(8)(A); and

(B) requires vocational rehabilitation services to prepare for, enter, engage in, or retain gainful employment.

(2) If the individual has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act, the individual will be considered to have—

(A) a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment under section 7(8)(A)(i); and

(B) a severe physical or mental impairment which seriously limits one or more functional capacities in terms of an employment outcome under section 7(15)(A)(i).

(3) It will be presumed that an individual can benefit in terms of an employment outcome from vocational rehabilitation services for purposes of section 7(8)(A)(ii), unless the one-stop career center involved can demonstrate by clear and convincing evidence that such individual is incapable of benefiting from vocational rehabilitation services in terms of an employment outcome.

(b) PROCESS.—For purposes of section 101(a), a State will ensure that, subject to the order of selection under section 102(b)(2), the following applies to an individual:

(1) Once the individual makes a request in person for a determination of eligibility:

(A) A qualified rehabilitation adviser will be made available to the individual regarding the process of obtaining services under this title.

(B) An initial interview will be conducted, followed by an initial assessment.

(C) A final determination will be made not later than 30 days after the request (subject to the cooperation of the individual in the process of determination).

(D) The determination of eligibility will be based on the review of existing data described in clause (i) of section 7(22)(A), and, to the extent necessary, the preliminary assessment described in clause (ii) of such section.

(E) If it is determined that the individual is not an eligible individual, the individual will be provided a written statement explaining the following:

(i) The basis of the determination.

(ii) The availability of impartial review under section 103(b)(7).

(iii) The availability of services under the client assistance program under section 510.

(2)(A) If it is determined that the individual is an eligible individual—

(i) the needs of the individual for vocational rehabilitation services will be assessed; and

(ii) subject to subparagraph (D), an individualized rehabilitation and employment plan will be developed for the individual regarding the provision of services pursuant to clause (i).

(B) The plan under subparagraph (A) will be developed and mutually agreed upon by the individual and an appropriate staff member of the one-stop career center involved.

(C) A plan under subparagraph (A) is individualized if the plan is consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual for whom the plan is developed.

(D) A plan under subparagraph (A) is not required for an individual if the individual signs a waiver stating that such a plan is not necessary for the individual.

(c) RULE OF CONSTRUCTION.—This title may not be construed as establishing an entitlement in any individual.

(d) DEFINITION.—For purposes of this title, the term "eligible individual" means an individual described in subsection (a)(1).

SEC. 106. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—For purposes of section 101(a):

(1) A State will establish a State Rehabilitation Advisory Council (referred to in this section as the "Council") in accordance with this section.

(2) The Council will be composed of the following:

(A) Representatives of organizations within the State providing services to individuals with disabilities and their families, including representatives of the client assistance program under section 510.

(B) Representatives of business, industry, and labor.

(C) Representatives of disability advocacy groups representing a cross section of—

(i) individuals with physical, cognitive, sensory, and mental disabilities; and

(ii) parents, family members, guardians, advocates, or authorized representatives, of individuals with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves.

(3) The State administrative agent will be an ex officio member of the Council.

(4) Members of the Council will be appointed by the Governor or another entity that has appointment authority under State law.

(5) A majority of Council members will be persons who are—

(A) individuals with disabilities described in section 7(8)(B); and

(B) not employed by the designated State administrative agent.

(6)(A) Except as provided in subparagraph (B), the Council will select a chairperson from among the membership of the Council.

(B) In States in which the Governor does not have veto power pursuant to State law, the Governor will designate a member of the Council to serve as the chairperson of the Council or will require the Council to so designate such a member.

(7) Each member of the Council will serve for a term determined by the Governor or another entity that has appointment authority under State law.

(8) Any vacancy occurring in the membership of the Council will be filled in the same manner as the original appointment. The vacancy will not affect the power of the remaining members to execute the duties of the Council.

(b) FUNCTIONS OF COUNCIL.—For purposes of section 101(a), the Council will carry out the following:

(1) Advise the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, and the State administrative agent, in the preparation of the State workforce development and literacy plan and other plans, reports, needs assessments, and evaluations required by this title.

(2) To the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the delivery of core services and vocational rehabilitation services to individuals with disabilities within the State.

(3) Prepare and submit an annual report to the collaborative process or appropriate State administrative agent and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public.

(4) Coordinate with other councils within the State established to address the needs of individuals with disabilities.

(5) Perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Advisory Council deter-

mines to be appropriate, that are comparable to the other functions performed by the Council.

(c) RESOURCES.—

(1) PLAN.—For purposes of section 101(a), the Council will prepare, in conjunction with the State administrative agent, a plan for the provision of such resources, including such staff and other personnel, as may be necessary to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

(2) RESOLUTION OF DISAGREEMENTS.—For purposes of section 101(a), to the extent that there is a disagreement between the Council and the State administrative agent in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement will be resolved by the Governor or appointing agency identified in subsection (a)(4).

(3) SUPERVISION AND EVALUATION.—For purposes of section 101(a), the Council will, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

(4) PERSONNEL CONFLICT OF INTEREST.—For purposes of section 101(a), while assisting the Council in carrying out its duties, staff and other personnel will not be assigned duties by the State administrative agent or any other agency or office of the State, that would create a conflict of interest.

(d) CONFLICT OF INTEREST.—For purposes of section 101(a), no member of the Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

(e) MEETINGS.—For purposes of section 101(a), the Council will convene meetings and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums will be publicly announced. The meetings will be open and accessible to the general public unless there is a valid reason for an executive session.

(f) COMPENSATION AND EXPENSES.—For purposes of section 101(a), the Council may use funds appropriated under this title to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing the duties of the Council.

(g) RULE OF CONSTRUCTION.—Nothing in this section prohibits a State from establishing and providing funds to a separate council to carry out functions described in subsection (b) with respect to vocational rehabilitation services for individuals who are blind.

SEC. 107. AMOUNT OF ALLOTMENT.

(a)(1) Subject to the provisions of subsection (d), for each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under section 101(d) for allotment under this section as the product of (A) the population of the State,

and (B) the square of its allotment percentage, bears to the sum of the corresponding products for all the States.

(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized to be appropriated for such fiscal year under section 101(d) for allotment under this section in excess of the amount appropriated under such section for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

(3) The sum of the payment to any State (other than Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 101(d), or $3,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

(4) For each fiscal year beginning on or after October 1, 1984, for which any amount is appropriated pursuant to section 101(d), each State shall receive an allocation (from such appropriated amount) in addition to the allotment to which such State is entitled under paragraphs (2) and (3) of this subsection. Such additional allocation shall be an amount which bears the same ratio to the amount so appropriated as that State's allotment under paragraphs (2) and (3) of this subsection bears to the sum of such allotments of all the States.

(b)(1) If the payment to a State pursuant to this section for a fiscal year is less than the total payments such State received under section 2 of the Vocational Rehabilitation Act for the fiscal year ending June 30, 1973, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this title) equal to the difference between the payment under this section and the amount so received by it.

(2) If a State receives as its Federal share pursuant to this section for any fiscal year less than the applicable Federal share of the expenditure of such State for fiscal year 1972 for vocational rehabilitation services under the plan for such State approved under section 101 as in effect for such year (including any amount expended by such State for the administration of the State plan but excluding

any amount expended by such State from non-Federal sources for construction under such plan), such State shall be entitled to an additional payment for such fiscal year, subject to the same terms and conditions applicable to other payments under this title, equal to the difference between such the payment pursuant to this section and an amount equal to the applicable Federal share of such expenditure for vocational rehabilitation services.

(3) Any payment attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.

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TITLE III—TRAINING AND DEMONSTRATION PROJECTS

PART A—TRAINING PROGRAMS AND COMMUNITY REHABILITATION PROGRAMS

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TRAINING

SEC. 302. (a) * * *

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(j) BRAILLE TRAINING PROJECTS.—

(1) ESTABLISHMENT.—The Commissioner shall make grants to and enter into contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay all or part of the cost of training in the use of Braille for personnel providing vocational rehabilitation services or educational services to youth and adults who are blind.

(2) PROJECTS.—Such grants shall be used for the establishment or continuation of projects that may provide—

(A) development of Braille training materials; and

(B) in-service or pre-service training in the use of Braille and methods of teaching Braille to youth and adults who are blind.

(3) APPLICATION.—To be eligible to receive a grant, or enter into a contract, under paragraph (1), an agency or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[VOCATIONAL REHABILITATION SERVICES FOR INDIVIDUALS WITH DISABILITIES

[SEC. 303. (a) For the purpose of making grants and entering into contracts under this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1997.

[(b)(1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational rehabilitation services or employment support services to individuals with

disabilities, especially those with the most severe disabilities, in public or nonprofit community rehabilitation programs.

[(2)(A) For purposes of this section, vocational rehabilitation services shall include—

[(i) training with a view toward career advancement;

[(ii) training (including on-the-job training) in occupational skills; and

[(iii) services, including rehabilitation technology services, personal assistance services, and supported employment services and extended services, that—

[(I) are related to training described in clause (i) or (ii); and

[(II) are required by the individual to engage in such training.

[(B) Pursuant to regulations, payment of weekly allowances may be made to individuals receiving vocational rehabilitation services and related services under this section. Such allowances may not be paid to any individual for any period in excess of two years. In determining the amount of such allowances for any individual, consideration shall be given to the individual's need for such an allowance, including any expenses reasonably attributable to receipt of vocational rehabilitation services, the extent to which such an allowance will help assure entry into and satisfactory completion of training, and such other factors, specified by the Commissioner, as will promote such individual's capacity to engage in competitive employment.

[(3) The Commissioner may make a grant for a project pursuant to this subsection only if the Commissioner determines that (A) the purpose of such project is to prepare individuals with disabilities, especially those with the most severe disabilities, for competitive employment, or to place or retain such individual in competitive employment, including supported employment; (B) the individuals to receive vocational rehabilitation services under such project will include only those who have been determined to be in need of such vocational rehabilitation services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the community rehabilitation program is located; (C) the full range of vocational rehabilitation services will be made available to each such individual, to the extent of that individual's need for such services; and (D) the project, including the participating community rehabilitation program and the vocational rehabilitation services provided, meets such other requirements as the Commissioner may prescribe in regulations for carrying out the purposes of this subsection.

[(c) The Commissioner is also authorized to make grants, upon applications approved by the designated State agency, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning community rehabilitation programs, the cost of the services to be provided by such programs, and initial staffing costs of such programs.

[(d)(1) The Commissioner is authorized to make grants to public or nonprofit community rehabilitation programs, or to an organization or combination of such programs, to pay the Federal share of the cost of projects to analyze, improve, and increase their profes-

sional services to individuals with disabilities, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

[(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

[LOAN GUARANTEES FOR COMMUNITY REHABILITATION PROGRAMS

[SEC. 304. (a) It is the purpose of this section to assist and encourage the provision of needed community rehabilitation programs for individuals with disabilities primarily served by State rehabilitation programs.

[(b) The Commissioner may, under special circumstances and in accordance with this section and subject to section 306, guarantee the payment of principal and interest on loans made to nonprofit private entities by non-Federal lenders and by the Federal Financing Bank for the construction of facilities for community rehabilitation programs, including equipment used in their operation.

[(c) In the case of a guarantee of any loan to a nonprofit private entity under this section, the Commissioner shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by 2 percent per annum the net effective interest rate otherwise payable on such loan. Each holder of a loan which is guaranteed under this section shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

[(d) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed $100,000,000.

[(e)(1) The Commissioner may not approve a loan guarantee for a project under this section unless the Commissioner determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Commissioner determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this section.

[(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this section the amount of any payment made pursuant to such guarantee, unless the Commissioner for good cause waives such right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

[(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this section (including terms and conditions imposed under paragraph (1)) may be modified by the Commissioner to the extent considered consistent with the interests of the United States.

[(C) Any loan guarantee made by the Commissioner under this section shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or a successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or a successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

[(D) Guarantees of loans under this section shall be subject to such further terms and conditions as the Commissioner considers necessary to assure that the purposes of this section will be achieved.

[(f)(1) There is established in the Treasury a loan guarantee fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Commissioner without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts—

[(A) to enable the Commissioner to discharge the responsibilities under loan guarantees issued under this section; and

[(B) for payment of interest under subsection (c) on loans guaranteed under this section.

There are authorized to be appropriated such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Commissioner in connection with loan guarantees under this section and other property or assets derived by the Commissioner from operations respecting such loan guarantees, including any money derived from the sale of assets.

[(2)(A) If at any time the sums in the fund are insufficient to enable the Commissioner—

[(i) to make payments of interest under subsection (c); or

[(ii) to otherwise comply with guarantees under this section of loans to nonprofit private entities;

the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury.

[(B) Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations.

[(C) The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph, and for that purpose the Secretary may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act. The purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by the Secretary under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transaction of the United States.

[(D) Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from the fund.]

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PART B—SPECIAL PROJECTS AND SUPPLEMENTARY SERVICES

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SPECIAL DEMONSTRATION PROGRAMS

SEC. 311. (a) * * *

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[(f)(1) Consistent with paragraph (2), and consistent with the general authority set forth in this section to fund special demonstration programs, projects, and activities, nothing in this Act shall be construed to prohibit the Commissioner from exercising authority under this title, or making available funds appropriated to carry out this title, to fund programs, projects, and activities described in section 802.

[(2) If the amount of funds appropriated for a fiscal year to carry out this section exceeds the amount of funds appropriated for the preceding fiscal year to carry out this section, adjusted by the percent by which the average of the estimated gross domestic product fixed-weight price index for that fiscal year differs from that estimated index for the preceding fiscal year, the amount of the excess shall be treated as if the excess were appropriated under title VIII.]

(f) TRANSPORTATION SERVICES GRANTS.—

(1) GRANTS.—The Commissioner shall make grants to States and to public or nonprofit agencies and organizations for the purpose of providing transportation services to individuals with disabilities who—

(A)(i) are employed or seeking employment; or

(ii) are receiving vocational rehabilitation services from public or private organizations; and

(B) reside in geographic areas in which fixed route public transportation or comparable paratransit service is not available.

(2) USE OF GRANT.—The Commissioner may make a grant under this subsection only if the applicant involved agrees that transportation services under this subsection will be provided on a regular and continuing basis between—

(A) the home of the individual; and

(B) the place of employment of the individual, the place where the individual is seeking employment, or the place where the individual is receiving vocational rehabilitation services.

(3) CHARGES.—The Commissioner may make a grant under paragraph (1) only if the applicant involved agrees that, in providing transportation services under this subsection—

(A) a charge for the transportation will be imposed on each employed eligible individual who uses the transportation; and

(B) the amount of the charge for an instance of use of the transportation for the distance involved will be in a fair and reasonable amount that is consistent with fees for comparable services in comparable geographic areas.

(4) REPORT.—The Commissioner may make a grant under this subsection only if the applicant involved agrees to prepare and submit to the Commissioner, not later than December 31 of the fiscal year following the fiscal year for which the grant is made, a report containing—

(A) a description of the goals of the program carried out with the grant;

(B) a description of the activities and services provided under the program;

(C) a description of the number of eligible individuals served under the program;

(D) a description of methods used to ensure that the program serves the eligible individuals most in need of the transportation services provided under the program; and

(E) such additional information as the Commissioner may require.

(5) CONSTRUCTION.—Nothing in this subsection may be construed as limiting the rights or responsibilities of any individual under any other provision of this Act, under the Americans with Disabilities Act of 1990, or under any other provision of law.

(g) DEMONSTRATION PROJECTS TO INCREASE CLIENT CHOICE.—

(1) GRANTS.—The Commissioner may make grants to States and public or nonprofit agencies and organizations to pay all or part of the costs of projects to demonstrate ways to increase client choice in the rehabilitation process, including the selection of providers of vocational rehabilitation services.

(2) USE OF FUNDS.—An entity that receives a grant under this subsection shall use the grant only—

(A) for activities that are directly related to planning, operating, and evaluating the demonstration projects; and

(B) to supplement, and not supplant, funds made available from Federal and non-Federal sources for such projects.

(3) APPLICATION.—Any eligible entity that desires to receive a grant under this subsection shall submit an application at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

(A) a description of—

(i) how the applicant intends to promote increased client choice in the rehabilitation process, including a description, if appropriate, of how an applicant will determine the cost of any service or product offered to an eligible client;

(ii) how the applicant intends to ensure that any vocational rehabilitation service or related service is provided by a qualified provider who is accredited or meets such other quality assurance and cost-control criteria as the State may establish; and

(iii) the outreach activities to be conducted by the applicant to obtain eligible clients; and

(B) assurances that a written plan will be established with the full participation of the client, which plan shall, at a minimum, include—

(i) a statement of the vocational rehabilitation goals to be achieved;

(ii) a statement of the specific vocational rehabilitation services to be provided, the projected dates for their initiation, and the anticipated duration of each such service; and

(iii) objective criteria, an evaluation procedure, and a schedule, for determining whether such goals are being achieved.

(4) AWARD OF GRANTS.—In selecting entities to receive grants under paragraph (1), the Commissioner shall take into consideration the—

(A) diversity of strategies used to increase client choice, including selection among qualified service providers;

(B) geographic distribution of projects; and

(C) diversity of clients to be served.

(5) RECORDS.—Entities that receive grants under paragraph (1) shall maintain such records as the Commissioner may require and comply with any request from the Commissioner for such records.

(6) DIRECT SERVICES.—At least 80 percent of the funds awarded for any project under this subsection shall be used for direct services, as specifically chosen by eligible clients.

(7) EVALUATION.—The Commissioner shall conduct an evaluation of the demonstration projects with respect to the services provided, clients served, client outcomes obtained, implementation issues addressed, the cost effectiveness of the project, and the effects of increased choice on clients and service providers. The Commissioner may reserve funds for the evaluation for a fiscal year from the amounts appropriated to carry out projects under this subsection for the fiscal year.

(8) DEFINITIONS.—For the purposes of this subsection:

(A) DIRECT SERVICES.—The term "direct services" means vocational rehabilitation services, as described in section 103(a).

(B) ELIGIBLE CLIENT.—The term "eligible client" means an individual with a disability, as defined in section 7(8)(A), who is not currently receiving services under an individualized written rehabilitation program established through a designated State unit.

(h) PARENT INFORMATION AND TRAINING PROGRAMS.—

(1) GRANTS.—The Commissioner is authorized to make grants through a separate competition to private nonprofit organizations for the purpose of establishing programs to provide training and information to enable individuals with disabilities, and the parents, family members, guardians, advocates, or other authorized representatives of the individuals to participate more effectively with professionals in meeting the vocational and rehabilitation needs of individuals with disabilities. Such grants

shall be designed to meet the unique training and information needs of individuals with disabilities, and the parents, family members, guardians, advocates, or other authorized representatives of the individuals, who live in the area to be served, particularly those who are members of populations that have been unserved or underserved by programs under this Act.

(2) USE OF GRANTS.—An organization that receives a grant to establish training and information programs under this subsection shall use the grant to assist individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals to—

(A) better understand vocational rehabilitation and independent living programs and services;

(B) provide followup support for transition and employment programs;

(C) communicate more effectively with transition and rehabilitation personnel and other relevant professionals;

(D) provide support in the development of the individualized written rehabilitation program;

(E) provide support and expertise in obtaining information about rehabilitation and independent living programs, services, and resources that are appropriate; and

(F) understand the provisions of this Act, particularly provisions relating to employment, supported employment, and independent living.

(3) AWARD OF GRANTS.—The Commissioner shall ensure that grants under this subsection shall—

(A) be distributed geographically to the greatest extent possible throughout all States; and

(B) be targeted to individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals, in both urban and rural areas or on a State or regional basis.

(4) ELIGIBLE ORGANIZATIONS.—In order to receive a grant under this subsection, a private nonprofit organization shall—

(A) submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including information demonstrating the capacity and expertise of the organization to—

(i) coordinate and work closely with parent training and information centers established under section 631 of the Individuals with Disabilities Education Act (20 U.S.C. 1431); and

(ii) effectively conduct the training and information activities authorized under this subsection;

(B)(i) be governed by a board of directors—

(I) that includes professionals in the field of vocational rehabilitation; and

(II) on which a majority of the members are individuals with disabilities or the parents, family members, guardians, advocates, or authorized representatives of the individuals; or

(ii)(I) have a membership that represents the interests of individuals with disabilities; and

(II) establish a special governing committee that meets the requirements specified in subclauses (I) and (II) of clause (i) to operate a training and information program under this subsection; and

(C) serve individuals with a full range of disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals.

(5) CONSULTATION.—Each private nonprofit organization carrying out a program receiving assistance under this subsection shall consult with appropriate agencies that serve or assist individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals, located in the jurisdiction served by the program.

(6) COORDINATION.—The Commissioner shall provide coordination and technical assistance by grant or cooperative agreement for establishing, developing, and coordinating the training and information programs. To the extent practicable, such assistance shall be provided by the parent training and information centers established under section 631 of the Individuals with Disabilities Education Act (20 U.S.C. 1431).

(7) REVIEW.—

(A) QUARTERLY REVIEW.—The board of directors or special governing committee of a nonprofit private organization receiving a grant under this subsection shall meet at least once in each calendar quarter to review the training and information program, and each such committee shall directly advise the governing board regarding the views and recommendations of the committee.

(B) REVIEW FOR GRANT RENEWAL.—If a nonprofit private organization requests the renewal of a grant under this subsection, the board of directors or the special governing committee shall prepare and submit to the Commissioner a written review of the training and information program conducted by the nonprofit private organization during the preceding fiscal year.

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[MIGRATORY WORKERS

[SEC. 312. (a) The Commissioner, subject to the provisions of section 306, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, to nonprofit agencies working in collaboration with such State agency, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational rehabilitation services to individuals with disabilities, as determined in accordance with rules prescribed by the Secretary of Labor, who are migratory agricultural workers or seasonal farmworkers, and to members of their families (whether or not such family members are individuals with disabilities) who are with them, including maintenance and transportation of such individuals and members of their families where

necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other individuals with disabilities in the State under this Act. Such grants shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This section shall be administered in coordination with other programs serving migrant agricultural workers and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

[(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 1993 through 1997 such sums as may be necessary to carry out this section.]

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[SPECIAL RECREATIONAL PROGRAMS

[SEC. 316. (a)(1) The Commissioner, subject to the provisions of section 306, shall make grants to States, public agencies, and nonprofit private organizations for paying the Federal share of the cost of initiation of recreation programs to provide individuals with disabilities with recreational activities and related experiences to aid in the employment, mobility, socialization, independence, and community integration of such individuals. The programs authorized to be assisted under this section may include, but are not limited to, vocational skills development, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, 4–H activities, music, dancing, handicrafts, art, and homemaking. Whenever possible and appropriate, such programs and activities should be provided in settings with peers who are not individuals with disabilities. Programs and activities under this section shall be designed to demonstrate ways in which such programs assist in maximizing the independence and integration of individuals with disabilities.

[(2) Each such grant shall be made for a period of not more than 3 years. Such a grant shall not be renewable, except that the Commissioner may renew such a grant if the Commissioner determines that the grant recipient will continue to develop model or innovative programs of exceptional merit or will contribute substantially to the development or improvement of special recreational programs in other locations.

[(3) No grant may be made under this section unless the agreement with respect to such grant contains provisions to assure that, to the extent possible, existing resources will be used to carry out the activities for which the grant is to be made.

[(4) To be eligible to receive a grant under this section, a State, agency, or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including a description of—

[(A) the manner in which the findings and results of the project will be made generally available; and

[(B) the means by which the service program will be continued after Federal assistance ends.

[(5) Recreation programs funded under this section shall maintain, at a minimum, the same level of services over a 3-year project period.

[(6) The Commissioner shall, not later than 180 days after the date of enactment of the Rehabilitation Act Amendments of 1992, develop means to objectively evaluate, and encourage the replication of, activities assisted by this section.

[(7) The Commissioner shall require each recipient of a grant under this section to annually prepare and submit a report on the results of the activities assisted by the grant. The Commissioner shall not make financial assistance available to a grant recipient for a subsequent year until the Commissioner has received and evaluated such a report from the recipient regarding the current year.

[(8) The Commissioner shall annually issue and provide for the dissemination of a report describing the findings and results of programs funded by this section.

[(9) The Federal share of the costs of the recreation programs shall be 100 percent for the first year of the grant, 75 percent for the second year, and 50 percent for the third year.

[(b) There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1997.]

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TITLE V—RIGHTS AND ADVOCACY

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CLIENT ASSISTANCE PROGRAM

SEC. [112.] *510.* (a) From funds appropriated under subsection (i), the Secretary shall, in accordance with this section, make grants to States to establish and carry out client assistance programs to provide assistance in informing and advising all clients and client applicants of all available benefits under this Act, and, upon request of such clients or client applicants, to assist and advocate for such clients or applicants in their relationships with projects, programs, and community rehabilitation programs providing services to them under this Act, including assistance and advocacy in pursuing legal, administrative, or other appropriate remedies to ensure the protection of the rights of such individuals under this Act and to facilitate access to the services funded under this Act through individual and systemic advocacy. The client assistance program shall provide information on the available services and benefits under this Act and title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.) to individuals with disabilities in the State, especially with regard to individuals with disabilities who have traditionally been unserved or underserved by vocational rehabilitation programs. In providing assistance and advocacy under this subsection with respect to services under this title, a client assistance program may provide the assist-

ance and advocacy with respect to services that are directly related to facilitating the employment of the individual.

(b) No State may receive payments from its allotment under this Act in any fiscal year unless the State has in effect not later than October 1, 1984, a client assistance program which—

(1) has the authority to pursue legal, administrative, and other appropriate remedies to ensure the protection of rights of individuals with disabilities who are receiving treatments, services, or rehabilitation under this Act within the State; and

(2) meets the requirements of designation under subsection (c).

(c)(1)(A) The Governor shall designate a public or private agency to conduct the client assistance program under this section. Except as provided in the last sentence of this paragraph, the Governor shall designate an agency which is independent of any agency which provides treatment, services, or rehabilitation to individuals under this Act. If there is an agency in the State which has, or had, prior to the date of enactment of the Rehabilitation Amendments of 1984, served as a client assistance agency under this section and which received Federal financial assistance under this Act, the Governor may, in the initial designation, designate an agency which provides treatment, services, or rehabilitation to individuals with disabilities under this Act.

(B) The Governor may not redesignate the agency designated under subparagraph (A) without good cause and unless—

(i) the Governor has given the agency 30 days notice of the intention to make such redesignation, including specification of the good cause for such redesignation and an opportunity to respond to the assertion that good cause has been shown;

(ii) individuals with disabilities or their representatives have timely notice of the redesignation and opportunity for public comment; and

(iii) the agency has the opportunity to appeal to the Commissioner on the basis that the redesignation was not for good cause.

(2) In carrying out the provisions of this section, the Governor shall consult with the director of the State vocational rehabilitation agency, the head of the developmental disability protection and advocacy agency, and with representatives of professional and consumer organizations serving individuals with disabilities in the State.

(3) The agency designated under this subsection shall be accountable for the proper use of funds made available to the agency.

(4) For the purpose of this subsection, the term "Governor" means the chief executive of the State.

(d) The agency designated under subsection (c) of this section may not bring any class action in carrying out its responsibilities under this section.

(e)(1)(A) The Secretary shall allot the sums appropriated for each fiscal year under this section among the States on the basis of relative population of each State, except that no State shall receive less than $50,000.

(B) The Secretary shall allot $30,000 each to American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, and the

Republic of Palau, except that the Republic of Palau may receive such allotment under this section only until the Compact of Free Association with Palau takes effect.

(C) For the purpose of this paragraph, the term "State" does not include American Samoa, Guam, the Virgin Islands, the Northern Mariana Islands, and the Republic of Palau.

(D)(i) In any fiscal year that the funds appropriated for such fiscal year exceed $7,500,000, the minimum allotment shall be $100,000 for States and $45,000 for territories.

(ii) For any fiscal year in which the total amount appropriated under subsection (h) exceeds the total amount appropriated under such subsection for the preceding fiscal year by a percentage greater than the most recent percentage change in the Consumer Price Index For All Urban Consumers published by the Secretary of Labor under section 100(c)(1), the Secretary shall increase each of the minimum allotments under clause (i) by such percentage change in the Consumer Price Index For All Urban Consumers.

(2) The amount of an allotment to a State for a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which allotted shall be available for reallotment by the Secretary at appropriate times to other States with respect to which such a determination has not been made, in proportion to the original allotments of such States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period; and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any such amount so reallotted to a State for a fiscal year shall be deemed to be a part of its allotment for such fiscal year.

(3) Except as specifically prohibited by or as otherwise provided in State law, the Secretary shall pay to the agency designated under subsection (c) the amount specified in the application approved under subsection (f).

(f) No grant may be made under this section unless the State submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary to meet the requirements of this section.

(g) The Secretary shall prescribe regulations applicable to the client assistance program which shall include the following requirements:

(1) No employees of such programs shall, while so employed, serve as staff or consultants of any rehabilitation project, program, or facility receiving assistance under this Act in the State.

(2) Each program shall be afforded reasonable access to policymaking and administrative personnel in the State and local rehabilitation programs, projects, or facilities.

(3) Each program shall contain provisions designed to assure that to the maximum extent possible mediation procedures are used prior to resorting to administrative or legal remedies.

(4) The agency designated under subsection (c) shall submit an annual report to the Secretary on the operation of the pro-

gram during the previous year, including a summary of the work done and the uniform statistical tabulation of all cases handled by such program. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Secretary, together with a summary of such reports and the Secretary's evaluation of the program, including appropriate recommendations.

(5) Each such report shall contain information on the number of requests the client assistance program under this section receives annually, the number of requests such program is unable to serve, and the reasons that the program is unable to serve all the requests.

(6) For purposes of such report or for any other periodic audit, report, or evaluation of the performance of a client assistance program under this section, the Secretary shall not require such a program to disclose the identity of, or any other personally identifiable information related to, any individual requesting assistance under such program.

(h) There are authorized to be appropriated such sums as may be necessary for fiscal years 1993 through 1997 to carry out the provisions of this section.

TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

SHORT TITLE

SEC. 601. This title may be cited as the "Employment Opportunities for Individuals With Disabilities Act".

[PART A—COMMUNITY SERVICE EMPLOYMENT PILOT PROGRAMS FOR INDIVIDUALS WITH DISABILITIES

[ESTABLISHMENT OF PILOT PROGRAM

[SEC. 611. (a) In order to promote useful opportunities in community service activities for individuals with disabilities who have poor employment prospects, the Secretary of Labor (hereinafter in this part referred to as the "Secretary") is authorized to establish a community service employment pilot program for individuals with disabilities. For purposes of this part, the term "eligible individuals" means persons who are individuals with disabilities (as defined in section 7(8)(A) of this Act) and who are referred to programs under this part by designated State units.

[(b)(1) The Secretary may enter into agreements with public or private nonprofit agencies or organizations, including national organizations, agencies of a State government or a political subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or tribal organizations in order to carry out the pilot program referred to in subsection (a). Such agreements may include provisions consistent with subsection (c) for the payment of the costs of projects developed by such organizations and agencies in cooperation with the Secretary. No payment shall be made by the Secretary toward the cost of any such project unless the Secretary determines that:

[(A) Such project will provide employment only for eligible individuals, except that if eligible individuals are not available to serve as technical, administrative, or supervisory personnel for a project then such personnel may be recruited from among other individuals.

[(B) Such project will provide employment for eligible individuals in the community in which such individuals reside, or in nearby communities.

[(C) Such project will employ eligible individuals in services related to publicly owned and operated facilities and projects, or projects sponsored by organizations, other than political parties, exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954, except for projects involving the construction, operation, or maintenance of any facility used or to be used as a place for sectarian religious instruction or worship.

[(D) Such project will contribute to the general welfare of the community in which eligible individuals are employed under such project.

[(E) Such project (i) will result in an increase in employment opportunities over those opportunities which would otherwise be available, (ii) will not result in any displacement of currently employed workers (including partial displacement, such as a reduction in the hours of nonovertime work or wages or employment benefits), and (iii) will not impair existing contracts or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed.

[(F) Such project will not employ any eligible individual to perform work which is the same or substantially the same as that performed by any other person who is on layoff from employment with the agency or organization sponsoring such project.

[(G) Such project will utilize methods of recruitment and selection (including the listing of job vacancies with the State agency units designated under section 101(a)(2)(A) to administer vocational rehabilitation services under this Act) which will assure that the maximum number of eligible individuals will have an opportunity to participate in the project.

[(H) Such project will provide for (i) such training as may be necessary to make the most effective use of the skills and talents of individuals who are participating in the project, and (ii) during the period of such training, a reasonable subsistence allowance for such individuals and the payment of any other reasonable expenses related to such training.

[(I) Such project will provide safe and healthy working conditions for any eligible individual employed under such project and will pay any such individual at a rate of pay not lower than the rate of pay described in paragraph (2).

[(J) Such project will be established or administered with the advice of (i) persons competent in the field of service in which employment is being provided, and (ii) persons who are knowledgeable with regard to the needs of individuals with disabilities.

[(K) Such project will pay any reasonable costs for work-related expenses, transportation, and personal assistance services incurred by eligible individuals employed under such project in accordance with regulations prescribed by the Secretary.

[(L) Such project will provide appropriate placement services for employees under the project to assist them in locating unsubsidized employment when the Federal assistance for the project terminates.

[(2) The rate of pay referred to in subparagraph (I) of paragraph (1) is the highest of the following:

[(A) the prevailing rate of pay for persons employed in similar occupations by the same employer.

[(B) The minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 if such employee were not exempt from such Act under section 13 thereof.

[(C) The State or local minimum wage for the most nearly comparable covered employment.

The Department of Labor shall not issue any certificate of exemption under section 14(c) of the Fair Labor Standards Act of 1938 with respect to any person employed in a project under this section.

[(c)(1) The Secretary may pay not to exceed 90 percent of the cost of any project which is the subject of an agreement entered into under subsection (b). Notwithstanding the preceding sentence, the Secretary may pay all of the costs of any such project which is (A) an emergency or disaster project, or (B) a project located in an economically depressed area, as determined by the Secretary in consultation with the Secretary of Commerce and the Director of the Community Services Administration.

[(2) The non-Federal share of any project under this part may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to services and facilities contributed from non-Federal sources.

[(d) Payments under this part may be made in advance or by way of reimbursement, and in such installments as the Secretary may determine.

[ADMINISTRATION

[SEC. 612. (a) In order to effectively carry out the provisions of this part, the Secretary shall, through the Commissioner of the Rehalibitation Services Administration, consult with any designated State unit with regard to—

[(1) the localities in which community service projects of the type authorized by this part are most needed;

[(2) the employment situations and types of skills possessed by eligible individuals in such localities; and

[(3) potential projects suitable for funding in such localities.

[(b) The Secretary shall coordinate the pilot program established under this part with the Job Training Partnership Act and the Community Services Block Grant Act.

[(c) In carrying out this part, the Secretary may, with the consent of any other Federal, State, or local agency, use the services, equipment, personnel, and facilities of such agency with or without

providing such agency with reimbursement and may use the services, equipment, and facilities of any other public or private entity on a similar basis.

[(d) Within one hundred and eighty days after the effective date of this part, the Secretary shall issue and publish in the Federal Register such regulations as may be necessary to carry out this part.

[(e) The Secretary shall not delegate any function of the Secretary under this part to any other department or agency of the Federal Government.

[PARTICIPANTS NOT FEDERAL EMPLOYEES

[SEC. 613. (a) Eligible individuals who are employed in any project funded under this part shall not be considered to be Federal employees as a result of such employment and shall not be subject to the provisions of part III of title 5, United States Code.

[(b) No contract shall be entered into under this part with a contractor who is, or whose employees are, under State law, exempted from operation of any State workmen's compensation law generally applicable to employees, unless the contractor shall undertake to provide for persons to be employed under such contract, through insurance by a recognized carrier or by self-insurance authorized by State law, workmen's compensation coverage equal to that provided by law for covered employment.

[(c) No part of the wages, allowances, or reimbursement for transportation and personal assistance services costs made available to an eligible individual employed in any project funded under this part shall be treated as income or benefits for the purpose of any other program or provision of State or Federal law, unless the Secretary makes a case by case determination that disallowance of such income or benefits is inequitable or does not carry out the purposes of this title.

[INTERAGENCY COOPERATION

[SEC. 614. (a) The Secretary shall consult with, and obtain the written views of, the Commissioner of the Rehabilitation Services Administration before establishing rules or general policy in the administration of this part.

[(b) The Secretary shall consult and cooperate with the Director of the Community Services Administration, the Secretary of Health and Human Services, and the heads of other Federal agencies carrying out related programs, in order to achieve maximum coordination between such programs and the program established under this part. Each Federal agency shall cooperate with the Secretary in disseminating information relating to the availability of assistance under this part and in identifying individuals eligible for employment in projects assisted under this part.

[EQUITABLE DISTRIBUTION OF ASSISTANCE

[SEC. 615. (a)(1) Preference in awarding grants or contracts under this part shall be given to organizations of proven ability in providing employment services to individuals with disabilities under this program and similar programs. The Secretary, in

awarding grants and contracts under this section, shall, to the extent feasible, assure an equitable distribution of activities under such grants and contracts among the States, taking into account the needs of underserved States and the needs of Indian tribes.

[(2) The Secretary shall allot for projects within each State the sums appropriated for any fiscal year under section 617 so that each State will receive an amount which bears the same ratio to such sums as the population of the State bears to the population of all the States.

[(b) The amount allotted for projects within any State under subsection (a) for any fiscal year which the Secretary determines will not be required for such year shall be reallotted, from time to time and on such dates during such year as the Secretary may fix, to projects within other States in proportion to the original allotments to projects within such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates that projects within such State need and will be able to use for such year. The total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

[(c) The amount apportioned for projects within each State under subsection (a) shall be apportioned among areas within each such State in an equitable manner, taking into consideration (1) the proportion which eligible individuals in each such area bears to the total number of such individuals, respectively, in that State, and (2) the relative distribution of such individuals residing in rural and urban areas within the State (including individuals residing on Indian reservations).

[DEFINITIONS

[SEC. 616. For purposes of this part—

[(1) the term "community service" means social, health, welfare, and educational services, legal and other counseling services and assistance, including tax counseling and assistance and financial counseling, and library, recreational, and other similar services; conservation, maintenance, or restoration of natural resources; community betterment or beautification; antipollution and environmental quality efforts; economic development; and such other services essential and necessary to the community as the Secretary, by regulation, may prescribe; and

[(2) the term "pilot program" means the community service employment program for individuals with disabilities established under this part.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 617. There are authorized to be appropriated to carry out the provisions of this part such sums as may be necessary for each of the fiscal years 1993 through 1997.

[PART B—PROJECTS WITH INDUSTRY]

PROJECTS WITH INDUSTRY

SEC. 621. (a)(1) The purpose of this part is to create and expand job and career opportunities for individuals with disabilities in the competitive labor market by engaging the talent and leadership of private industry as partners in the rehabilitation process, to identify competitive job and career opportunities and the skills needed to perform such jobs, to create practical job and career readiness and training programs, and to provide job placements and career advancement.

(2) The Commissioner, in consultation with the Secretaries of Labor and Commerce and with designated State units, may award grants to individual employers, community rehabilitation program providers, labor unions, trade associations, Indian tribes, tribal organizations, designated State units, and other entities to establish jointly financed Projects With Industry to create and expand job and career opportunities for individuals with disabilities, which projects shall—

(A) * * *

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[PART C—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH SEVERE DISABILITIES

[SEC. 631. PURPOSE.

[It is the purpose of this part to authorize allotments, in addition to grants for vocational rehabilitation services under title I, to assist States in developing collaborative programs with appropriate entities to provide supported employment services for individuals with the most severe disabilities who require supported employment services to enter or retain competitive employment.

[SEC. 632. ALLOTMENTS.

[(a) IN GENERAL.—

[(1) STATES.—The Secretary shall allot the sums appropriated for each fiscal year to carry out this part among the States on the basis of relative population of each State, except that—

[(A) no State shall receive less than $250,000, or one-third of one percent of the sums appropriated for the fiscal year for which the allotment is made, whichever is greater; and

[(B) if the sums appropriated to carry out this part for the fiscal year exceed by $1,000,000 or more the sums appropriated to carry out this part in fiscal year 1992, no State shall receive less than $300,000, or one-third of one percent of the sums appropriated for the fiscal year for which the allotment is made, whichever is greater.

[(2) CERTAIN TERRITORIES.—

[(A) IN GENERAL.—For the purposes of this subsection, Guam, American Samoa, the United States Virgin Islands, the Republic of Palau, and the Commonwealth of the

Northern Mariana Islands shall not be considered to be States.

[(B) ALLOTMENT.—Each jurisdiction described in subparagraph (A) shall be allotted not less than one-eighth of one percent of the amounts appropriated for the fiscal year for which the allotment is made, except that the Republic of Palau may receive such allotment under this section only until the Compact of Free Association with Palau takes effect.

[(b) REALLOTMENT.—Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State for carrying out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States that the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the State (as determined under the preceding provisions of this section) for such year.

[SEC. 633. AVAILABILITY OF SERVICES.

[Funds provided under this part may be used to provide supported employment services to individuals who are eligible under this part. Funds provided under this part, title I, or subsection (b) or (c) of section 311 may not be used to provide extended services to individuals who are eligible under this part or title I.

[SEC. 634. ELIGIBILITY.

[An individual shall be eligible under this part to receive supported employment services authorized under this Act if—

[(1) the individual is eligible for vocational rehabilitation services;

[(2) the individual is determined to be an individual with the most severe disabilities; and

[(3) a comprehensive assessment of rehabilitation needs of the individual provided under section 102(b)(1)(A), including an evaluation of rehabilitation, career, and job needs, identifies supported employment as the appropriate rehabilitation objective for the individual.

[SEC. 635. STATE PLAN.

[(a) STATE PLAN SUPPLEMENTS.—To be eligible for an allotment under this part, a State shall submit to the Commissioner, as part of the State plan under section 101, a State plan supplement for providing supported employment services authorized under this Act to individuals who are eligible under this Act to receive the services. Each State shall make such annual revisions in the plan supplement as may be necessary.

[(b) CONTENTS.—Each such plan supplement shall—

[(1) designate each agency that the State designated under section 101(a)(1) as the agency to administer the program assisted under this part;

[(2) summarize the results of the comprehensive, statewide assessment conducted under section 101(a)(5), with respect to the rehabilitation and career needs of individuals with severe

disabilities and the need for supported employment services, including needs related to coordination and use of information within the State relating to section 618(b)(1)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1418(b)(1)(C));

[(3) describe the quality, scope, and extent of supported employment services authorized under this Act to be provided to individuals who are eligible under this Act to receive the services and specify the goals and plans of the State with respect to the distribution of funds received under section 632;

[(4) demonstrate evidence of the efforts of the designated State agency to identify and make arrangements (including entering into cooperative agreements) with other State agencies and other appropriate entities to assist in the provision of supported employment services;

[(5) demonstrate evidence of the efforts of the designated State agency to identify and make arrangements (including entering into cooperative agreements) with other public or nonprofit agencies or organizations within the State, employers, natural supports, and other entities with respect to the provision of extended services;

[(6) provide assurances that—

[(A) funds made available under this part will only be used to provide supported employment services authorized under this Act to individuals who are eligible under this part to receive the services;

[(B) that the comprehensive assessments of individuals with severe disabilities conducted under section 102(b)(1)(A) and funded under title I will include consideration of supported employment as an appropriate rehabilitation objective;

[(C) an individualized written rehabilitation program, as required by section 102, will be developed and updated using funds under title I in order to—

[(i) specify the supported employment services to be provided;

[(ii) specify the expected extended services needed; and

[(iii) identify the source of extended services, which may include natural supports, or to the extent that it is not possible to identify the source of extended services at the time the individualized written rehabilitation program is developed, a statement describing the basis for concluding that there is a reasonable expectation that such sources will become available;

[(D) the State will use funds provided under this part only to supplement, and not supplant, the funds provided under title I, in providing supported employment services specified in the individualized written rehabilitation program;

[(E) services provided under an individualized written rehabilitation program will be coordinated with services provided under other individualized plans established under other Federal or State programs;

[(F) to the extent jobs skills training is provided, the training will be provided on-site; and

[(G) supported employment services will include placement in an integrated setting for the maximum number of hours possible based on the unique strengths, resources, interests, concerns, abilities, and capabilities of individuals with the most severe disabilities;

[(7) provide assurances that the State agencies designated under paragraph (1) will expend not more than 5 percent of the allotment of the State under this part for administrative costs of carrying out this part; and

[(8) contain such other information and be submitted in such manner as the Commissioner may require.

[SEC. 636. RESTRICTION.

[Each State agency designated under section 635(b)(1) shall collect the client information required by section 13 separately for supported employment clients under this part and for supported employment clients under title I.

[SEC. 637. SAVINGS PROVISION.

[(a) SUPPORTED EMPLOYMENT SERVICES.—Nothing in this Act shall be construed to prohibit a State from providing supported employment services in accordance with the State plan submitted under section 101 by using funds made available through a State allotment under section 110.

[(b) POSTEMPLOYMENT SERVICES.—Nothing in this part shall be construed to prohibit a State from providing discrete postemployment services in accordance with the State plan submitted under section 101 by using funds made available through a State allotment under section 110 to an individual who is eligible under this part.

[SEC. 638. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this part such sums as may be necessary for each of fiscal years 1993 through 1997.

[PART D—BUSINESS OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES.

[BUSINESS OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

[SEC. 641. (a) The Commissioner, in consultation with the Secretary of Labor and the Secretary of Commerce, may make grants to, or enter into contracts with, individuals with disabilities to enable them to establish or operate commercial or other enterprises to develop or market their products or services. Within ninety days after the effective date of this section, the Commissioner shall promulgate regulations to carry out this section, including regulations specifying (1) the maximum amount of money which may be provided under this section to any participant, and (2) procedures for certification, by designated State units, of individuals eligible to participate in any program under this section.

[(b) There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the 1993 through 1997 fiscal years.]

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[TITLE VIII—SPECIAL DEMONSTRATIONS AND TRAINING PROJECTS

[SEC. 801. AUTHORIZATION OF APPROPRIATIONS.

[(a) DEMONSTRATION PROJECTS.—There are authorized to be appropriated to carry out section 802, such sums as may be necessary for each of the fiscal years 1993 through 1997.

[(b) TRAINING INITIATIVES.—There are authorized to be appropriated to carry out section 803, such sums as may be necessary for each of the fiscal years 1993 through 1997.

[SEC. 802. DEMONSTRATION ACTIVITIES.

[(a) TRANSPORTATION SERVICES GRANTS.——

[(1) GRANTS.—The Commissioner shall make grants to States and to public or nonprofit agencies and organizations for the purpose of providing transportation services to individuals with disabilities who——

[(A)(i) are employed or seeking employment; or

[(ii) are receiving vocational rehabilitation services from public or private organizations; and

[(B) reside in geographic areas in which fixed route public transportation or comparable paratransit service is not available.

[(2) USE OF GRANT.—The Commissioner may make a grant under this subsection only if the applicant involved agrees that transportation services under this subsection will be provided on a regular and continuing basis between——

[(A) the home of the individual; and

[(B) the place of employment of the individual, the place where the individual is seeking employment, or the place where the individual is receiving vocational rehabilitation services.

[(3) CHARGES.—The Commissioner may make a grant under paragraph (1) only if the applicant involved agrees that, in providing transportation services under this subsection——

[(A) a charge for the transportation will be imposed on each employed eligible individual who uses the transportation; and

[(B) the amount of the charge for an instance of use of the transportation for the distance involved will be in a fair and reasonable amount that is consistent with fees for comparable services in comparable geographic areas.

[(4) REPORT.—The Commissioner may make a grant under this subsection only if the applicant involved agrees to prepare and submit to the Commissioner, not later than December 31 of the fiscal year following the fiscal year for which the grant is made, a report containing——

[(A) a description of the goals of the program carried out with the grant;

[(B) a description of the activities and services provided under the program;

[(C) a description of the number of eligible individuals served under the program;

[(D) a description of methods used to ensure that the program serves the eligible individuals most in need of the transportation services provided under the program; and

[(E) such additional information as the Commissioner may require.

[(5) CONSTRUCTION.—Nothing in this subsection may be construed as limiting the rights or responsibilities of any individual under any other provision of this Act, under the Americans with Disabilities Act of 1990, or under any other provision of law.

[(b) PROJECTS TO ACHIEVE HIGH QUALITY PLACEMENTS.——

[(1) SPECIAL PROJECTS AND DEMONSTRATIONS.—The Commissioner shall make grants to public or nonprofit community rehabilitation programs, designated State units, and other public or nonprofit agencies and organizations to pay for the cost of developing special projects and demonstrations related to vocational rehabilitation outcomes. Such projects and demonstrations may include activities providing alternatives to case closure practice and identifying and implementing appropriate incentives to vocational rehabilitation counselors to achieve high quality placements for individuals with the most severe disabilities.

[(2) CERTAIN REQUIREMENTS.—Each recipient of such a grant shall——

[(A) identify, develop, and test exemplary models that can be replicated; and

[(B) identify innovative methods, such as weighted case closures, to evaluate the performance of vocational rehabilitation counselors that in no way impede the accomplishment of the purposes and policy of serving, among others, those individuals with the most severe disabilities.

[(c) EARLY INTERVENTION DEMONSTRATION PROGRAMS.——

[(1) GRANTS.—The Commissioner shall make grants to public or nonprofit agencies and organizations to carry out demonstration programs designed to demonstrate the utility of early intervention in furnishing vocational evaluation, training, and counseling services to working adults recently determined to have chronic and progressive diseases that may be severely disabling, such as multiple sclerosis.

[(2) GRANT ACTIVITIES.—In carrying out a demonstration program under paragraph (1), an eligible entity shall conduct a program intended to demonstrate the effectiveness of such early intervention in improving the job retention of the working adults or in facilitating the entry of the working adults to new careers and employment. The demonstration program shall test a number of alternative service systems, including an employer assistance program, a system involving early intervention by State vocational rehabilitation agencies, and a pri-

vate nonprofit agency joint venture with an employer or State vocational rehabilitation agency.

[(d) TRANSITION DEMONSTRATION PROJECTS.——

[(1) GRANTS.—The Commissioner may make grants to public or nonprofit agencies and organizations to pay part or all of the costs of special projects and demonstration projects to support models for providing community-based, coordinated services to facilitate the transition of individuals with disabilities from rehabilitation hospital or nursing home programs or comparable programs, to programs providing independent living services in the community, including services such as personal assistance services, health maintenance services, counseling, and social and vocational services.

[(2) APPLICATION.—To be eligible to receive a grant under this subsection, an agency or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[(3) EVALUATION.—An agency or organization that receives a grant under this subsection shall evaluate the effectiveness of such models and prepare and submit to the Commissioner a report containing the evaluation.

[(e) BARRIERS TO SUCCESSFUL REHABILITATION OUTCOMES FOR MINORITIES.—The Commissioner may award grants to public or nonprofit agencies and organizations——

[(1) to conduct a study to examine the factors that have created barriers to successful rehabilitation outcomes for individuals with disabilities from minority backgrounds, and develop and evaluate policy, research, and training strategies for overcoming the barriers;

[(2) to conduct a study to examine the factors that have created significant underrepresentation of individuals from minority backgrounds in the rehabilitation professions, including such underrepresentation among researchers, and develop and evaluate policy, research, and training strategies for overcoming the underrepresentation; and

[(3) to conduct a study to examine the factors that have created barriers to successful rehabilitation outcomes for individuals with neurological or other related disorders, and examine how the hidden or episodic nature of the disability affects eligibility and the provision of services.

[(f) STUDIES, SPECIAL PROJECTS, AND DEMONSTRATION PROJECTS TO STUDY MANAGEMENT AND SERVICE DELIVERY.——

[(1) GRANTS.—The Commissioner may make grants to public or nonprofit agencies and organizations to pay part or all of the costs of conducting studies, special projects, or demonstration projects relating to the management and service delivery systems of the vocational rehabilitation programs authorized under this Act.

[(2) APPLICATION.—To be eligible to receive a grant under this subsection, an agency or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[(g) DEMONSTRATION PROJECTS TO INCREASE CLIENT CHOICE.—

[(1) GRANTS.—The Commissioner may make grants to States and public or nonprofit agencies and organizations to pay all or part of the costs of projects to demonstrate ways to increase client choice in the rehabilitation process, including the selection of providers of vocational rehabilitation services.

[(2) USE OF FUNDS.—An entity that receives a grant under this subsection shall use the grant only—

[(A) for activities that are directly related to planning, operating, and evaluating the demonstration projects; and

[(B) to supplement, and not supplant, funds made available from Federal and non-Federal sources for such projects.

[(3) APPLICATION.—Any eligible entity that desires to receive a grant under this subsection shall submit an application at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

[(A) a description of—

[(i) how the applicant intends to promote increased client choice in the rehabilitation process, including a description, if appropriate, of how an applicant will determine the cost of any service or product offered to an eligible client;

[(ii) how the applicant intends to ensure that any vocational rehabilitation service or related service is provided by a qualified provider who is accredited or meets such other quality assurance and cost-control criteria as the State may establish; and

[(iii) the outreach activities to be conducted by the applicant to obtain eligible clients; and

[(B) assurances that a written plan will be established with the full participation of the client, which plan shall, at a minimum, include—

[(i) a statement of the vocational rehabilitation goals to be achieved;

[(ii) a statement of the specific vocational rehabilitation services to be provided, the projected dates for their initiation, and the anticipated duration of each such service; and

[(iii) objective criteria, an evaluation procedure, and a schedule, for determining whether such goals are being achieved.

[(4) AWARD OF GRANTS.—In selecting entities to receive grants under paragraph (1), the Commissioner shall take into consideration the—

[(A) diversity of strategies used to increase client choice, including selection among qualified service providers;

[(B) geographic distribution of projects; and

[(C) diversity of clients to be served.

[(5) RECORDS.—Entities that receive grants under paragraph (1) shall maintain such records as the Commissioner may require and comply with any request from the Commissioner for such records.

[(6) DIRECT SERVICES.—At least 80 percent of the funds awarded for any project under this subsection shall be used for direct services, as specifically chosen by eligible clients.

[(7) EVALUATION.—The Commissioner shall conduct an evaluation of the demonstration projects with respect to the services provided, clients served, client outcomes obtained, implementation issues addressed, the cost effectiveness of the project, and the effects of increased choice on clients and service providers. The Commissioner may reserve funds for the evaluation for a fiscal year from the amounts appropriated to carry out projects under this subsection for the fiscal year.

[(8) DEFINITIONS.—For the purposes of this subsection:

[(A) DIRECT SERVICES.—The term "direct services" means vocational rehabilitation services, as described in section 103(a).

[(B) ELIGIBLE CLIENT.—The term "eligible client" means an individual with a disability, as defined in section 7(8)(A), who is not currently receiving services under an individualized written rehabilitation program established through a designated State unit.

[(h) NATIONAL COMMISSION ON REHABILITATION SERVICES.—

[(1) ESTABLISHMENT.—

[(A) IN GENERAL.—Subject to the availability of appropriations, there is hereby established a National Commission on Rehabilitation Services (referred to in this section as the "National Commission") for the purpose of studying the nature, quality, and adequacy of vocational rehabilitation, independent living, supported employment, research, training, and other programs authorized under this Act, and submitting to the President and to Congress recommendations that will further the successful employment outcomes, independence, and integration of individuals with disabilities into the workplace and community.

[(B) COMPOSITION.—

[(i) QUALIFICATIONS.—The National Commission shall consist of 15 members who are recognized by knowledge, experience, and education as experts in the field of rehabilitation. At least a majority of the members of the National Commission shall be individuals with disabilities representing a cross-section of individuals with different types of disabilities.

[(ii) APPOINTMENT.—Members of the National Commission shall be appointed as follows:

[(I) PRESIDENTIAL APPOINTEES.—Five members shall be appointed by the President, or, if the President delegates the authority to make the appointment, by the Secretary of Education.

[(II) SENATE APPOINTEES.—Five members shall be appointed by the president pro tempore of the Senate, with the advice and approval of the Majority Leader and Minority Leader of the Senate.

[(III) HOUSE OF REPRESENTATIVES APPOINTEES.—Five members shall be appointed by the Speaker of the House of Representatives with

the advice and approval of the Majority Leader and Minority Leader of the House of Representatives.

[(C) TERM.—Members shall be appointed for the life of the National Commission.

[(D) VACANCIES.—Any vacancy in the National Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

[(E) CHAIRPERSON.—The National Commission shall select a Chairperson from among its members.

[(F) MEETINGS.—The National Commission shall meet at the call of the Chairperson, but not less often than four times each year.

[(G) QUORUM.—Ten members of the National Commission shall constitute a quorum.

[(H) COMMITTEES.—The Chairperson, upon approval by the National Commission, may establish such committees as the Chairperson determines to be necessary to fulfill the duties of the National Commission.

[(2) DUTIES.—

[(A) STUDIES AND ANALYSES.—The National Commission shall conduct studies and analyses with respect to—

[(i) the effectiveness of vocational rehabilitation and independent living services in enhancing the employment outcomes of individuals with disabilities;

[(ii) the adequacy of research and training activities in fostering innovative approaches that further the employment of individuals with disabilities;

[(iii) the capacity of supported employment and independent living services in promoting the integration of individuals with disabilities into the workplace and community;

[(iv) methods for enhancing access to services authorized under this Act by minorities who are individuals with disabilities and individuals with disabilities who are members of populations that have traditionally been unserved or underserved by programs under this Act that provide such vocational rehabilitation services and independent living services;

[(v) means for enhancing interagency coordination among Federal and State agencies to promote the maximization of employment-related programs, services, and benefits on behalf of individuals with disabilities; and

[(vi) such other issues as the National Commission may identify as relevant to promoting the employment, independence, and integration of individuals with disabilities.

[(B) POLICY ANALYSES.—The National Commission shall conduct policy analyses to—

[(i) develop options for improving fiscal equity in the allotment of grants under section 110;

[(ii) provide guidance on implementing the order of selection described in section 101(a)(5)(A); and

[(iii) address the shortage of rehabilitation professionals.

[(C) REPORTS.—

[(i) INTERIM REPORT.—Not later than January 30, 1995, the National Commission shall prepare and issue a comprehensive interim report to the President, the Committee on Education and Labor of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, containing the results of the studies and analyses described in subparagraphs (A) and (B) and specific recommendations for amendments to this Act needed to promote the provision of comprehensive vocational rehabilitation and independent living services on behalf of individuals with disabilities.

[(ii) FINAL REPORT.—Not later than January 30, 1997, the National Commission shall prepare and issue a comprehensive final report to the President, the Committee on Education and Labor of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, containing the results and recommendations described in clause (i).

[(3) POWERS.—

[(A) HEARINGS.—The National Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the National Commission determines to be necessary to carry out its functions.

[(B) INFORMATION.—

[(i) FEDERAL ENTITIES.—The National Commission may secure directly from any Federal department or agency such information (including statistics) as the National Commission considers necessary to carry out the functions of the National Commission. Upon request of the Chairperson of the National Commission, the head of such department or agency shall furnish such information to the National Commission.

[(ii) OTHER ENTITIES.—The National Commission may secure, directly or by contract or other means, such additional information as the National Commission determines to be necessary from universities, research institutions, foundations, State and local agencies, and other public or private agencies.

[(C) CONSULTATION.—The National Commission is authorized to consult with—

[(i) any organization representing individuals with disabilities;

[(ii) public or private service providers;

[(iii) Federal, State, and local agencies;

[(iv) individual experts;

[(v) institutions of higher education involved in the preparation of vocational rehabilitation services personnel; and

[(vi) such other entities and persons as will aid the National Commission in carrying out its duties.

[(4) COMPENSATION AND TRAVEL EXPENSES.—

[(A) COMPENSATION.—Each member of the National Commission who is not an officer or full-time employee of the Federal Government shall receive a payment of $150 for each day (including travel time) during which the member is engaged in the performance of duties for the National Commission. Members of the National Commission who are officers or full-time employees of the United States shall serve without compensation in addition to compensation received for their services as officers or employees of the United States.

[(B) TRAVEL EXPENSES.—Each member of the National Commission may receive travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for employees serving intermittently in the Government service, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

[(5) STAFF.—

[(A) APPOINTMENT.—

[(i) STAFF DIRECTOR.—The Chairperson of the National Commission may, without regard to provisions of title 5, United States Code, governing appointments in the competitive service, appoint and terminate a staff director of the National Commission. The employment of the staff director shall be subject to confirmation by the National Commission. The staff director shall be appointed from among individuals who are experienced in the planning, administration, or operation of vocational rehabilitation and independent living services or programs.

[(ii) ADDITIONAL PERSONNEL.—The staff director of the National Commission may, without regard to provisions of title 5, United States Code, governing appointments in the competitive service, appoint and terminate such additional personnel as may be necessary, but not more than ten full-time equivalent positions, to enable the National Commission to carry out its duties.

[(B) COMPENSATION.—The Chairperson of the National Commission may fix the compensation of the staff director, and the staff director may fix the compensation of the additional personnel, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, except that the rate of pay for the staff director and other personnel may not exceed the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code.

[(6) COOPERATION.—The heads of all Federal agencies are, to the extent not prohibited by law, directed to cooperate with the National Commission in carrying out its duties. The National

Commission may utilize the services, personnel, information, and facilities of other Federal, State, local, and private agencies with or without reimbursement, upon the consent of the heads of such agencies.

[(7) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the National Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

[(8) TERMINATION.—The National Commission shall terminate not later than 90 days following the submission of the final report as described in paragraph (2)(C)(ii).

[(i) MODEL PERSONAL ASSISTANCE SERVICES SYSTEMS.—The Commissioner may award grants to public or nonprofit agencies and organizations to establish model personal assistance services systems and other innovative service programs to maximize the full inclusion and integration into society, employment, independent living, and economic and social self-sufficiency of individuals with disabilities.

[(j) DEMONSTRATION PROJECTS TO UPGRADE WORKER SKILLS.—

[(1) GRANTS.—Consistent with the purposes of section 621, the Commissioner may make grants to partnerships or consortia that include private business concerns or industries to pay for the Federal share of developing and carrying out model demonstration projects for workers with disabilities who need new or upgraded skills to adapt to emerging technologies, work methods, and markets and to ensure that such individuals possess the knowledge and skills necessary to compete in the workplace.

[(2) PERIOD.—Grants made under this subsection shall be for 3-year periods.

[(3) APPLICATION.—Any partnership or consortia desiring to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

[(A) information identifying at least one member of the partnership or consortium that is a private business concern or industry; and

[(B) assurances that—

[(i) each member of the eligible partnership or consortium will pay a portion of the non-Federal share of the cost of developing and carrying out the project;

[(ii) the partnership or consortium will carry out all of the activities described in subparagraphs (A) through (E) of section 621(a)(2);

[(iii) the partnership or consortium will disseminate information on the model program conducted;

[(iv) the partnership or consortium will utilize, if available, job skill standards established jointly by management and labor to assist in evaluating the job skills of an individual and assessing the skills that are needed for the individual to compete in the workplace;

[(v) the partnership or consortium will prepare and submit an evaluation report containing data specified

by the Commissioner at the end of each project year; and

[(vi) the partnership or consortium will take such steps as are necessary to continue the activities of the project after the period for which Federal assistance is sought.

[(4) DEFINITION.—For the purposes of this subsection, the term "workers with disabilities" shall mean individuals with disabilities who are working in competitive employment and who need new or upgraded skills to improve their employment and career advancement opportunities.

[(k) MODEL SYSTEMS REGARDING SEVERE DISABILITIES.—The Commissioner may award grants to public or nonprofit agencies and organizations to establish model systems of comprehensive service delivery to individuals with severe disabilities, other than spinal cord injuries, requiring a multidisciplinary system of providing vocational and other rehabilitation services, where the Commissioner determines that the development of such systems is needed.

[SEC. 803. TRAINING ACTIVITIES.

[(a) DISTANCE LEARNING THROUGH TELECOMMUNICATIONS.—

[(1) GRANTS.—The Commissioner shall award at least three grants to eligible institutions of higher education, to support the formation of regional partnerships with other public or private entities for the purpose of developing and implementing in-service training programs, including certificate or degree granting programs concerning vocational rehabilitation services and related services, for vocational rehabilitation professionals through the use of telecommunications.

[(2) APPLICATIONS.—Any eligible entity that desires to receive a grant under this subsection shall submit an application at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

[(A) a detailed explanation of how the applicant will utilize interactive audio, video, and computer technologies between distant locations to provide in-service training programs to the region;

[(B) a description of how the applicant intends to utilize and build upon existing telecommunications networks within the region to be served;

[(C) a copy of all agreements governing the division of functions within the partnership, including an assurance that all States within the region will be served;

[(D) a copy of a binding commitment entered into between the partnership and each entity that is legally permitted to provide, and from which the partnership is to obtain, the telecommunications services and facilities required for the project, that stipulates that if the partnership receives the grant the entity will provide such telecommunications services and facilities in the area to be served within a reasonable time and at a charge that is in accordance with State law;

[(E) a description of the curriculum to be provided, frequency of providing service, and sites of service;

[(F) a description of the need to purchase or lease—

[(i) computer hardware and software;

[(ii) audio and video equipment;

[(iii) telecommunications terminal equipment; or

[(iv) interactive video equipment;

[(G) an assurance that the partnership will use not less than 75 percent of the amount of the grant for instructional curriculum development and programming; and

[(H) a description of the means by which the project will be evaluated.

[(3) AWARD OF GRANTS.—In awarding grants under paragraph (1), the Commissioner shall take into consideration the sparsity of State populations in the region to be served.

[(4) DEFINITIONS.—For the purposes of this subsection:

[(A) ELIGIBLE ENTITY.—The term "eligible entity" means any institution of higher education with demonstrated experience in the area of continuing education for vocational rehabilitation personnel.

[(B) INTERACTIVE VIDEO EQUIPMENT.—The term "interactive video equipment" means equipment used to produce and prepare video and audio signals for transmission between distant locations so that individuals at such locations can see and hear each other, and related equipment.

[(C) REGION.—The term "region" means one of the ten regions served by the Rehabilitation Services Administration.

[(D) REHABILITATION PROFESSIONALS.—The term "rehabilitation professionals" means personnel described in section 301(a)(1).

[(b) BRAILLE TRAINING PROJECTS.—

[(1) ESTABLISHMENT.—The Commissioner shall make grants to and enter into contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay all or part of the cost of training in the use of Braille for personnel providing vocational rehabilitation services or educational services to youth and adults who are blind.

[(2) PROJECTS.—Such grants shall be used for the establishment or continuation of projects that may provide—

[(A) development of Braille training materials; and

[(B) in-service or pre-service training in the use of Braille and methods of teaching Braille to youth and adults who are blind.

[(3) APPLICATION.—To be eligible to receive a grant, or enter into a contract, under paragraph (1), an agency or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[(c) PARENT INFORMATION AND TRAINING PROGRAMS.—

[(1) GRANTS.—The Commissioner is authorized to make grants through a separate competition to private nonprofit organizations for the purpose of establishing programs to provide training and information to enable individuals with disabilities, and the parents, family members, guardians, advocates, or other authorized representatives of the individuals to par-

ticipate more effectively with professionals in meeting the vocational and rehabilitation needs of individuals with disabilities. Such grants shall be designed to meet the unique training and information needs of individuals with disabilities, and the parents, family members, guardians, advocates, or other authorized representatives of the individuals, who live in the area to be served, particularly those who are members of populations that have been unserved or underserved by programs under this Act.

[(2) USE OF GRANTS.—An organization that receives a grant to establish training and information programs under this subsection shall use the grant to assist individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals to—

[(A) better understand vocational rehabilitation and independent living programs and services;

[(B) provide followup support for transition and employment programs;

[(C) communicate more effectively with transition and rehabilitation personnel and other relevant professionals;

[(D) provide support in the development of the individualized written rehabilitation program;

[(E) provide support and expertise in obtaining information about rehabilitation and independent living programs, services, and resources that are appropriate; and

[(F) understand the provisions of this Act, particularly provisions relating to employment, supported employment, and independent living.

[(3) AWARD OF GRANTS.—The Commissioner shall ensure that grants under this subsection shall—

[(A) be distributed geographically to the greatest extent possible throughout all States; and

[(B) be targeted to individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals, in both urban and rural areas or on a State or regional basis.

[(4) ELIGIBLE ORGANIZATIONS.—In order to receive a grant under this subsection, a private nonprofit organization shall—

[(A) submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including information demonstrating the capacity and expertise of the organization to—

[(i) coordinate and work closely with parent training and information centers established under section 631 of the Individuals with Disabilities Education Act (20 U.S.C. 1431); and

[(ii) effectively conduct the training and information activities authorized under this subsection;

[(B)(i) be governed by a board of directors—

[(I) that includes professionals in the field of vocational rehabilitation; and

[(II) on which a majority of the members are individuals with disabilities or the parents, family mem-

bers, guardians, advocates, or authorized representatives of the individuals; or

[(ii)(I) have a membership that represents the interests of individuals with disabilities; and

[(II) establish a special governing committee that meets the requirements specified in subclauses (I) and (II) of clause (i) to operate a training and information program under this subsection; and

[(C) serve individuals with a full range of disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals.

[(5) CONSULTATION.—Each private nonprofit organization carrying out a program receiving assistance under this subsection shall consult with appropriate agencies that serve or assist individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals, located in the jurisdiction served by the program.

[(6) COORDINATION.—The Commissioner shall provide coordination and technical assistance by grant or cooperative agreement for establishing, developing, and coordinating the training and information programs. To the extent practicable, such assistance shall be provided by the parent training and information centers established under section 631 of the Individuals with Disabilities Education Act (20 U.S.C. 1431).

[(7) REVIEW.—

[(A) QUARTERLY REVIEW.—The board of directors or special governing committee of a nonprofit private organization receiving a grant under this subsection shall meet at least once in each calendar quarter to review the training and information program, and each such committee shall directly advise the governing board regarding the views and recommendations of the committee.

[(B) REVIEW FOR GRANT RENEWAL.—If a nonprofit private organization requests the renewal of a grant under this subsection, the board of directors or the special governing committee shall prepare and submit to the Commissioner a written review of the training and information program conducted by the nonprofit private organization during the preceding fiscal year.

[(d) TRAINING REGARDING IMPARTIAL HEARING OFFICERS.—The Commissioner may award grants to public or nonprofit agencies and organizations to provide training designed to provide impartial hearing officers with the skills necessary to fairly decide appeals under this Act.

[(e) RECRUITMENT AND RETENTION OF URBAN PERSONNEL.—The Commissioner may award grants to public or nonprofit agencies and organizations to develop and demonstrate innovative methods to attract and retain professionals to serve in urban areas in the rehabilitation of individuals with disabilities, including individuals with severe disabilities.

[(f) CERTAIN REQUIREMENTS.—The requirements of subsections (a) (except the first sentence), (b), and (c), of section 302, and paragraphs (1) and (2) of subsection (g) of such section, shall apply with

respect to grants made available under this section, other than subsection (c). The requirements of section 306 shall apply with respect to grants made available under this section.]

THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT

AN ACT To strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation, to extend for three years the National Defense Education Act of 1958 and Public Laws 815 and 874, Eighty-first Congress (federally affected areas), and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

[(a) SHORT TITLE.—This Act may be cited as the "Carl D. Perkins Vocational and Applied Technology Education Act".

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

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[Sec. 1. Short title; table of contents.
[Sec. 2. Statement of purpose.
[Sec. 3. Authorization of appropriations.

[TITLE I—VOCATIONAL EDUCATION ASSISTANCE TO THE STATES

[PART A—ALLOTMENT AND ALLOCATION

[Sec. 101. Allotment.
[Sec. 101A. The territories.
[Sec. 102. Within State allocation.
[Sec. 103. Indian and Hawaiian natives programs.

[PART B—STATE ORGANIZATIONAL AND PLANNING RESPONSIBILITIES

[Sec. 111. State administration.
[Sec. 112. State council on vocational education.
[Sec. 113. State plan.
[Sec. 114. State plan approval.
[Sec. 115. State and local standards and measures.
[Sec. 116. State assessment and evaluation.
[Sec. 117. Program evaluation and improvement.
[Sec. 118. Criteria for services and activities for individuals who are members of special populations.

[TITLE II—BASIC STATE GRANTS FOR VOCATIONAL EDUCATION

[PART A—STATE PROGRAMS

[Sec. 201. State programs and State leadership.

[PART B—OTHER STATE-ADMINISTERED PROGRAMS

[Subpart 1—Programs to Provide Single Parents, Displaced Homemakers, and Single Pregnant Women With Marketable Skills and to Promote the Elimination of Sex Bias.

[Sec. 221. Programs for single parents, displaced homemakers, and single pregnant women.
[Sec. 222. Sex equity programs.
[Sec. 223. Competitive award of amounts; evaluation of programs.

[Subpart 2—Corrections Education

[Sec. 225. Programs for criminal offenders.

[PART C—SECONDARY, POSTSECONDARY, AND ADULT VOCATIONAL EDUCATION PROGRAMS

[Subpart 1—Within State Allocation

[Sec. 231. Distribution of funds to secondary school programs.
[Sec. 232. Distribution of funds to postsecondary and adult programs.
[Sec. 233. Special rule for minimal allocation.
[Sec. 234. Reallocation.

[Subpart 2—Uses of Funds

[Sec. 235. Uses of funds.

[Subpart 3—Local Application

[Sec. 240. Local application.

[TITLE III—SPECIAL PROGRAMS

[PART A—STATE ASSISTANCE FOR VOCATIONAL EDUCATION SUPPORT PROGRAMS BY COMMUNITY-BASED ORGANIZATIONS

[Sec. 301. Applications.
[Sec. 302. Uses of funds.

[PART B—CONSUMER AND HOMEMAKING EDUCATION

[Sec. 311. Consumer and homemaking education grants.
[Sec. 312. Use of funds from consumer and homemaking education grants.
[Sec. 313. Information dissemination and leadership.

[PART C—COMPREHENSIVE CAREER GUIDANCE AND COUNSELING PROGRAMS

[Sec. 321. Grants for career guidance and counseling.
[Sec. 322. Use of funds from career guidance and counseling grants.
[Sec. 323. Information dissemination and leadership.

[PART D—BUSINESS-LABOR-EDUCATION PARTNERSHIP FOR TRAINING

[Sec. 331. Findings and purpose.
[Sec. 332. Authorization of grants.
[Sec. 333. Use of funds.

[PART E—TECH-PREP EDUCATION

[Sec. 341. Short title.
[Sec. 342. Findings and purpose.
[Sec. 343. Program authorized.
[Sec. 344. Tech-prep education programs.
[Sec. 345. Applications.
[Sec. 346. Reports.
[Sec. 347. Definitions.

[PART F—SUPPLEMENTARY STATE GRANTS FOR FACILITIES AND EQUIPMENT AND OTHER PROGRAM IMPROVEMENT ACTIVITIES

[Sec. 351. Statement of purpose.
[Sec. 352. Allotment to States.
[Sec. 353. Allocation to local educational agencies.
[Sec. 354. Uses of funds.
[Sec. 355. State applications.
[Sec. 356. Local applications.

[PART G—COMMUNITY EDUCATION EMPLOYMENT CENTERS AND VOCATIONAL EDUCATION LIGHTHOUSE SCHOOLS

[Subpart 1—Community Education Employment Centers

[Sec. 361. Short title.
[Sec. 362. Purpose.
[Sec. 363. Program authorized.
[Sec. 364. Program requirements.
[Sec. 365. Support services requirements.
[Sec. 366. Parental and community participation.
[Sec. 367. Professional staff.

[Sec. 368. Eligibility.
[Sec. 369. Application.
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[Subpart 2—Vocational Education Lighthouse Schools

[Sec. 375. Vocational education lighthouse schools.

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[Sec. 381. Short title.
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[Sec. 388. Grant adjustments.
[Sec. 389. Report on facilities and facilities improvement.
[Sec. 390. Definitions.

[TITLE IV—NATIONAL PROGRAMS

[PART A—RESEARCH AND DEVELOPMENT

[Sec. 401. Research objectives.
[Sec. 402. Research activities.
[Sec. 403. National assessment of vocational education programs.
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[Sec. 412. Materials development in telecommunications.
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[Sec. 414. Professional development.
[Sec. 415. Blue ribbon vocational education programs.
[Sec. 416. Development of business and education standards.
[Sec. 417. Educational programs for Federal correctional institutions.
[Sec. 418. Dropout prevention.
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[PART C—VOCATIONAL EDUCATION AND OCCUPATIONAL INFORMATION DATA SYSTEMS

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[Sec. 513. Identification of State-imposed requirements.
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[Sec. 515. State administrative costs.
[Sec. 516. Additional administrative requirements.

[PART C—DEFINITIONS

[Sec. 521. Definitions.

[SEC. 2. STATEMENT OF PURPOSE.

[It is the purpose of this Act to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population. This purpose will principally be achieved through concentrating resources on improving educational programs leading to academic and occupational skill competencies needed to work in a technologically advanced society.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—There are authorized to be appropriated $1,600,000,000 for the fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995 to carry out the provisions of titles I, II, III, and IV of this Act.

[(b) TITLE I.—(1) Of the amounts remaining from amounts made available under subsection (a) after providing amounts for the programs described in paragraph (2) and subsections (d) and (f)—

[(A) 1.5 percent shall be available to carry out the provisions of section 103, relating to Indian and Hawaiian natives programs; and

[(B) .2 percent shall be available to carry out the provisions of section 101A, relating to the territories.

[(2) Of the amounts made available in the fiscal year 1991 under subsection (a), not more than $9,000,000 shall be available to carry out the provisions of section 112, relating to State councils on vocational education.

[(c) BASIC PROGRAMS.—Of the amounts remaining from amounts made available under subsection (a) after providing amounts for the programs described in subsections (b)(2), (d), and (f), 95.8 percent shall be available to carry out the provisions of title II, relating to basic programs.

[(d) SPECIAL PROGRAMS.—(1) Subject to paragraph (2), of the amounts made available under subsection (a) for the fiscal year 1991—

[(A) not more than $15,000,000 shall be available to carry out the provisions of part A of title III, relating to State assistance for vocational education support programs by community-based organizations;

[(B) not more than $38,500,000 shall be available to carry out the provisions of part B of title III, relating to consumer and homemaking education;

[(C) not more than $20,000,000 shall be available to carry out the provisions of part C of title III, relating to comprehensive career guidance and counseling programs;

[(D) not more than $10,000,000 shall be available to carry out the provisions of part D of title III, relating to business-labor-education partnerships;

[(E) not more than $125,000,000 shall be available to carry out the provisions of part E of title III, relating to tech-prep education;

[(F) not more than $100,000,000 shall be available to carry out the provisions of part F of title III, relating to supplementary State grants for facilities and equipment and other program improvement activities;

[(G) not more than $10,000,000 shall be available to carry out the provisions of part G of title III, of which—

[(i) an amount equal to 75 percent of the amounts made available to carry out such part shall be available to carry out the provisions of subpart 1 of such part, relating to community education employment centers; and

[(ii) an amount equal to 25 percent of the amounts made available to carry out such part shall be available to carry out the provisions of subpart 2 of such part, relating to vocational education lighthouse schools; and

[(H) not more than $4,000,000 shall be available to carry out the provisions of part H of title III, relating to tribally controlled postsecondary vocational institutions.

[(2) Notwithstanding the provisions of paragraph (1), amounts shall be available to carry out the provisions of part C, D, or G of title III in any fiscal year only to the extent that the amount available for such fiscal year to carry out the provisions of title II exceeds $1,000,000,000.

[(e) NATIONAL PROGRAMS.—For each fiscal year, of the amounts remaining from amounts available pursuant to subsection (a) after providing amounts for the programs described in subsections (b)(2), (d), and (f), 2.5 percent of such remainder shall be available to carry out the provisions of title IV (other than parts D and E), relating to national programs.

[(f) OTHER NATIONAL PROGRAMS.—(1) Of amounts made available under subsection (a) for the fiscal year 1991, not more than $350,000 shall be available to carry out the provisions of part D of title IV, relating to the National Council on Vocational Education.

[(2) Of amounts made available under subsection (a) for the fiscal year 1991, not more than $10,000,000 shall be available to carry out the provisions of part E of title IV, relating to bilingual vocational training programs.

[TITLE I—VOCATIONAL EDUCATION ASSISTANCE TO THE STATES

[PART A—ALLOTMENT AND ALLOCATION

[ALLOTMENT

[SEC. 101. (a)(1) In each fiscal year, of the amounts remaining from amounts made available under section 3(a) after providing

amounts for the programs described in subsections (b)(2), (d), and (f) of section 3, the Secretary shall reserve—

[(A) 2.5 percent for the activities described in title IV (other than parts D and E);

[(B) 1.5 percent for the purpose of carrying out section 103, of which—

[(i) 1.25 percent shall be for the purpose of carrying out section 103(b); and

[(ii) .25 percent shall be for the purpose of carrying out section 103(c); and

[(C) .2 percent for the purpose of carrying out section 101A.

[(2) Subject to the provisions of paragraph (3), from the remainder of the sums appropriated pursuant to sections 3(a) and 3(b), the Secretary shall allot to each State for each fiscal year—

[(A) an amount which bears the same ratio to 50 percent of the sums being allotted as the product of the population aged fifteen to nineteen inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;

[(B) an amount which bears the same ratio to 20 percent of the sums being allotted as the product of the population aged twenty to twenty-four, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;

[(C) an amount which bears the same ratio to 15 percent of the sums being allotted as the product of the population aged twenty-five to sixty-five, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; and

[(D) an amount which bears the same ratio to 15 percent of the sums being allotted as the amounts allotted to the State under clauses (A), (B), and (C) for such years bears to the sum of the amounts allotted to all the States under clauses (A), (B), and (C) for such year.

[(3)(A)(i) Notwithstanding any other provision of law and subject to clause (ii), for any fiscal year for programs authorized by title II or part B of title III of this Act, no State shall receive less than the payments made to the State for each such program for fiscal year 1985 under Public Laws 98–619 and 99–88. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States, but no such amount shall be reduced to an amount which is less than the amount a State received under the Act for each such program for fiscal year 1985.

[(ii) If for any fiscal year the amount appropriated for programs authorized by title II or part B of title III and available for allotment under this section is insufficient to satisfy the provisions of clause (i), the payments to all States for each such program shall be ratably reduced as necessary.

[(B)(i) Notwithstanding any other provision of law and subject to subparagraphs (A), (C), and (D) and clause (ii), for any fiscal year

for which the amounts appropriated for programs authorized by title II or part A, B, C, D, or E of title III (and available for allotment under this section) exceed the amounts so available for fiscal year 1985, no State shall receive less than one-half of one percent of the amount available for each such program for that fiscal year under this subsection. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

[(ii) Due to the application of the provisions of clause (i), for any fiscal year, no State shall receive more than 150 percent of the payments made to the State for each program authorized by title II, or part A, B, C, D, or E of title III for the preceding fiscal year.

[(C) In the case of the Virgin Islands, the minimum allotment for all programs under this Act shall not be less than $200,000.

[(D)(i) Subject to clause (iii), no State shall, by reason of subparagraph (B), be allotted more than the lesser of—

[(I) 150 percent of the amount that the State received in the preceding fiscal year; and

[(II) the amount calculated under clause (ii).

[(ii) The amount calculated under this clause shall be determined by multiplying—

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

[(II) 150 percent of the national average per pupil payment made with funds available under this section for that year.

[(iii) Notwithstanding the provisions of clauses (i) and (ii), no State shall be allotted an amount under this section in any fiscal year that is less than the amount such State is allotted in the fiscal year 1991.

[(b) If the Secretary determines that any amount of any State's allotment under subsection (a) for any fiscal year will not be required for such fiscal year for carrying out the program for which such amount has been allotted, the Secretary shall make such amount available for reallotment. Any such reallotment among other States shall occur on such dates during the same year as the Secretary shall fix, and shall be made on the basis of criteria established by regulation. No funds may be reallotted for any use other than the use for which they were appropriated. Any amount reallotted to a State under this subsection for any fiscal year shall remain available for obligation during the succeeding fiscal year and shall be deemed to be part of its allotment for the year in which it is obligated.

[(c)(1) The allotment ratio for any State shall be 1.00 less the product of—

[(A) 0.50; and

[(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico and the Virgin Islands), except that (i) the allotment ratio in no case shall be more than 0.60 or less than 0.40 and (ii) the allotment ratio for Puerto Rico and the Virgin Islands shall be 0.60.

[(2) The allotment ratios shall be promulgated by the Secretary for each fiscal year between October 1 and December 31 of the fis-

cal year preceding the fiscal year for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the three most recent consecutive fiscal years for which satisfactory data are available.

[(3) The term "per capita income" means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

[(4) For the purposes of this section, population shall be determined by the Secretary on the basis of the latest estimates available to the Department.

[(d) For the purpose of this section, the term "State" means any 1 of the 50 States, the Commonwealth of Puerto Rico, the District of Columbia, and the Virgin Islands.

[SEC. 101A. THE TERRITORIES.

[(a) THE TERRITORIES.—From funds reserved pursuant to section 101(a)(1)(C), the Secretary shall—

[(1) make a grant in the amount of $500,000 to Guam; and

[(2) make a grant in the amount of $190,000 to each of American Samoa and the Commonwealth of the Northern Mariana Islands.

[(b) REMAINDER.—Subject to the provisions of subsection (a), the Secretary shall make a grant of the remainder of funds reserved pursuant to section 101(a)(1)(C) to the Pacific Region Educational Laboratory in Honolulu, Hawaii, to make grants for vocational education and training in Guam, American Samoa, the Republic of Palau, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, and the Republic of the Marshall Islands, for the purpose of providing direct educational services, including—

[(1) teacher and counselor training and retraining;

[(2) curriculum development; and

[(3) improving vocational education and training programs in secondary schools and institutions of higher education, or improving cooperative education programs involving both secondary schools and institutions of higher education.

[(c) LIMITATION.—The Pacific Region Educational Laboratory may use not more than 5 percent of the funds received pursuant to subsection (b) for administrative costs.

[SEC. 102. WITHIN STATE ALLOCATION.

[(a) PROGRAMS OTHER THAN STATE GRANTS.—From the allotment made to each State from funds appropriated under section 3(a) for each fiscal year—

[(1) an amount equal to at least 75 percent of the allotment shall be available only for basic programs under part C of title II;

[(2) an amount equal to 10.5 percent of the allotment shall be available only for the program for single parents, displaced homemakers, and single pregnant women described in section 221 and the sex equity program described in section 222, of which—

[(A) not less than 7 percent of such allotment shall be reserved for the program for single parents, displaced homemakers, and single pregnant women; and

[(B) not less than 3 percent of such allotment shall be reserved for the sex equity program;

[(3) an amount equal to not more than 8.5 percent of the allotment shall be available only for State programs and activities described in section 201;

[(4) the State may use for administration of the State plan an amount that does not exceed 5 percent of the allotment or $250,000, whichever is greater, of which—

[(A) not less than $60,000 shall be available only for purposes of carrying out the provisions of section 111(b)(1); and

[(B) remaining amounts may be used for the costs of—

[(i) developing the State plan;

[(ii) reviewing local applications;

[(iii) monitoring and evaluating program effectiveness;

[(iv) providing technical assistance; and

[(v) assuring compliance with all applicable Federal laws, including required services and activities for individuals who are members of special populations; and

[(5) an amount equal to 1 percent of the allotment shall be available only for programs for criminal offenders under section 225.

[(b) MATCHING REQUIREMENT.—Each State receiving financial assistance under this Act shall match, from non-Federal sources and on a dollar-for-dollar basis, the funds reserved pursuant to subsection (a)(4).

[(c) HOLD HARMLESS PROVISION.—(1) Except as provided in paragraph (3) and notwithstanding the provisions of subsection (a), each State shall reserve for the program for single parents, displaced homemakers, and single pregnant women under section 221, and the sex equity program under section 222, respectively, an amount that is not less than the amount such State reserved for each such program in the fiscal year 1990.

[(2) Except as provided in paragraph (3) and notwithstanding the provisions of subsection (a), each State shall reserve for the program for criminal offenders under section 225, an amount that is not less than the amount such State expended under this Act for such program for the fiscal year 1990.

[(3) In any year in which a State receives an amount for purposes of carrying out programs under title II that is less than the amount such State received for such purposes in the fiscal year 1990, such State shall ratably reduce the amounts reserved under paragraph (1).

[INDIAN AND HAWAIIAN NATIVES PROGRAMS

[SEC. 103. (a)(1) For the purpose of this section—

[(1)(A) From the funds reserved pursuant to section 101(a)(1)(B)(i), the Secretary is directed—

[(i) upon the request of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934; or

[(ii) upon an application received from a Bureau funded school (as such term is defined in section 1139(3) of the Education Amendments of 1978) offering secondary programs filed at such time and under such conditions as the Secretary may prescribe,

to make grants to or enter into contracts with any tribal organization of any such Indian tribe or to make a grant to such Bureau funded school, as appropriate, to plan, conduct, and administer programs or portions of programs authorized by and consistent with the purposes of this Act, except that—

[(I) such grants or contracts with any tribal organization shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act and shall be conducted in accordance with the provisions of sections 4, 5, and 6 of the Act of April 16, 1934, which are relevant to the programs administered under this sentence; and

[(II) such grants to Bureau funded schools shall not be subject to the requirements of the Indian Self-Determination Act or the Act of April 16, 1934.

[(B)(i) Any tribal organization or school eligible to receive assistance under this paragraph may apply individually or as part of a consortium with another such tribal organization or school.

[(ii) In the case of a Bureau funded school, the minimum amount of a grant made under this section shall be $35,000.

[(C) The Secretary may not place upon grants made or contracts entered into under this paragraph any restrictions relating to programs or outcomes other than restrictions which apply to grants made to or contracts entered into with States under section 101. The Secretary, in making grants under this paragraph, shall give special consideration to—

[(i) grants which involve, coordinate with, or encourage tribal economic development plans; and

[(ii) applications from tribally controlled community colleges which—

[(I) are accredited or are candidates for accreditation by a nationally recognized accreditation organization as an institution of postsecondary vocational education; or

[(II) operate vocational education programs that are accredited or are candidates for accreditation by a nationally recognized accreditation organization and issue certificates for completion of vocational education programs.

[(2) From the funds reserved pursuant to section 101(a)(1)(B), the Secretary shall enter into contracts for Indian and Hawaiian native programs in accordance with the provisions of this section.

[(b)(1)(A) From the funds reserved pursuant to section 101(a)(1)(B)(i), the Secretary is directed—

[(i) upon the request of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934; or

[(ii) upon an application received from a Bureau funded school (as such term is defined in section 1139(3) of the Education Amendments of 1978) offering secondary programs filed

at such time and under such conditions as the Secretary may prescribe,

to make grants to or enter into contracts with any tribal organization of any such Indian tribe or to make a grant to such Bureau funded school, as appropriate, to plan, conduct, and administer programs or portions of programs authorized by and consistent with the purposes of this Act, except that—

[(I) such grants or contracts with any tribal organization shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act and shall be conducted in accordance with the provisions of sections 4, 5, and 6 of the Act of April 16, 1934, which are relevant to the programs administered under this sentence; and

[(II) such grants to Bureau funded schools shall not be subject to the requirements of the Indian Self-Determination Act or the Act of April 16, 1934.

[(B)(i) Any tribal organization or school eligible to receive assistance under this paragraph may apply individually or as part of a consortium with another such tribal organization or school.

[(ii) In the case of a Bureau funded school, the minimum amount of a grant made under this section shall be $35,000.

[(C) The Secretary may not place upon grants made or contracts entered into under this paragraph any restrictions relating to programs or outcomes other than restrictions which apply to grants made to or contracts entered into with States under section 101. The Secretary, in making grants under this paragraph, shall give special consideration to—

[(i) grants which involve, coordinate with, or encourage tribal economic development plans; and

[(ii) applications from tribally controlled community colleges which—

[(I) are accredited or are candidates for accreditation by a nationally recognized accreditation organization as an institution of postsecondary vocational education; or

[(II) operate vocational education programs that are accredited or are candidates for accreditation by a nationally recognized accreditation organization and issue certificates for completion of vocational education programs.

[(D)(i) Funds received pursuant to grants and contracts described in subparagraph (A) may be used to provide stipends to students who are enrolled in vocational education programs and who have acute economic needs which cannot be met through work-study programs.

[(ii) Stipends described in clause (i) shall not exceed reasonable amounts as prescribed by the Secretary.

[(2) The Bureau of Indian Affairs shall expend an amount equal to the amount made available under this subsection, relating to programs for Indians, to pay a part of the costs of programs funded under this subsection. During each fiscal year the Bureau of Indian Affairs shall expend no less than the amount expended during the prior fiscal year on vocational education programs, services, and activities administered either directly by, or under contract with, the Bureau of Indian Affairs. The Secretary and the Assistant Secretary of the Interior for Indian Affairs shall jointly prepare a plan

for the expenditure of funds made available and for the evaluation of programs assisted under this subsection. Upon the completion of a joint plan for the expenditure of these funds and the evaluation of the programs, the Secretary shall assume responsibility for the administration of the program, with the assistance and consultation of the Bureau of Indian Affairs.

[(3) Programs funded under this subsection shall be in addition to such other programs, services, and activities as are made available to eligible Indians under other provisions of this Act.

[(4) For the purposes of this Act, the Bureau of Indian Affairs shall be deemed to be a State board; and all the provisions of this Act shall be applicable to the Bureau as if it were a State board.

[(c) From the funds reserved pursuant to section 101(a)(1)(B)(ii), the Secretary is directed, to enter into contracts with organizations primarily serving and representing Hawaiian natives which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the provisions of this section for the benefit of Hawaiian natives.

[PART B—STATE ORGANIZATIONAL AND PLANNING RESPONSIBILITIES

[STATE ADMINISTRATION

[SEC. 111. (a)(1) Any State desiring to participate in the vocational education program authorized by this Act shall, consistent with State law, designate or establish a State board of vocational education which shall be the sole State agency responsible for the administration or the supervision of the State vocational education program. The responsibilities of the State board shall include—

[(A) coordination of the development, submission, and implementation of the State plan, and the evaluation of the program, services, and activities assisted under this Act pursuant to section 113(b)(8), section 116, and section 117; and

[(B) the development, in consultation with the State council on vocational education, and the submission to the Secretary, of the State plan required by section 113 and by section 114;

[(C) consultation with the State council established pursuant to section 112, and other appropriate agencies, groups, and individuals, including business, industry, and labor, involved in the planning, administration, evaluation, and coordination of programs funded under this Act;

[(D) convening and meeting as a State board (consistent with State law and procedure for the conduct of such meetings) at such time as the State board determines necessary to carry out its functions under this Act, but not less than four times annually; and

[(E) the adoption of such procedures as the State board considers necessary to implement State level coordination with the State job training coordinating council to encourage cooperation in the conduct of their respective programs.

Except with respect to the functions set forth in the preceding sentence, the State board may delegate any of its other responsibilities involving administration, operation, or supervision, in whole or in part, to one or more appropriate State agencies.

[(2) Each State shall include a description of any delegation of its functions under paragraph (1) in its State plan, or amendments to such plan, submitted to the Secretary.

[(b)(1) Any State desiring to participate in the programs authorized by this Act shall assign one individual within the appropriate agency established or designated by the State board under the last sentence of subsection (a)(1) to administer vocational education programs within the State, to work full time to assist the State board to fulfill the purposes of this Act by—

[(A) administering the program of vocational education for single parents and homemakers described in section 221 and the sex equity program described in section 222;

[(B) gathering, analyzing, and disseminating data on the adequacy and effectiveness of vocational education programs in the State in meeting the education and employment needs of women (including preparation for employment in technical occupations, new and emerging occupational fields, and occupations regarded as nontraditional for women), and on the status of men and women students and employees in such programs;

[(C) reviewing and commenting upon, and making recommendations concerning, the plans of local educational agencies, area vocational education schools, intermediate educational agencies, and postsecondary educational institutions to ensure that the needs of women and men for training in nontraditional jobs are met;

[(D) reviewing vocational education programs (including career guidance and counseling) for sex stereotyping and sex bias, with particular attention to practices which tend to inhibit the entry of women in high technology occupations, and submitting (i) recommendations for inclusion in the State plan of programs and policies to overcome sex bias and sex stereotyping in such programs, and (ii) an assessment of the State's progress in meeting the purposes of this Act with regard to overcoming sex discrimination and sex stereotyping;

[(E) reviewing proposed actions on grants, contracts, and the policies of the State board to ensure that the needs of women are addressed in the administration of this Act;

[(F) developing recommendations for programs of information and outreach to women concerning vocational education and employment opportunities for women (including opportunities for careers as technicians and skilled workers in technical fields and new and emerging occupational fields);

[(G) providing technical assistance and advice to local educational agencies, postsecondary institutions, and other interested parties in the State, in expanding vocational opportunities for women; and

[(H) assisting administrators, instructors, and counselors in implementing programs and activities to increase access for women (including displaced homemakers and single heads of households) to vocational education and to increase male and female students' enrollment in nontraditional programs.

[(I) developing an annual plan for the use of all funds available for such programs;

[(J) managing the distribution of funds pursuant to section 223;

[(K) monitoring the use of funds distributed to recipients under such programs; and

[(L) evaluating the effectiveness of programs and activities supported by such funds.

[(2) For the purpose of this subsection, the term "State" means any one of the fifty States and the District of Columbia.

[(3) Each State shall from funds allocated under section 102(a)(4)(A) expend not less than $60,000 in each fiscal year to carry out the provisions of this subsection.

[(c) REVIEW OF PLANS WITH RESPECT TO STUDENTS WITH HANDICAPS.—(1) Any State desiring to participate in the programs authorized by this Act shall designate or assign the head of the State office responsible for administering part B of the Individuals with Disabilities Education Act to review the implementation of the provisions of this Act as such provisions relate to students with handicaps by reviewing all or a representative sample of plans of eligible recipients to—

[(A) assure that individuals with handicaps are receiving vocational educational services;

[(B) assure that the plans of the eligible recipient provide assurances of compliance with the provisions of section 504 of the Rehabilitation Act of 1973 and the Education of Handicapped Act regarding equal access to programs; and

[(C) assure that the eligible recipients have—

[(i) identified the number of students with handicaps enrolled in vocational programs operated by the eligible recipient;

[(ii) assessed the vocational needs of the students identified pursuant to clause (i); and

[(iii) developed an adequate plan to provide supplementary services sufficient to meet the needs of such students.

[(2) For purposes of this subsection and subsections (d) and (e), the term "State" means any 1 of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

[(d) NEEDS OF ECONOMICALLY DISADVANTAGED STUDENTS.—Any State desiring to participate in the programs authorized by this Act shall assign the head of the State office or other appropriate individual responsible for coordinating services under title I of the Elementary and Secondary Education Act of 1965 to review all or a representative sample of plans of the eligible recipients to ensure that the number of economically disadvantaged students have been identified, and that the needs of such students are being met as outlined by such plans.

[(e) NEEDS OF STUDENTS OF LIMITED ENGLISH PROFICIENCY.—Any State desiring to participate in the programs authorized by this Act shall designate or assign the head of the State office or other appropriate individual responsible for administering programs for students of limited English proficiency to review all or a representative sample of the plans of the eligible recipients to ensure the numbers of students of limited English proficiency have been identified and that the needs of such students for participa-

tion in vocational education programs are being met as outlined by such plans.

[(f) The State board shall make available to each private industry council established under section 102 of the Job Training Partnership Act within the State a listing of all programs assisted under this Act.

[(g) Each State board, in consultation with the State council, shall establish a limited number of technical committees to advise the council and the board on the development of model curricula to address State labor market needs. Technical committees shall develop an inventory of skills that may be used by the State board to define state-of-the-art model curricula. Such inventory will provide the type and level of knowledge and skills needed for entry, retention, and advancement in occupational areas taught in the State. The State board shall establish procedures for membership, operation, and duration of such committees consistent with the purposes of this Act. The membership shall be representatives of (1) employers from any relevant industry or occupation for which the committee is established; (2) trade or professional organizations representing any relevant occupations; and (3) organized labor, where appropriate.

[STATE COUNCIL ON VOCATIONAL EDUCATION

[SEC. 112. (a) Each State which desires to participate in vocational education programs authorized by this Act for any fiscal year shall establish a State council, which shall be appointed by the Governor or, in the case of States in which the members of the State board of education are elected (including election by the State legislature), by such board. Each State council shall be composed of 13 individuals, and shall be broadly representative of citizens and groups within the State having an interest in vocational education. Each State council shall consist of—

[(1) seven individuals who are representative of the private sector in the State who shall constitute a majority of the membership—

[(A) five of whom shall be representative of business, industry, trade organizations, and agriculture including—

[(i) one member who is representative of small business concerns; and

[(ii) one member who is a private sector member of the State job training coordinating council (established pursuant to section 122 of the Job Training Partnership Act), and

[(B) two of whom shall be representatives of labor organizations;

[(2) six individuals who are representative of secondary and postsecondary vocational institutions (equitably distributed among such institutions), career guidance and counseling organizations within the State, individuals who have special knowledge and qualifications with respect to the special educational and career development needs of special populations (including women, the disadvantaged, the handicapped, individuals with limited English proficiency, and minorities) and of whom one member shall be representative of special education and may

include members of vocational student organizations and school board members.

In selecting individuals under subsection (a) to serve on the State council, due consideration shall be given to the appointment of individuals who serve on a private industry council under the Job Training Partnership Act, or on State councils established under other related Federal Acts. No employee of the State board shall serve on the State council.

[(b) The State shall certify to the Secretary the establishment and membership of the State council by the beginning of each State plan period described in section 113(a)(1).

[(c) Each State council shall meet as soon as practical after certification has been accepted by the Secretary and shall select from among its membership a chairperson who shall be representative of the private sector. The time, place, and manner of meeting, as well as council operating procedures and staffing, shall be as provided by the rules of the State council, except that such rules must provide for not less than one public meeting each year at which the public is given an opportunity to express views concerning the vocational education program of the State.

[(d) During each State plan period described in section 113(a)(1), each State council shall—

[(1) meet with the State board or its representatives to advise on the development of the subsequent State plan;

[(2) make recommendations to the State board and make reports to the Governor, the business community, and general public of the State, concerning—

[(A) the State plan;

[(B) policies the State should pursue to strengthen vocational education (with particular attention to programs for the handicapped); and

[(C) initiatives and methods the private sector could undertake to assist in the modernization of vocational education programs;

[(3) analyze and report on the distribution of spending for vocational education in the State and on the availability of vocational education activities and services within the State;

[(4) furnish consultation to the State board on the establishment of evaluation criteria for vocational education programs within the State;

[(5) submit recommendations to the State board on the conduct of vocational education programs conducted in the State which emphasize the use of business concerns and labor organizations;

[(6) assess the distribution of financial assistance furnished under this Act, particularly with the analysis of the distribution of financial assistance between secondary vocational education programs and postsecondary vocational education programs;

[(7) recommend procedures to the State board to ensure and enhance the participation of the public in the provision of vocational education at the local level within the State, particularly the participation of local employers and local labor organizations;

[(8) report to the State board on the extent to which individuals who are members of special populations are provided with equal access to quality vocational education programs;

[(9) analyze and review corrections education programs; and

[(10)(A) evaluate at least once every 2 years—

[(i) the extent to which vocational education, employment, and training programs in the State represent a consistent, integrated, and coordinated approach to meeting the economic needs of the State;

[(ii) the vocational education program delivery system assisted under this Act, and the job training program delivery system assisted under the Job Training Partnership Act, in terms of such delivery systems' adequacy and effectiveness in achieving the purposes of each of the 2 Acts; and

[(iii) make recommendations to the State board on the adequacy and effectiveness of the coordination that takes place between vocational education and the Job Training Partnership Act;

[(B) comment on the adequacy or inadequacy of State action in implementing the State plan;

[(C) make recommendations to the State board on ways to create greater incentives for joint planning and collaboration between the vocational education system and the job training system at the State and local levels; and

[(D) advise the Governor, the State board, the State job training coordinating council, the Secretary, and the Secretary of Labor regarding such evaluation, findings, and recommendations.

[(e) Each State council is authorized to obtain the services of such professional, technical, and clerical, personnel as may be necessary to enable it to carry out its functions under this Act and to contract for such services as may be necessary to enable the Council to carry out its evaluation functions, independent of programmatic and administrative control by other State boards, agencies, and individuals. Each State Council may submit a statement to the Secretary reviewing and commenting upon the State plan. Such statement shall be sent to the Secretary with the State plan.

[(f)(1)(A) Except as provided in subparagraph (B), from the sums appropriated pursuant to section 3(c), the Secretary shall first make grants of $150,000 to each State council. From the remainder of such sums the Secretary shall allot to each State council an amount in accordance with the method of allotment set forth in section 101(a)(2) of this Act, provided that—

[(i) no State council shall receive more than $250,000 for each fiscal year;

[(ii) no State council shall receive less than $150,000 for each fiscal year; and

[(iii) no State council shall receive less than such State council was allotted in the fiscal year 1990;

[(B) From the sums appropriated pursuant to section 3(c) for each fiscal year, the Secretary shall make grants of—

[(i) $60,000 to each of the State councils of the Virgin Islands and Guam; and

[(ii) $25,000 to each of the State councils of American Samoa, Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658), and the Commonwealth of the Northern Mariana Islands.

[(2) The expenditure of the funds paid pursuant to this subsection is to be determined solely by the State council for carrying out its functions under this Act, and may not be diverted or reprogramed for any other purpose by any State board, agency, or individual. Each State council shall designate an appropriate State agency or other public agency, eligible to receive funds under this Act, to act as its fiscal agent for purposes of disbursement, accounting, and auditing.

[SEC. 113. STATE PLAN.

[(a) IN GENERAL.—(1)(A) Any State desiring to receive funds from its allotment for any fiscal year shall submit to the Secretary a State plan for a 3-year period, in the case of the initial plan, and a 2-year period thereafter, together with such annual revisions as the State board determines to be necessary.

[(B) The planning periods required by subparagraph (A) shall be coterminous with the planning program periods required under section 104(a) of the Job Training Partnership Act.

[(2)(A) In formulating the State plan (and amendments thereto), the State board shall meet with and utilize the State council established pursuant to section 112.

[(B) The State board shall conduct public hearings in the State, after appropriate and sufficient notice, for the purpose of affording all segments of the public and interested organizations and groups an opportunity to present their views and make recommendations regarding the State plan. A summary of such recommendations and the State board's response shall be included with the State plan.

[(3) In developing the State plan, the State shall conduct an assessment according to section 116. Such assessment shall include analysis of—

[(A) the relative academic, occupational, training, and retraining needs of secondary, adult, and postsecondary students; and

[(B) the capability of vocational education programs to provide vocational education students, to the extent practicable, with—

[(i) strong experience in and understanding of all aspects of the industry the students are preparing to enter (including planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, and health, safety, and environmental issues); and

[(ii) strong development and use of problem-solving skills and basic and advanced academic skills (including skills in the areas of mathematics, reading, writing, science, and social studies) in a technological setting.

[(b) CONTENTS.—Each State plan shall—

[(1) describe the procedures and the results of each of the assessments required by section 116(a), including the needs identified by such assessments;

[(2) describe how uses of funds reflect the needs described in paragraph (1);

[(3) provide assurances that, and where necessary a description of the manner in which, eligible recipients will comply with the requirements of titles I and II, including—

[(A) a description of the manner in which the State will comply with the criteria required for programs for individuals who are members of special populations and a description of the responsiveness of such programs to the special needs of such students;

[(B) assurances that the State board will develop measurable goals and accountability measures for meeting the needs of individuals who are members of special populations;

[(C) assurances that the State board will conduct adequate monitoring of programs conducted by eligible recipients to ensure that programs within the State are meeting the goals described in subparagraph (B); and

[(D) assurances that, to the extent consistent with the number and location of individuals who are members of special populations who are enrolled in private secondary schools, provision is made for the participation of such individuals in the vocational education programs assisted under section 231;

[(4) describe the estimated distribution of funds to corrections educational agencies as prescribed by section 225, the estimated distribution of funds to local educational agencies, area vocational education schools, or intermediate educational agencies as prescribed by section 231, and the planned estimated distribution of funds to eligible institutions as prescribed by section 232;

[(5) provide assurances that the State will comply with the provisions of section 102, including assurances that the State will distribute not less than 75 percent of the funds made available for title II to eligible recipients pursuant to such title;

[(6) describe the criteria the State board will use—

[(A) in approving applications of eligible recipients; and

[(B) for spending the amounts reserved for the State under paragraphs (2) through (5) of section 102(a);

[(7) describe how funds expended for occupationally specific training will be used for occupations in which job openings are projected or available, based on a labor market analysis;

[(8) provide assurances that the State will develop and implement a system of standards for performance and measures of performance for vocational education programs at the State level that meets the requirements of section 115;

[(9) describe, in each State plan submitted after the fiscal year 1991, the progress the State has made in achieving the goals described in previous State plans;

[(10) provide such methods of administration as are necessary for the prompt and efficient administration of programs under this Act;

[(11) provide assurances that, in the use of funds available for single parents, displaced homemakers, and single pregnant

women under section 221, the State will emphasize assisting individuals with the greatest financial need, and that the State will give special consideration to displaced homemakers who because of divorce, separation, or the death or disability of a spouse must prepare for paid employment;

[(12) provide assurances that the State will furnish relevant training and vocational education activities to men and women who desire to enter occupations that are not traditionally associated with their sex;

[(13) describe how the State is implementing performance evaluations with eligible recipients as prescribed in section 117;

[(14) describe the methods proposed for the joint planning and coordination of programs carried out under this Act with programs conducted under the Job Training Partnership Act, the Adult Education Act, title I of the Elementary and Secondary Education Act of 1965, the Individuals with Disabilities Education Act, and the Rehabilitation Act of 1973, and with apprenticeship programs;

[(15) provide assurances that programs of personnel development and curriculum development shall be funded to further the goals identified in the State plan;

[(16) provide assurances that the vocational education needs of identifiable segments of the population in the State that have the highest rates of unemployment have been thoroughly assessed, and that such needs are reflected in and addressed by the State plan;

[(17) provide assurances that the State board will cooperate with the State council in carrying out the Board's duties under this part;

[(18) provide assurances that none of the funds expended under this Act will be used to acquire equipment (including computer software) in any instance in which such acquisition results in a direct financial benefit to any organization representing the interests of the purchasing entity or its employees or any affiliate of such an organization;

[(19) provide assurances that State and local funds will be used in the schools of each local educational agency that are receiving funds under this Act to provide services which, taken as a whole, are at least comparable to services being provided in schools in such agency which are not receiving such funds;

[(20)(A) provide assurances that the State will provide leadership, supervision, and resources for comprehensive career guidance, vocational counseling, and placement programs;

[(B) as a component of the assurances described in subparagraph (A), annually assess and report on the degree to which expenditures aggregated within the State for career guidance and vocational counseling from allotments under title II are not less than such expenditures for such guidance and counseling within the State in the fiscal year 1988;

[(21) provide assurances that the State will provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting

for, Federal funds paid to the State (including such funds paid by the State to eligible recipients under this Act);

[(22) provide procedures by which an area vocational education school, intermediate educational agency, or local educational agency may appeal decisions adverse to its interests with respect to programs assisted under this Act; and

[(23) describe how the State will comply with the provisions of section 118.

[(c) AMENDMENTS TO STATE PLAN.—When changes in program conditions, labor market conditions, funding, or other factors require substantial amendment to an approved State plan, the State board, in consultation with the State council, shall submit amendments to such State plan to the Secretary. Any such amendments shall be subject to review by the State job training coordinating council and the State council.

[SEC. 114. STATE PLAN APPROVAL.

[(a) IN GENERAL.—The State board shall develop the portion of each State plan relating to the amount and uses of any funds proposed to be reserved for adult education, postsecondary education, tech-prep education, and secondary education after consultation with the State agency responsible for supervision of community colleges, technical institutes, or other 2-year postsecondary institutions primarily engaged in providing postsecondary vocational education, and the State agency responsible for secondary education. The State board shall, in developing such plan, take into consideration the relative training and retraining needs of secondary, adult, and postsecondary students, and shall include the State's rationale for distribution of funds. If a State agency finds that a portion of the final State plan is objectionable, such agency shall file such objections with the State board. The State board shall respond to any objections of such agency in submitting such plan to the Secretary. The Secretary shall consider such comments in reviewing the State plan.

[(b) TIME FOR SUBMISSION; APPROVAL.—Each State plan shall be submitted to the Secretary by May 1 preceding the beginning of the first fiscal year for which such plan is to be in effect. The Secretary shall approve each plan before the expiration of the 60-day period beginning on the date the plan is submitted, if the plan meets the requirements of section 113 and is of sufficient quality to meet the objectives of this Act (including the objective of developing and implementing program evaluations and improvements), and shall subsequently take appropriate actions to monitor the State's compliance with the provisions of its plan and the requirements of this Act on a regular basis. The Secretary shall not finally disapprove a State plan except after giving reasonable notice and an opportunity for a hearing to the State board.

[SEC. 115. STATE AND LOCAL STANDARDS AND MEASURES.

[(a) GENERAL AUTHORITY.—Each State board receiving funds under this Act shall develop and implement a statewide system of core standards and measures of performance for secondary and postsecondary vocational education programs. Each State board receiving funds under this Act, before the expiration of the 30-day period beginning on the date of the enactment of the Carl D. Perkins

Vocational and Applied Technology Education Act Amendments of 1990, shall appoint the State Committee of Practitioners (in this section referred to as the "Committee") as prescribed by section 512(a) after consulting with local school officials representing eligible recipients, and representatives of organized labor, business, superintendents, community-based organizations, private industry councils established under section 102(a) of the Job Training Partnership Act, State councils, parents, special populations, correctional institutions, the administrator appointed under section 111(b)(1), the State administrator of programs assisted under part B of the Individuals with Disabilities Education Act, the State administrator of programs assisted under title I of the Elementary and Secondary Education Act of 1965, the State administrator of programs for students of limited English proficiency, and guidance counselors. Such system shall be developed and implemented before the end of the 2-year period beginning on the date of the enactment of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 and shall apply to all programs assisted under this Act. Eligible recipients may make local modifications to such system based on economic, geographic, or demographic factors, or the characteristics of the population to be served. Such modifications shall conform to the assessment criteria contained in the State plan. The State board shall convene the Committee on a regular basis to review, comment on, and propose revisions to a draft State proposal, which the State board shall develop, for a system of core standards and measures of performance for vocational programs.

[(b) REQUIREMENTS.—Each system developed under subsection (a) shall include—

[(1) measures of learning and competency gains, including student progress in the achievement of basic and more advanced academic skills;

[(2) 1 or more measures of performance, which shall include only—

[(A) competency attainment;

[(B) job or work skill attainment or enhancement including student progress in achieving occupational skills necessary to obtain employment in the field for which the student has been prepared, including occupational skills in the industry the student is preparing to enter;

[(C) retention in school or completion of secondary school or its equivalent; and

[(D) placement into additional training or education, military service, or employment;

[(3) incentives or adjustments that are—

[(A) designed to encourage service to targeted groups or special populations; and

[(B) for each student, consistent with the student's individualized education program developed under section 614(a)(5) of the Individuals with Disabilities Education Act, where appropriate; and

[(4) procedures for using existing resources and methods developed in other programs receiving Federal assistance.

[(c) CONSISTENCY WITH OTHER PROGRAMS.—In developing the standards and measures included in a system developed under subsection (a), the State board shall take into consideration—

[(1) standards and measures developed under job opportunities and basic skills training programs established and operated under a plan approved by the Secretary of Health and Human Services that meets the requirements of section 402(a)(19) of the Social Security Act; and

[(2) standards prescribed by the Secretary of Labor under section 106 of the Job Training Partnership Act.

[(d) INFORMATION PROVIDED BY STATE BOARD.—(1) The Committee shall make recommendations to the State board with respect to modifying standards and measures to be used under this section, based on the information provided under paragraph (2).

[(2) To assist the Committee in formulating recommendations under paragraph (1), the State board shall provide to the Committee information concerning differing types of standards and measurement, including—

[(A) the advantages and disadvantages of each type of standard or measurement;

[(B) instances in which such standards and measures have been effective; and

[(C) instances in which such standards and measures have not been effective.

[(3) In the event that the State board does not accept the Committee's recommendations made as required by paragraph (1), the State board shall set forth in the State plan its reasons for not accepting such recommendations.

[(e) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to the States with respect to the development of systems under subsection (a). In providing such assistance, the Secretary shall utilize existing resources in other Federal agencies.

[(f) REPORT.—The Secretary shall submit a report to the appropriate committees of the Congress not later than the expiration of the 4-year period beginning on the date of the enactment of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990. Such report shall include—

[(1) a detailed description of the status of each State's system of standards and measures developed as required by this section;

[(2) an assessment of the validity, predictiveness, and reliability of such standards and measures, unbiased to special populations, in the areas of academic achievement, vocational skill competencies, employment outcomes, and postsecondary continuation and attainment; and

[(3) an evaluation of the comparability of State-developed performance standards across States to establish a core of common indicators.

[SEC. 116. STATE ASSESSMENT.

[(a) IN GENERAL.—Each State board receiving assistance under this Act shall conduct an assessment using measurable objective criteria developed by the State board to assess program quality. Such criteria shall be developed in consultation with representatives of the groups described in section 115(a) and shall use infor-

mation gathered by the National Occupational Information Coordinating Committee and, if appropriate, other information. Each State board shall widely disseminate such criteria. State boards shall develop such criteria no later than the beginning of the 1991–1992 school year. Such criteria shall include such factors as—

[(1) integration of academic and vocational education;

[(2) sequential course of study leading to both academic and occupational competencies;

[(3) increased student work skill attainment and job placement;

[(4) increased linkages between secondary and postsecondary educational institutions;

[(5) instruction and experience, to the extent practicable, in all aspects of the industry the students are preparing to enter;

[(6) the ability of the eligible recipients to meet the needs of special populations with respect to vocational education;

[(7) raising the quality of vocational education programs in schools with high concentrations of poor and low-achieving students;

[(8) the relevance of programs to the workplace and to the occupations for which students are to be trained, and the extent to which such programs reflect a realistic assessment of current and future labor market needs, including needs in areas of emerging technologies;

[(9) the ability of the vocational curriculum, equipment, and instructional materials to meet the demands of the workforce;

[(10) basic and higher order current and future workplace competencies which will reflect the hiring needs of employers; and

[(11) other factors considered appropriate by the State board.

[(b) DEADLINE FOR ASSESSMENT.—Each State board shall complete the assessment required by subsection (a) before the expiration of the 6-month period beginning on the date of the enactment of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990.

[SEC. 117. PROGRAM EVALUATION AND IMPROVEMENT.

[(a) ANNUAL EVALUATION.—Each recipient of financial assistance under part C of title II shall annually evaluate the effectiveness of the program conducted with assistance under this Act based on the standards and measures (or modifications thereto) developed as required by section 115. As part of each such evaluation, each such recipient shall—

[(1) review programs, with the full and informed participation of representatives of individuals who are members of special populations, to—

[(A) identify and adopt strategies to overcome any barriers which are resulting in lower rates of access to vocational education programs or success in such programs for individuals who are members of special populations; and

[(B) evaluate the progress of individuals who are members of special populations in vocational education programs assisted under this Act; and

[(2) evaluate the progress of vocational education programs assisted under this Act in providing vocational education students with strong experience in and understanding of all aspects of the industry the students are preparing to enter.

[(b) LOCAL PROGRAM IMPROVEMENT PLAN.—Beginning not less than 1 year after the implementation of the provisions of section 115, if any recipient described in subsection (a) determines that the recipient is not making substantial progress in meeting the standards and measures developed as required by section 115, such recipient shall develop a plan, in consultation with teachers, parents, and students concerned, for program improvement for the succeeding school year. Such plan shall describe how the recipient will identify and modify programs funded under part C of title II, including—

[(1) a description of vocational education and career development strategies designed to achieve progress in improving the effectiveness of the program conducted with assistance under this Act; and

[(2) if necessary, a description of strategies designed to improve supplementary services provided to individuals who are members of special populations.

[(c) STATE AND LOCAL JOINT PLAN.—If, after 1 year of implementation of the plan described in subsection (b), sufficient progress in meeting the standards and measures developed as required by section 115 has not been made, the State shall work jointly with the recipient and teachers, parents, and students concerned to develop a plan for program improvement. Each such plan shall contain—

[(1) a description of the technical assistance and program activities the State will provide to enhance the performance of the eligible recipient;

[(2) a reasonable timetable to improve the school performance under the plan;

[(3) a description of vocational education strategies designed to improve the performance of the program as measured by the evaluation; and

[(4) if necessary, a description of strategies designed to improve supplementary services provided to individuals who are members of special populations.

[(d) FURTHER ACTION.—The State shall, in conjunction with the eligible recipient, annually review and revise the joint plan developed under subsection (c) in order to improve performance and will continue to do so each consecutive year until the recipient sustains, for more than 1 year, fulfillment of the State and local standards and measures developed under section 115.

[SEC. 118. CRITERIA FOR SERVICES AND ACTIVITIES FOR INDIVIDUALS WHO ARE MEMBERS OF SPECIAL POPULATIONS.

[(a) ASSURANCES OF EQUAL ACCESS FOR MEMBERS OF SPECIAL POPULATIONS.—The State board, in its State plan, shall provide assurances that—

[(1) individuals who are members of special populations will be provided with equal access to recruitment, enrollment, and placement activities;

[(2) individuals who are members of special populations will be provided with equal access to the full range of vocational

education programs available to individuals who are not members of special populations, including occupationally specific courses of study, cooperative education, apprenticeship programs, and, to the extent practicable, comprehensive career guidance and counseling services, and shall not be discriminated against on the basis of their status as members of special populations;

[(3)(A) vocational education programs and activities for individuals with handicaps will be provided in the least restrictive environment in accordance with section 612(5)(B) of the Individuals with Disabilities Education Act and will, whenever appropriate, be included as a component of the individualized education program developed under section 614(a)(5) of such Act;

[(B) students with handicaps who have individualized education programs developed under section 614(a)(5) of the Individuals with Disabilities Education Act shall, with respect to vocational education programs, be afforded the rights and protections guaranteed such students under sections 612, 614, and 615 of such Act;

[(C) students with handicaps who do not have individualized education programs developed under section 614(a)(5) of the Individuals with Disabilities Education Act or who are not eligible to have such a program shall, with respect to vocational education programs, be afforded the rights and protections guaranteed such students under section 504 of the Rehabilitation Act of 1973 and, for the purpose of this Act, such rights and protections shall include making vocational education programs readily accessible to eligible individuals with disabilities through the provision of services described in subsection (c)(3);

[(D) vocational education planning for individuals with handicaps will be coordinated between appropriate representatives of vocational education, special education, and State vocational rehabilitation agencies; and

[(E) the provision of vocational education to each student with handicaps will be monitored to determine if such education is consistent with the individualized education program developed for such student under section 614(a)(5) of the Individuals with Disabilities Education Act, in any case in which such a program exists;

[(4) the provision of vocational education will be monitored to ensure that disadvantaged students and students of limited English proficiency have access to such education in the most integrated setting possible; and

[(5)(A) the requirements of this Act relating to individuals who are members of special populations—

[(i) will be carried out under the general supervision of individuals in the appropriate State educational agency or State board who are responsible for students who are members of special populations; and

[(ii) will meet education standards of the State educational agency or State board; and

[(B) with respect to students with handicaps, the supervision carried out under subparagraph (A) shall be carried out con-

sistent with and in conjunction with supervision by the State educational agency or State board carried out under section 612(6) of the Individuals with Disabilities Education Act.

[(b) PROVISION OF INFORMATION.—(1) Each local educational agency shall provide to students who are members of special populations and parents of such students at least 1 year before the students enter or are of an appropriate age for the grade level in which vocational education programs are first generally available in the State, but in no event later than the beginning of the ninth grade, information concerning—

[(A) the opportunities available in vocational education;

[(B) the requirements for eligibility for enrollment in such vocational education programs;

[(C) specific courses that are available;

[(D) special services that are available;

[(E) employment opportunities; and

[(F) placement.

[(2) Each eligible institution that receives assistance under title II shall provide the information described in paragraph (1) to each individual who requests information concerning or seeks admission to vocational education programs offered by the institution, and, when appropriate, assist in the preparation of applications relating to such admission.

[(3) The information provided under this subsection shall, to the extent practicable, be in a language and form that the parents and students understand.

[(c) ASSURANCES.—Each eligible recipient that receives assistance under title II shall provide assurances that such eligible recipient shall—

[(1) assist students who are members of special populations to enter vocational education programs, and, with respect to students with handicaps, assist in fulfilling the transitional service requirements of section 626 of the Individuals with Disabilities Education Act;

[(2) assess the special needs of students participating in programs receiving assistance under title II with respect to their successful completion of the vocational education program in the most integrated setting possible;

[(3) provide supplementary services to students who are members of special populations, including, with respect to individuals with handicaps—

[(A) curriculum modification;

[(B) equipment modification;

[(C) classroom modification;

[(D) supportive personnel; and

[(E) instructional aids and devices;

[(4) provide guidance, counseling, and career development activities conducted by professionally trained counselors and teachers who are associated with the provision of such special services; and

[(5) provide counseling and instructional services designed to facilitate the transition from school to post-school employment and career opportunities.

[(d) PARTICIPATORY PLANNING.—The State board shall—

[(1) establish effective procedures, including an expedited appeals procedure, by which parents, students, teachers, and area residents concerned will be able to directly participate in State and local decisions that influence the character of programs under this Act affecting their interests; and

[(2) provide technical assistance and design such procedures to ensure that such individuals are given access to the information needed to use such procedures.

[TITLE II—BASIC STATE GRANTS FOR VOCATIONAL EDUCATION

[PART A—STATE PROGRAMS

[SEC. 201. STATE PROGRAMS AND STATE LEADERSHIP.

[(a) GENERAL AUTHORITY.—From amounts reserved under section 102(a)(3), each State shall conduct State programs and State leadership activities.

[(b) REQUIRED USES OF FUNDS.—The programs and activities described in subsection (a) shall include—

[(1) professional development activities for vocational teachers and academic teachers working with vocational education students, including corrections educators and counselors, and educators and counselors in community-based organizations, including inservice and preservice training of teachers in state-of-the-art programs and techniques, including integration of vocational and academic curricula, with particular emphasis on inservice and preservice training of minority teachers;

[(2) development, dissemination, and field testing of curricula, especially—

[(A) curricula that integrate vocational and academic methodologies; and

[(B) curricula that provide a coherent sequence of courses through which academic and occupational skills may be measured; and

[(3) assessment of programs conducted with assistance under this Act, including the development of—

[(A) performance standards and measures for such programs; and

[(B) program improvement and accountability with respect to such programs.

[(c) AUTHORIZED ACTIVITIES.—The programs and activities described in subsection (a) may include—

[(1) the promotion of partnerships among business, education (including educational agencies), industry, labor, community-based organizations, or governmental agencies;

[(2) the support for tech-prep education as described in section 344;

[(3) the support of vocational student organizations, especially with respect to efforts to increase minority participation in such organizations;

[(4) leadership and instructional programs in technology education; and

[(5) data collection.

[PART B—OTHER STATE-ADMINISTERED PROGRAMS

[Subpart 1—Programs to Provide Single Parents, Displaced Homemakers, and Single Pregnant Women With Marketable Skills and to Promote the Elimination of Sex Bias

[SEC. 221. PROGRAMS FOR SINGLE PARENTS, DISPLACED HOMEMAKERS, AND SINGLE PREGNANT WOMEN.

[(a) GENERAL AUTHORITY.—Each State shall use the amount reserved under section 102(a)(2)(A) only to—

[(1) provide, subsidize, reimburse, or pay for preparatory services, including instruction in basic academic and occupational skills, necessary educational materials, and career guidance and counseling services, in preparation for vocational education and training that will furnish single parents, displaced homemakers, and single pregnant women with marketable skills;

[(2) make grants to eligible recipients for expanding preparatory services and vocational education services when the expansion directly increases the eligible recipients' capacity for providing single parents, displaced homemakers, and single pregnant women with marketable skills;

[(3) make grants to community-based organizations for the provision of preparatory and vocational education services to single parents, displaced homemakers, and single pregnant women if the State determines that the community-based organization has demonstrated effectiveness in providing comparable or related services to single parents, displaced homemakers, and single pregnant women, taking into account the demonstrated performance of such an organization in terms of cost, the quality of training, and the characteristics of the participants;

[(4) make preparatory services and vocational education and training more accessible to single parents, displaced homemakers, and single pregnant women by assisting such individuals with dependent care, transportation services, or special services and supplies, books, and materials, or by organizing and scheduling the programs so that such programs are more accessible; or

[(5) provide information to single parents, displaced homemakers, and single pregnant women to inform such individuals of vocational education programs, related support services, and career counseling.

[(b) SETTINGS.—The programs and services described in subsection (a) may be provided in postsecondary or secondary school settings, including area vocational education schools, that serve single parents, displaced homemakers, and single pregnant women.

[SEC. 222. SEX EQUITY PROGRAMS.

[(a) GENERAL AUTHORITY.—Except as provided in subsection (b), each State shall use the amount reserved under section 102(a)(2)(B) only for—

[(1) programs, services, comprehensive career guidance and counseling, and activities to eliminate sex bias and stereotyping in secondary and postsecondary vocational education;

[(2) preparatory services and vocational education programs, services, and activities for girls and women, aged 14 through 25, designed to enable the participants to support themselves and their families; and

[(3) support services for individuals participating in vocational education programs, services, and activities described in paragraphs (1) and (2), including dependent-care services and transportation.

[(b) WAIVER OF AGE LIMIT.—The administrator appointed under section 111(b)(1) may waive the requirement with respect to age limitations contained in subsection (a)(2) whenever the administrator determines that the waiver is essential to meet the objectives of this section.

[SEC. 223. COMPETITIVE AWARD OF AMOUNTS; EVALUATION OF PROGRAMS.

[The administrator appointed under section 111(b)(1)—

[(1) shall, on a competitive basis, allocate and distribute to eligible recipients or community-based organizations the amounts reserved under section 102(a)(2) for carrying out this subpart, ensuring that each grant made under this subpart is for a program that is of sufficient size, scope, and quality to be effective; and

[(2) shall develop procedures for the collection from eligible recipients, including community-based organizations, that receive funds under this subpart of data appropriate to the individuals served in order to permit evaluation of the effectiveness of such programs as required by section 111(b)(1)(L).

[Subpart 2—Corrections Education

[SEC. 225. PROGRAMS FOR CRIMINAL OFFENDERS.

[(a) DESIGNATION OF STATE CORRECTIONS EDUCATIONAL AGENCY.—(1) Each State board shall designate 1 or more State corrections agencies as State corrections educational agencies to administer vocational education programs assisted under this Act for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

[(2) Any corrections agency that desires to be designated under paragraph (1) shall submit to the State board a plan for the use of funds provided to such corrections agency from the amounts reserved by the State under section 102(a)(5).

[(b) DUTIES OF STATE CORRECTIONS EDUCATIONAL AGENCY.—In administering programs receiving funds under this section, each State corrections educational agency designated under subsection (a) shall, in carrying out a vocational education program for criminal offenders—

[(1) give special consideration to—

[(A) providing services to offenders who are completing their sentences and preparing for release; and

[(B) providing grants for the establishment of vocational education programs in correctional institutions that do not have such programs;

[(2) provide vocational education programs for women who are incarcerated;

[(3) improve equipment; and

[(4) in cooperation with eligible recipients, administer and coordinate vocational education services to offenders before and after their release.

[PART C—SECONDARY, POSTSECONDARY, AND ADULT VOCATIONAL EDUCATION PROGRAMS

[Subpart 1—Within-State Allocation

[SEC. 231. DISTRIBUTION OF FUNDS TO SECONDARY SCHOOL PROGRAMS.

[(a) GENERAL RULE.—Except as otherwise provided in this section and section 233, each State shall distribute funds available in any fiscal year for secondary school vocational education programs to local educational agencies within the State as follows:

[(1) From 70 percent of such funds, 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 or such section's predecessor authority of the Elementary and Secondary Education Act of 1965 in the preceding fiscal year bears to the total amount received under such section by local educational agencies in the State in such year.

[(2) From 20 percent of such funds, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with handicaps who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act served by such local educational agency in the preceding fiscal year bears to the total number of such students served by local educational agencies in the State in such year.

[(3) From 10 percent of such funds, 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 in 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 in such year.

[(b) MINIMUM GRANT AMOUNT.—(1) Except as provided in paragraph (2), no local educational agency shall be eligible for a grant under this part 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 grant requirement of this paragraph.

[(2) The State 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 the agency is unable to enter into a consortium for purposes of providing services under this part.

[(3) Any amounts which are not allocated by reason of paragraph (1) or paragraph (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or paragraph (2) in accordance with the provisions of this section.

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

[(2) 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 INTERMEDIATE EDUCATIONAL AGENCIES.—(1) The State shall distribute funds available for secondary school vocational education programs to the appropriate area vocational education school or intermediate educational agency in any case in which—

[(A) the area vocational education school or intermediate educational 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 intermediate educational agency serves an approximately equal or greater proportion of students with handicaps and students who are economically disadvantaged 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 intermediate educational agency; or

[(ii) the area vocational education school, intermediate educational agency, or local educational agency demonstrates that it 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 school or intermediate educational agency.

[(2) If an area vocational education school or intermediate educational agency meets the requirements of paragraph (1), then—

[(A) the amount that would otherwise be distributed to the local educational agency shall be allocated to the area vocational education school, the intermediate educational agency,

and the local educational agency based on each school's or entity's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs that meet the requirements of section 235 (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 intermediate educational agency.

[(3)(A) For the purposes of this subsection, the State may determine the number of economically disadvantaged students attending vocational education programs on the basis of eligibility for any of the following:

[(i) Free or reduced-price meals under the National School Lunch Act.

[(ii) The program for aid to dependent children under part A of title IV of the Social Security Act.

[(iii) Benefits under the Food Stamp Act of 1977.

[(iv) Services under title I of the Elementary and Secondary Education Act of 1965.

[(v) Other indices of economic status including estimates of such indices, if the State demonstrates to the satisfaction of the Secretary that such indices are more representative of such number.

[(B) If a State elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State shall ensure that the data used is not duplicative.

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

[(5) Notwithstanding the provisions of paragraphs (1), (2), (3), and (4) any local educational agency receiving an allocation which is not sufficient to conduct a program which meets the requirements of section 235(c) is encouraged to—

[(A) form a consortium or enter into a cooperative agreement with an area vocational education school or intermediate educational agency offering programs that meet the requirements of section 235(c) and that are accessible to economically disadvantaged students and students with handicaps served by such local educational agency; and

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

[SEC. 232. DISTRIBUTION OF FUNDS TO POSTSECONDARY AND ADULT PROGRAMS.

[(a) GENERAL RULE.—(1) Except as provided in subsection (b) and section 233, each State shall distribute funds available in any fiscal year for postsecondary and adult vocational education programs to eligible institutions or consortia thereof within the State. Each such eligible institution or consortium shall receive an amount that bears the same relationship to the amount of funds available under such section as the number of Pell Grant recipients

and recipients of assistance from the Bureau of Indian Affairs enrolled in programs meeting the requirements of section 235 offered by such institution or consortium in the preceding fiscal year bears to the number of such recipients enrolled in such programs within the State in such year.

[(2) 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 as to be effective.

[(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Secretary may waive the application of subsection (a) in the case of any State that submits to the Secretary 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 economically disadvantaged individuals and that an alternative formula would 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 institutions or consortia within the State who—

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

[(B) are members of families participating in the program for aid to families with dependent children 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 economically disadvantaged students;

[(D) are enrolled in programs serving economically disadvantaged adults;

[(E) are participants in programs assisted under the Job Training Partnership Act; or

[(F) are recipients of Pell Grants.

[(c) MINIMUM GRANT AMOUNT.—(1) No grant provided to any institution or consortium under this section shall be for an amount that is less than $50,000.

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

[(d) DEFINITION.—For the purposes of this section—

[(1) the term "eligible institution" means an institution of higher education, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that meets the requirements of section 235 and seeks to receive assistance under this part;

[(2) the term "institution of higher education", notwithstanding section 427(b)(2) of the Higher Education Amendments of

1992, has the meaning given that term in section 435(b) of the Higher Education Act of 1965 as such section was in effect on July 22, 1992; 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.

[SEC. 233. SPECIAL RULE FOR MINIMAL ALLOCATION.

[(a) GENERAL AUTHORITY.—In any fiscal year in which a minimal amount is made available by a State for distribution under section 231 or section 232 such State may, notwithstanding the provisions of section 231 or section 232, as appropriate, in order to result in a more equitable distribution of funds for programs serving the highest numbers of economically disadvantaged individuals, distribute such minimal amount—

[(1) on a competitive basis; or

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

[(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available for distribution under this part.

[SEC. 234. REALLOCATION.

[(a) IN GENERAL.—In any academic year that a local educational agency or eligible institution does not expend all of the amounts it is allocated for such year under section 231 or section 232, such local educational agency or eligible institution shall return any unexpended amounts to the State to be reallocated under section 231 or section 232, as appropriate.

[(b) REALLOCATION OF AMOUNTS RETURNED LATE IN AN ACADEMIC YEAR.—In any academic year in which amounts are returned to the State under sections 231 or 232 and the State is unable to reallocate such amounts according to such sections in time for such amounts to be expended in such academic year, the State shall retain such amounts to be distributed in combination with amounts provided under this title for the following academic year.

[Subpart 2—Uses of Funds

[SEC. 235. USES OF FUNDS.

[(a) GENERAL AUTHORITY.—Each eligible recipient that receives a grant under this part shall use funds provided under such grant to improve vocational education programs, with the full participation of individuals who are members of special populations, at a limited number of sites or with respect to a limited number of program areas.

[(b) PRIORITY.—Each eligible recipient that receives a grant under this part shall give priority for assistance under this part to sites or programs that serve the highest concentrations of individuals who are members of special populations.

[(c) REQUIREMENTS FOR USES OF FUNDS.—(1) Funds made available under a grant under this part shall be used to provide vocational education in programs that—

[(A) are of such size, scope, and quality as to be effective;

[(B) integrate academic and vocational education in such programs through coherent sequences of courses so that students achieve both academic and occupational competencies; and

[(C) provide equitable participation in such programs for the special populations consistent with the assurances and requirements in section 118.

[(2) In carrying out the provisions of paragraph (1), grant funds may be used for activities such as—

[(A) upgrading of curriculum;

[(B) purchase of equipment, including instructional aids;

[(C) inservice training of both vocational instructors and academic instructors working with vocational education students for integrating academic and vocational education;

[(D) guidance and counseling;

[(E) remedial courses;

[(F) adaptation of equipment;

[(G) tech-prep education programs;

[(H) supplementary services designed to meet the needs of special populations;

[(I) a special populations coordinator paid in whole or in part from such funds who shall be a qualified counselor or teacher to ensure that individuals who are members of special populations are receiving adequate services and job skill training;

[(J) apprenticeship programs;

[(K) programs that are strongly tied to economic development efforts in the State;

[(L) programs which train adults and students for all aspects of the occupation, in which job openings are projected or available;

[(M) comprehensive mentor programs in institutions of higher education offering comprehensive programs in teacher preparation, which seek to fully use the skills and work experience of individuals currently or formerly employed in business and industry who are interested in becoming classroom instructors and to meet the need of vocational educators who wish to upgrade their teaching competencies;

[(N) provision of education and training through arrangements with private vocational training institutions, private postsecondary educational institutions, employers, labor organizations, and joint labor-management apprenticeship programs whenever such institutions, employers, labor organizations, or programs can make a significant contribution to obtaining the objectives of the State plan and can provide substantially equivalent training at a lesser cost, or can provide equipment or services not available in public institutions.

[(3) Equipment purchases pursuant to sections 231 and 232, when not being used to carry out the provisions of this Act, may be used for other instructional purposes if—

[(A) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity under this title;

[(B) is used after regular school hours or on weekends; and

[(C) such other use is—

[(i) incidental to the use of that equipment under this title;

[(ii) does not interfere with the use of that equipment under this title; and

[(iii) does not add to the cost of using that equipment under this title.

[(4) Each eligible recipient receiving funds under this part shall use no more than 5 percent of such funds for administrative costs.

[Subpart 3—Local Application

[SEC. 240. LOCAL APPLICATION.

[Any eligible recipient desiring financial assistance under this part shall, according to requirements established by the State board, submit to the State board an application, covering the same period as the State plan, for the use of such assistance. The State board shall determine requirements for local applications, except that each such application shall—

[(1) contain a description of the vocational education programs to be funded, including—

[(A) the extent to which the program incorporates each of the elements described in section 235;

[(B) how the eligible recipient will use the funds available under this part and from other resources to improve the program with regard to each use of funds described in section 235;

[(2) contain a report on the number of individuals in each of the special populations;

[(3) contain a description of how the needs of individuals who are members of special populations will be assessed and a description of the planned use of funds to meet such needs;

[(4) describe how access to programs of good quality will be provided to students who are economically disadvantaged (including foster children), students with handicaps, and students of limited English proficiency through affirmative outreach and recruitment efforts;

[(5) provide assurances that the programs funded under this part shall be carried out according to the criteria for programs for each special population;

[(6) describe the program evaluation standards the applicant will use to measure its progress;

[(7) describe methods to be used to coordinate vocational education services with relevant programs conducted under the Job Training Partnership Act, including cooperative arrangements established with private industry councils established under section 102(a) of such Act, in order to avoid duplication and to expand the range of and accessibility to vocational education services;

[(8) describe methods used to develop vocational educational programs in consultation with parents and students of special populations;

[(9) provide a description of coordination with community-based organizations;

[(10) consider the demonstrated occupational needs of the area in assisting programs funded by this Act;

[(11) provide a description of how the eligible recipient will provide a vocational education program that—

[(A) integrates academic and occupational disciplines so that students participating in the program are able to achieve both academic and occupational competence; and

[(B) offers coherent sequences of courses leading to a job skill;

[(12) provide assurances that the eligible recipient will provide a vocational education program that—

[(A) encourages students through counseling to pursue such coherent sequences of courses;

[(B) assists students who are economically disadvantaged, students of limited English proficiency, and students with handicaps to succeed through supportive services such as counseling, English-language instruction, child care, and special aids;

[(C) is of such size, scope, and quality as to bring about improvement in the quality of education offered by the school; and

[(D) seeks to cooperate with the sex equity program carried out under section 222;

[(13) provide an assurance that the eligible recipient will provide sufficient information to the State to enable the State to comply with the provisions of section 231(d); and

[(14) describe how the eligible recipient will monitor the provision of vocational education to individuals who are members of special populations.

[TITLE III—SPECIAL PROGRAMS

[PART A—STATE ASSISTANCE FOR VOCATIONAL EDUCATION SUPPORT PROGRAMS BY COMMUNITY-BASED ORGANIZATIONS

[APPLICATIONS

[SEC. 301. (a) Each community-based organization which desires to receive assistance under this part shall prepare jointly with the appropriate eligible recipient and submit an application to the State board at such time, in such manner, and containing or accompanied by such information as the State board may require. Each such application shall—

[(1) contain an agreement between the community-based organization and the eligible recipients in the area to be served, which includes the designation of fiscal agents established for the program;

[(2) provide a description of the uses for which assistance is sought pursuant to section 302(b) together with evaluation criteria to be applied to the program;

[(3) provide assurances that the community-based organization will give special consideration to the needs of severely economically and educationally disadvantaged youth ages sixteen through twenty-one, inclusive;

[(4) provide assurances that business concerns will be involved, as appropriate, in services and activities for which assistance is sought;

[(5) describe the collaborative efforts with the eligible recipients and the manner in which the services and activities for which assistance is sought will serve to enhance the enrollment of severely economically and educationally disadvantaged youth into the vocational education programs; and

[(6) provide assurances that the programs conducted by the community-based organization will conform to the applicable standards of performance and measures of effectiveness required of vocational education programs in the State.

[USES OF FUNDS

[SEC. 302. (a) From the portion of the allotment of each State under section 101 available for this part, each State shall provide financial assistance to joint programs of eligible recipients and community-based organizations within the State for the conduct of special vocational education services and activities described in subsection (b).

[(b) Funds provided under this section may be used in accordance with State plans for—

[(1) outreach programs to facilitate the entrance of youth into a program of transitional services and subsequent entrance into vocational education, employment or other education and training;

[(2) transitional services such as attitudinal and motivational prevocational training programs;

[(3) prevocational educational preparation and basic skills development conducted in cooperation with business concerns;

[(4) special prevocational preparations programs targeted to inner-city youth, non-English speaking youth, Appalachian youth, and the youth of other urban and rural areas having a high density of poverty who need special prevocational education programs;

[(5) career intern programs;

[(6) model programs for school dropouts;

[(7) assessment of students needs in relation to vocational education and jobs; and

[(8) guidance and counseling to assist students with occupational choices and with the selection of a vocational education program.

[PART B—CONSUMER AND HOMEMAKING EDUCATION

[CONSUMER AND HOMEMAKING EDUCATION GRANTS

[SEC. 311. From the portion of the allotment of each State under section 101 available for this part, the Secretary is authorized to make grants to States to assist them in conducting consumer and homemaking education programs. Such programs may include (1) instructional programs, services, and activities that prepare youth and adults for the occupation of homemaking, and (2) instruction in the areas of food and nutrition, individual and family health, consumer education, family living and parenthood education, child

development and guidance, housing, home management (including resource management), and clothing and textiles.

[USE OF FUNDS FROM CONSUMER AND HOMEMAKING EDUCATION GRANTS

[SEC. 312. (a) Grants to any State under this part shall be used, in accordance with State plans approved under section 114—

[(1) to conduct programs for residents of economically depressed areas;

[(2) to encourage participation of traditionally underserved populations;

[(3) to encourage, in cooperation with the individual appointed under section 111(b)(1), the elimination of sex bias and sex stereotyping;

[(4) to improve, expand, and update programs with an emphasis on those which specifically address needs described under clauses (1), (2), and (3); and

[(5) to address priorities and emerging concerns at the local, State, and national levels.

[(b) Grants for the purposes set forth in subsection (a) may be used for—

[(1) program development and improvement of instruction and curricula relating to managing individual and family resources, making consumer choices, balancing work and family, improving responses to individual and family crises (including family violence and child abuse), strengthening parenting skills (especially among teenage parents), preventing teenage pregancy, assisting aged and individuals with handicaps, and members of at-risk populations (including the homeless), improving individual, child, and family nutrition and wellness, conserving limited resources, understanding the impact of new technology on life and work, applying consumer and homemaking education skills to jobs and careers, and other needs as determined by the State; and

[(2) support services and activities designed to ensure the quality and effectiveness of programs, including demonstration of innovative and exemplary projects, community outreach to underserved populations, application of academic skills (such as reading, writing, mathematics, and science) through consumer and homemaking education programs, curriculum development, research, program evaluation, development of instructional materials, teacher education, upgrading of equipment, teacher supervision, and State administration and leadership, including activities of the student organization.

[(c) Not less than one-third of the Federal funds made available to any State under this section shall be expended in economically depressed areas or areas with high rates of unemployment for programs designed to assist consumers and to help improve home environments and the quality of family life.

[INFORMATION DISSEMINATION AND LEADERSHIP

[SEC. 313. (a) The State board shall ensure that the experience and information gained through carrying out programs assisted under this part is shared with administrators for the purpose of

program planning. Funds available under this part shall be used to assist in providing State leadership and full time State administrators qualified by experience and educational preparation in home economics education.

[(b) Not more than 6 percent of the funds available under this part may be used for State administration of projects, services, and activities under this part.

[PART C—COMPREHENSIVE CAREER GUIDANCE AND COUNSELING PROGRAMS

[GRANTS FOR CAREER GUIDANCE AND COUNSELING

[SEC. 321. From the portion of the allotment of each State under section 101 available for this part, the Secretary is authorized to make grants to States to assist them in conducting career guidance and counseling programs authorized by this part.

[USE OF FUNDS FROM CAREER GUIDANCE AND COUNSELING GRANTS

[SEC. 322. (a) Grants to any State under this part shall be used, in accordance with State plans (and amendments thereto), for programs (organized and administered by certified counselors) designed to improve, expand, and extend career guidance and counseling programs to meet the career development, vocational education, and employment needs of vocational education students and potential students. Such programs shall be designed to assist individuals—

[(1) to acquire self-assessment, career planning, career decisionmaking, and employability skills;

[(2) to make the transition from education and training to work;

[(3) to maintain marketability of current job skills in established occupations;

[(4) to develop new skills to move away from declining occupational fields and enter new and emerging fields in high-technology areas and fields experiencing skill shortages;

[(5) to develop midcareer job search skills and to clarify career goals; and

[(6) to obtain and use information on financial assistance for postsecondary and vocational education, and job training.

[(b) Programs of career guidance and counseling under this part shall encourage the elimination of sex, age, handicapping condition, and race bias and stereotyping, provide for community outreach, enlist the collaboration of the family, the community, business, industry, and labor and be accessible to all segments of the population, including women, minorities, the handicapped, and the economically disadvantaged. The programs authorized by this part shall consist of—

[(1) instructional activities and other services at all educational levels to help students with the skills described in clauses (1) through (6) of subsection (a); and

[(2) services and activities designed to ensure the quality and effectiveness of career guidance and counseling programs and projects assisted under this part, such as counselor education (including education of counselors working with individ-

uals with limited English proficiency), training of support personnel, curriculum development, research and demonstration projects, experimental programs, instructional materials development, equipment acquisition, development of career information delivery systems, and State and local leadership and supervision; and

[(3) projects which provide opportunities for counselors to obtain firsthand experience in business and industry, and projects which provide opportunities to acquaint students with business, industry, the labor market, and training opportunities (including secondary educational programs that have at least one characteristic of an apprenticeable occupation as recognized by the Department of Labor or the State Apprenticeship Agency in accordance with the Act of August 16, 1937, known as the National Apprenticeship Act, in concert with local business, industry, labor, and other appropriate apprenticeship training entities, designed to prepare participants for an apprenticeable occupation or provide information concerning apprenticeable occupations and their prerequisites).

[(c) Not less than 20 percent of the sums made available to a State under this part shall be used for programs designed to eliminate sex, age, and race bias and stereotyping under subsection (b) and for activities to ensure that programs under this part are accessible to all segments of the population, including women, the disadvantaged, the handicapped, individuals with limited English proficiency, and minorities.

[INFORMATION DISSEMINATION AND LEADERSHIP

[SEC. 323. (a) The State board shall ensure that the experience and information gained through programs assisted under this part is shared with administrators for the purpose of program planning. Funds available under this part shall be used to assist in providing State leadership qualified by experience and knowledge in guidance and counseling.

[(b) Not more than 6 percent of the funds available under this part may be used for State administration of projects, services, and activities under this part.

(20 U.S.C. 2383)

[PART D—BUSINESS-LABOR-EDUCATION PARTNERSHIP FOR TRAINING

[SEC. 331. FINDINGS AND PURPOSE.

[The Congress finds that—

[(1) there is a need to infuse resources into the schools for the purpose of improving the quality of vocational education; and

[(2) there is a need to fulfill the needs of business for skilled employees who meet certain minimal standards in key occupational areas.

(20 U.S.C. 2391)

[SEC. 332. (a)(1) From amounts authorized under section 3(d)(1)(D) that are made available for this part, the Secretary shall

make grants to States to enable States to award grants to partnerships among—

[(A) an area vocational education school, a State agency, a local educational agency, a secondary school funded by the Bureau of Indian Affairs, an institution of higher education, a State corrections educational agency or an adult learning center; and

[(B) business, industry, labor organizations, or apprenticeship programs;

to carry out business-labor-education partnership training programs in accordance with this part.

[(2) The Secretary shall ensure an equitable geographic distribution of grants under this part.

[(b) Grants to any State under this part shall be used in accordance with State plans and shall provide incentives for the coordination of programs assisted with funds under this part with related efforts under part E and under the Job Training Partnership Act. Each such State plan shall contain assurances to the Secretary that—

[(1) funds received under this part will be awarded on a competitive basis solely for vocational education programs, including programs—

[(A) to provide apprenticeships and internships in industry;

[(B) to provide new equipment;

[(C) to provide teacher internships or teacher training;

[(D) that bring representatives of business and organized labor into the classroom;

[(E) to increase the access to, and quality of, programs for individuals who are members of special populations;

[(F) to strengthen coordination between vocational education programs, and the labor and skill needs of business and industry;

[(G) to address the economic development needs of the area served by the partnership;

[(H) to provide training and career counseling that will enable workers to retain their jobs;

[(I) to provide training and career counseling that will enable workers to upgrade their jobs; and

[(J) that address the needs of new and emerging industries, particularly industries in high-technology fields.

[(2) the State will give preference to partnerships that coordinate with local chambers of commerce (or the equivalent), local labor organizations, or local economic development plans;

[(3) the State will give priority to programs offered by partnerships that provide job training in areas or skills where there are significant labor shortages;

[(4) the State shall ensure an equitable distribution of assistance under this part between urban and rural areas;

[(5) except as provided in paragraph (6), not less than 50 percent of the aggregate cost of programs and projects assisted under this part will be provided from non-Federal sources, and not less than 50 percent of such non-Federal share will be pro-

vided by businesses or labor organizations participating in the partnership; and

[(6) in the event that the partnership includes a small business or labor organization, 40 percent of the aggregate cost of the programs and projects assisted under this part will be provided from non-Federal sources and not less than 50 percent of such non-Federal share will be provided by participating businesses or labor organizations.

[(c) Not less than 20 percent of the sums made available to a State under this part shall be used for programs designed to eliminate sex, age, and race bias and stereotyping under subsection (b) and for activities to ensure that programs under this part are accessible to all segments of the population, including women, the disadvantaged, the handicapped, individuals with limited English proficiency, and minorities.

[(d) The Secretary shall prescribe policies for vocational education programs carried out with assistance under this part. Such policies shall include examples of allowable expenses for business-labor-education partnerships.

(20 U.S.C. 2392)

[USE OF FUNDS

[SEC. 333. (a) Funds made available to the States by grants under this part may be used solely for the establishment and operation of programs and projects described by section 342(b) and for—

[(1) necessary administrative costs of the State board and of eligible recipients associated with the establishment and operation of programs authorized by this part;

[(2) training and retraining of instructional and guidance personnel;

[(3) curriculum development and the development or acquisition of instructional and guidance equipment and materials;

[(4) acquisition and operation of communications and telecommunications equipment and other high-technology equipment for programs authorized by this part; and

[(5) such other activities authorized by this title as may be essential to the successful establishment and operation of programs and projects authorized by this part, including activities and related services to ensure access of women, minorities, the handicapped, and the economically disadvantaged.

[(b) In approving programs and projects assisted under this part, the State board shall give special consideration to—

[(1) the level and degree of business and industry participation in the development and operation of the program;

[(2) the current and projected demand within the State or relevant labor market area for workers with the level and type of skills the program is designed to produce;

[(3) the overall quality of the proposal, with particular emphasis on the probability of successful completion of the program by prospective trainees and the capability of the eligible recipient (with assistance from participating business or industry) to provide high quality training for skilled workers and technicians in high technology; and

[(4) the commitment to serve all segments of the population, including women, minorities, the handicapped, and the economically disadvantaged (as demonstrated by special efforts to provide outreach, information, and counseling, and by the provision of remedial instruction and other assistance).

[(c) Expenditures for administrative costs pursuant to subsection (a)(1) may not exceed 10 per centum of the State's allotment for this part in the first year and 5 per centum of such allotment in each subsequent year.

[(d)(1) Funds made available pursuant to section 3(b)(5)(B) of this Act may be used, in accordance with this part, to provide vocational education to individuals in order to assist their entry into, or advancement in, high technology occupations or to meet the technological needs of other industries or businesses.

[(2) Special consideration shall be given to individuals described in paragraph (1) who have attained 55 years of age.

(20 U.S.C. 2393)

[PART E—TECH-PREP EDUCATION

[SEC. 341. SHORT TITLE.

[This part may be cited as the "Tech-Prep Education Act".

[SEC. 342. FINDINGS AND PURPOSE.

[(a) FINDINGS.—The Congress finds that—

[(1) rapid technological advances and global economic competition demand increased levels of skilled technical education preparation and readiness on the part of youths entering the workforce;

[(2) effective strategies reaching beyond the boundaries of traditional schooling are necessary to provide early and sustained intervention by parents, teachers, and educational institutions in the lives of students;

[(3) a combination of nontraditional school-to-work technical education programs, using state-of-the-art equipment and appropriate technologies, will reduce the dropout rate for high school students in the United States and will produce youths who are mature, responsible, and motivated to build good lives for themselves;

[(4) the establishment of systematic technical education articulation agreements between secondary schools and postsecondary educational institutions is necessary for providing youths with skills in the liberal and practical arts and in basic academics, including literacy instruction in the English language, and with the intense technical preparation necessary for finding a position in a changing workplace;

[(5) by the year 2000 an estimated 15,000,000 manufacturing jobs will require more advanced technical skills, and an equal number of service jobs will become obsolete;

[(6) more than 50 percent of jobs that are developing will require skills greater than those provided by existing educational programs;

[(7) dropout rates in urban schools are 50 percent or higher, and more than 50 percent of all Hispanic youth drop out of high school; and

[(8) employers in the United States pay an estimated $210,000,000,000 annually for formal and informal training, remediation, and lost productivity as a result of untrained and unprepared youth joining, or attempting to join, the workforce of the United States.

[(b) PURPOSE.—It is the purpose of this part—

[(1) to provide planning and demonstration grants to consortia of local educational agencies and postsecondary educational institutions, for the development and operation of 4-year programs designed to provide a tech-prep education program leading to a 2-year associate degree or a 2-year certificate; and

[(2) to provide, in a systematic manner, strong, comprehensive links between secondary schools and postsecondary educational institutions.

[SEC. 343. PROGRAM AUTHORIZED.

[(a) DISCRETIONARY AMOUNTS.—In any fiscal year in which the amount made available under section 3(d)(1)(E) to carry out the provisions of this part is equal to or less than $50,000,000, the Secretary, in accordance with the provisions of this part which are not inconsistent with this paragraph, shall award grants for tech-prep education programs to consortia of—

[(1) local educational agencies, intermediate educational agencies or area vocational education schools serving secondary school students, or secondary schools funded by the Bureau of Indian Affairs; and

[(2)(A) nonprofit institutions of higher education which offer a 2-year associate degree program, a 2-year certificate program, and which are qualified as institutions of higher education pursuant to section 481(a) of the Higher Education Act of 1965, including institutions receiving assistance under the Tribally Controlled Community College Assistance Act of 1978, or a 2-year apprenticeship program that follows secondary instruction, if such nonprofit institutions of higher education are not prohibited from receiving assistance under part B of the Higher Education Act of 1965 pursuant to the provisions of section 435(a)(3) of such Act; or

[(B) proprietary institutions of higher education which offer a 2-year associate degree program and which are qualified as institutions of higher education pursuant to section 481(a) of the Higher Education Act of 1965 if such proprietary institutions of higher education are not subject to a default management plan required by the Secretary.

[(b) STATE GRANTS.—(1) In any fiscal year for which the amount made available under section 3(d)(1)(E) to carry out the provisions of this part exceeds $50,000,000, the Secretary shall allot such amount to the States in accordance with the provisions of section 101(a)(2).

[(2) From amounts made available to each State under paragraph (1), the State board, in accordance with the provisions of this part which are not inconsistent with this paragraph, shall award grants on a competitive basis or on the basis of a formula deter-

mined by the State board, for tech-prep education programs to consortia described in subsection (a)(1).

[SEC. 344. TECH-PREP EDUCATION PROGRAMS.

[(a) GENERAL AUTHORITY.—Each grant recipient shall use amounts provided under the grant to develop and operate a 4-year tech-prep education program.

[(b) CONTENTS OF PROGRAM.—Any such program shall—

[(1) be carried out under an articulation agreement between the participants in the consortium;

[(2) consist of the 2 years or 4 years of secondary school preceding graduation and 2 years of higher education, or an apprenticeship program of at least 2 years following secondary instruction, with a common core of required proficiency in mathematics, science, communications, and technologies designed to lead to an associate degree or certificate in a specific career field;

[(3) include the development of tech-prep education program curricula appropriate to the needs of the consortium participants;

[(4) include in-service training for teachers that—

[(A) is designed to train teachers to effectively implement tech-prep education curricula;

[(B) provides for joint training for teachers from all participants in the consortium; and

[(C) may provide such training in weekend, evening, and summer sessions, institutes or workshops;

[(5) include training programs for counselors designed to enable counselors to more effectively—

[(A) recruit students for tech-prep education programs;

[(B) ensure that such students successfully complete such programs; and

[(C) ensure that such students are placed in appropriate employment;

[(6) provide equal access to the full range of technical preparation programs to individuals who are members of special populations, including the development of tech-prep education program services appropriate to the needs of such individuals; and

[(7) provide for preparatory services which assist all participants in such programs.

[(c) ADDITIONAL AUTHORIZED ACTIVITIES.—Each such program may—

[(1) provide for the acquisition of tech-prep education program equipment; and

[(2) as part of the program's planning activities, acquire technical assistance from State or local entities that have successfully designed, established and operated tech-prep programs.

[SEC. 345. APPLICATIONS.

[(a) IN GENERAL.—Each consortium that desires to receive a grant under this part shall submit an application to the Secretary or the State board, as appropriate, at such time and in such man-

ner as the Secretary or the State board, as appropriate, shall prescribe.

[(b) THREE-YEAR PLAN.—Each application submitted under this section shall contain a 3-year plan for the development and implementation of activities under this part.

[(c) APPROVAL.—The Secretary or the State board, as appropriate, shall approve applications based on their potential to create an effective tech-prep education program as provided for in section 344.

[(d) SPECIAL CONSIDERATION.—The Secretary or the State board, as appropriate, shall give special consideration to applications which—

[(1) provide for effective employment placement activities or transfer of students to 4-year baccalaureate degree programs;

[(2) are developed in consultation with business, industry, labor unions, and institutions of higher education that award baccalaureate degrees; and

[(3) address effectively the issues of dropout prevention and re-entry and the needs of minority youths, youths of limited English proficiency, youths with handicaps, and disadvantaged youths.

[(e) EQUITABLE DISTRIBUTION OF ASSISTANCE.—In making grants under this part, the Secretary shall ensure an equitable distribution of assistance among States and the Secretary or the State board, as appropriate, shall ensure an equitable distribution of assistance between urban and rural consortium participants.

[(f) NOTICE.—(1) In the case of grants to be made by the Secretary, each consortium that submits an application under this section shall provide notice of such submission and a copy of such application to the State educational agency and the State agency for higher education of the State in which the consortium is located.

[(2) The Secretary shall notify the State educational agency, the State agency for higher education, and the State council on vocational education of any State each time a consortium located in such State is selected to receive a grant under this part.

[SEC. 346. REPORTS.

[(a) REPORT TO THE SECRETARY.—In the case of grants made by the Secretary, each grant recipient shall, with respect to assistance received under this part, submit to the Secretary such reports as may be required by the Secretary to ensure that such grant recipient is complying with the requirements of this part.

[(b) REPORT TO THE CONGRESS.—After grant recipients who receive grants in the first year in which grants are made under this part complete their eligibility under the program, the Secretary shall submit to the Congress a report evaluating the effectiveness of the program under this part.

[SEC. 347. DEFINITIONS.

[For purposes of this part:

[(1) The term "articulation agreement" means a commitment to a program designed to provide students with a nonduplicative sequence of progressive achievement leading to competencies in a tech-prep education program.

[(2) The term "community college"—

[(A) has the meaning provided in section 1201(a) of the Higher Education Act of 1965 for an institution which provides not less than a 2-year program which is acceptable for full credit toward a bachelor's degree; and

[(B) includes tribally controlled community colleges.

[(3) The term "tech-prep education program" means a combined secondary and postsecondary program which—

[(A) leads to an associate degree or 2-year certificate;

[(B) provides technical preparation in at least 1 field of engineering technology, applied science, mechanical, industrial, or practical art or trade, or agriculture, health, or business;

[(C) builds student competence in mathematics, science, and communications (including through applied academics) through a sequential course of study; and

[(D) leads to placement in employment.

[(4) The terms "institution of higher education" and "higher education" include institutions offering apprenticeship programs of at least 2 years beyond the completion of secondary school.

[PART F—SUPPLEMENTARY STATE GRANTS FOR FACILITIES AND EQUIPMENT AND OTHER PROGRAM IMPROVEMENT ACTIVITIES

[SEC. 351. STATEMENT OF PURPOSE.

[It is the purpose of this part to provide funding to local educational agencies in economically depressed areas for program improvement activities, especially the improvement of facilities and acquisition or leasing of equipment to be used to carry out vocational education programs that receive assistance under this Act.

[SEC. 352. ALLOTMENT TO STATES.

[In each fiscal year, from any amounts appropriated for purposes of carrying out this part, the Secretary shall allot to each State an amount which bears the same ratio to such appropriated amounts as the aggregate amount allocated to counties in such State for such fiscal year under section 1006 of the Elementary and Secondary Education Act of 1965 bears to the total amount appropriated for carrying out such section for such fiscal year.

[SEC. 353. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

[(a) DISTRIBUTION OF ALL GRANT AMOUNTS.—In each fiscal year for which a State receives a grant under this part, the State shall distribute not less than 100 percent of the amounts made available under the grant to eligible local educational agencies as provided in subsection (b).

[(b) GRANT AMOUNTS.—In each fiscal year for which a State receives a grant under this part, each eligible local educational agency or consortium of such agencies in the State shall receive an amount under this part that bears the same relationship to the amount received by such local educational agency or agencies under section 1006 of the Elementary and Secondary Education Act

of 1965 bears to the aggregate amount received by local educational agencies in such State under such section in such fiscal year.

[SEC. 354. USES OF FUNDS.

[Each local educational agency or consortium of such agencies that receives a grant under this part shall—

[(1) give first priority to using funds provided under the grant for improving facilities and acquiring or leasing equipment for carrying out vocational education programs that receive assistance under this Act; and

[(2) then may use any funds not required to carry out the provisions of paragraph (1) for other program improvement activities, such as curriculum development or teacher training.

[SEC. 355. STATE APPLICATIONS.

[(a) IN GENERAL.—Each State that desires to receive a grant under this part shall submit to the Secretary an application at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

[(1) designate the sole State agency described in section 111(a)(1) as the State agency responsible for the administration and supervision of activities carried out with assistance under this part;

[(2) provide for a process of consultation with the State council established under section 112;

[(3) describes how funds will be allocated in a manner consistent with section 353;

[(4) provide for an annual submission of data concerning the use of funds and students served with assistance under this part;

[(5) provide that the State educational agency will keep such records and provide such information to the Secretary as may be required for purposes of financial audits and program evaluations; and

[(6) contain assurances that the State will comply with the requirements of this part.

[(b) PERIOD OF APPLICATION.—An application submitted by the State under subsection (a) shall be for a period of not more than 3 years and shall be amended annually.

[SEC. 356. LOCAL APPLICATIONS.

[Each local educational agency or consortium of such agencies that desires to receive a grant under this part shall submit to the State an application at such time, in such manner, and containing or accompanied by such information as the State may reasonably require.

[PART G—COMMUNITY EDUCATION EMPLOYMENT CENTERS AND VOCATIONAL EDUCATION LIGHTHOUSE SCHOOLS

[Subpart 1—Community Education Employment Centers

[SEC. 361. SHORT TITLE.

[This part may be cited as the "Community Education Employment Center Act of 1990".

[SEC. 362. PURPOSE.

[It is the purpose of this part to establish and evaluate model high school community education employment centers to meet the education needs of low-income urban and rural youth by awarding grants to eligible recipients to enable such eligible recipients to establish community education employment centers to provide students with the education, skills, support services, and enrichment necessary to ensure—

[(1) graduation from secondary school;

[(2) successful transition from secondary schools to a broad range of postsecondary institutions; and

[(3) employment, including military service.

[SEC. 363. PROGRAM AUTHORIZED.

[(a) IN GENERAL.—The Secretary is authorized to make grants to eligible recipients having applications approved pursuant to section 369 to establish and operate not more than 10 community education employment centers nationwide.

[(b) GRANT PERIOD.—Grants awarded under this section may be for a period of 5 years.

[SEC. 364. PROGRAM REQUIREMENTS.

[Each eligible recipient receiving a grant under this part shall—

[(1) operate a community education employment center on an extended year and extended day basis;

[(2) establish a collegial working environment, with substantial opportunities for staff training and development and shared decisionmaking;

[(3) maintain small class sizes, and to the extent possible, maintain an average class size of 15 students or less;

[(4) have the option to organize community education and employment centers into 1 or more programs, specializing in different areas of study of particular interest and employment opportunities for the student population;

[(5) offer a broad array of secondary school coursework, including, to the extent possible—

[(A) English, mathematics, history, geography, biology, chemistry, physics, and computer science;

[(B) opportunities for student participation in a wide range of extracurricular activities, including community service and exploration, sports, fine and performing arts and tutorial study sessions;

[(C) a comprehensive vocational-technical education program developed through regular consultation with em-

ployer-labor panels with knowledge of relevant industries, and which offers skills in planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, economic development and health, safety, and environment issues;

[(D) courses in health, nutrition, and parenting;

[(6) offer students on-site opportunities for assistance with career planning and decisionmaking, employability, entrepreneurial abilities, interpersonal communication skills, and remedial studies;

[(7) maintain an emphasis on the development of academic skills, regardless of student career objectives;

[(8) provide technical assistance and training to staff from other schools and local education agencies within the State who wish to replicate community education employment center capabilities;

[(9) seek to utilize community organizations to provide support for educational activities and services to parents and students; and

[(10) offer school-to-work transition services.

[SEC. 365. SUPPORT SERVICES REQUIREMENTS.

[Each eligible recipient receiving a grant under this part shall establish in each community education employment center a support system to coordinate services for students, including—

[(1) a comprehensive program of confidential guidance counseling, providing—

[(A) guidance for career and personal decisionmaking and postsecondary institution placement;

[(B) mentoring and referral to appropriate social services; and

[(C) an accessible counseling service to help parents to focus on the enhancement of student education;

[(2) an on-site job service office to offer students—

[(A) career guidance, development, and employment counseling, which provides information about a broad range of occupations and alternative career paths;

[(B) labor market information, job development, career testing, and occupational placement services for part-time and summer employment, internships, cooperative programs, and part-time and full-time employment opportunities upon graduation; and

[(C) assistance in arranging part-time employment, so long as such employment does not adversely affect academic performance;

[(3) assistance in arranging a summer program of work, education, or enrichment sessions;

[(4) to the extent possible, providing transportation to and from the community education employment center and part-time job sites; and

[(5) access to day care services for children of participating students.

[SEC. 366. PARENTAL AND COMMUNITY PARTICIPATION.

[(a) IN GENERAL.—Each eligible recipient receiving a grant under this part shall employ a parent/community coordinator to provide for the active and informed participation of parents and appropriate community representatives in each community education employment center by—

[(1) encouraging parents and students to make informed decisions in reviewing and selecting the choice of community education employment center programs for their children;

[(2) conducting regular parent seminars to—

[(A) inform parents about community education employment center operations;

[(B) obtain parent input; and

[(C) disseminate information on how parents can encourage student performance;

[(3) providing the parents of each student with a regular opportunity to meet with counselors, teachers, and the student to discuss student progress, plans, and needs;

[(4) providing a range of roles in which parents may work with students at home or as class assistants or volunteer coordinators;

[(5) establishing an advisory Council of Advisors (in this part referred to as the "Council") consisting of 1 individual representing each of the following entities:

[(A) the local educational agency;

[(B) the State council on vocational education and the State agency responsible for secondary vocational education;

[(C) the student body;

[(D) the local teacher organization;

[(E) guidance counselors;

[(F) community-based organizations;

[(G) parents; and

[(H) the appropriate private industry council.

[(b) FUNCTIONS OF THE COUNCIL.—The Council shall provide recommendations to, and work with, eligible recipients to—

[(1) establish annual community education employment center priorities, programs, and procedures;

[(2) establish student selection criteria to ensure that all students in the school district have an equal opportunity to attend the community education employment center and that participants will be representative of the secondary school population in the school district;

[(3) promulgate a student code of conduct that shall be developed in consultation with the students and teachers;

[(4) assist in the selection of the community education employment center principal, administrators, department chairpersons, and teachers;

[(5) assist in the selection and application of assessment tools for continuous evaluation of student learning progress;

[(6) make recommendations for the selection of curriculum textbooks, software, and other learning resources and equipment; and

[(7) make recommendations regarding the coordination of activities assisted under this part with activities assisted under the Job Training Partnership Act and school to work transitions.

[SEC. 367. PROFESSIONAL STAFF.

[(a) IN GENERAL.—Each eligible recipient receiving a grant under this part shall only employ professional staff who demonstrate the highest of academic, teaching, guidance, or administrative standards.

[(b) TEACHERS.—(1) Each eligible recipient receiving a grant under this part shall ensure that community education employment center teachers receive inservice training at least annually in techniques, procedures and policies relevant to the community education employment center.

[(2) Each eligible recipient receiving a grant under this part shall employ a sufficient number of full-time certified or licensed guidance and career counselors to assist, enhance and monitor student progress.

[SEC. 368. ELIGIBILITY.

[An eligible recipient shall be eligible to receive a grant under this part if—

[(1) the eligible recipient is located in or serves 1 or more local educational agencies that are eligible for assistance under section 1006 of the Elementary and Secondary Education Act of 1965; and

[(2) the eligible recipient demonstrates that it will serve a student population which is predominantly educationally and economically disadvantaged.

[SEC. 369. APPLICATION.

[(a) APPLICATION REQUIRED.—Each eligible recipient desiring to participate in the demonstration grant program authorized by this part shall prepare and submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may require.

[(b) CONTENTS OF APPLICATION.—Each application submitted pursuant to subsection (a) shall—

[(1) demonstrate that the area where the center is to be located has a high concentration of children from low-income families, relative to the county and State as a whole;

[(2) describe the activities and services for which assistance is sought;

[(3) provide assurances that the eligible recipient will comply with the provisions of sections 364, 365, 366, 367, and 368;

[(4) contain assurances that the State and local educational agency will, in any fiscal year, at least supply the same fiscal effort per student with respect to the free provision of public education to community education employment center students as such local educational agency provides for students attending secondary schools in such local educational agency;

[(5) utilize funding available from appropriate employment, training, and education programs in the State;

[(6) contain assurances that the community education employment center will coordinate the operations of such center to help meet local economic needs; and

[(7) provide such additional assurances as the Secretary may reasonably require.

[SEC. 370. EVALUATION AND REPORT.

[(a) LOCAL EVALUATION.—Each community education employment center shall submit annually to the Secretary a comprehensive and continuous evaluation of student learning progress, including—

[(1) academic and vocational competencies;

[(2) dropout rates;

[(3) information concerning employment and earnings while the students are attending a community education employment center and upon the graduation of such students from such center;

[(4) information concerning student attendance at post-secondary institutions or student enlistment into military service upon the graduation of such students from the community employment education center; and

[(5) parental, student and community participation in the activities of the community employment education center.

[(b) REPORT.—The Secretary shall report to the Congress on the evaluations submitted pursuant to subsection (a) not later than October 1, 1995.

[SEC. 371. DEFINITIONS.

[As used in this part—

[(1) the term "eligible recipient" means a secondary school or an area vocational school; and

[(2) the term "parent" includes a legal guardian or other person standing in loco parentis.

[Subpart 2—Vocational Education Lighthouse Schools

[SEC. 375. VOCATIONAL EDUCATION LIGHTHOUSE SCHOOLS.

[(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to secondary schools and area vocational education schools to enable such schools to establish and operate vocational education lighthouse schools.

[(b) USE OF FUNDS.—Grants awarded under this section shall be used to establish vocational education lighthouse schools which—

[(1) serve as a model vocational education program—

[(A) to provide each student with knowledge of, and experience in, all aspects of the industry or enterprise the student is preparing to enter;

[(B) to provide each student with basic and higher order skills and develop the student's problem solving abilities in a vocational setting;

[(C) to offer exceptionally high quality programs for disadvantaged and minority students;

[(D) to provide the special services and modifications necessary to help individual students successfully complete the program;

[(E) which is planned, developed and implemented with the participation of staff, local employers and local community; and

[(F) which offers a full range of programs, including comprehensive career guidance and counseling, for students who plan to seek employment upon graduation or who will enroll in a 2- or 4-year college;

[(2) provide information and assistance to other grant recipients, vocational programs, vocational education personnel, parents, students, other educators, community members and community organizations throughout the State regarding—

[(A) curriculum materials;

[(B) curriculum development, especially the integration of vocational and academic education;

[(C) inservice and preservice staff development, training, and assistance, through off-site activities and through a range of short-term and long-term opportunities to participate in activities at the demonstration site;

[(D) opportunities to systematically observe the model program; and

[(E) technical assistance and staff development, as appropriate;

[(3) use funds received under this section, together with funds from non-Federal sources, to develop and implement model programs containing the elements described in paragraph (1);

[(4) develop comprehensive linkages with other local schools, community colleges, 4-year colleges, private vocational schools, community-based organizations, labor unions, employers, and other business groups, as appropriate; and

[(5) develop and disseminate model approaches—

[(A) for meeting the education training needs and career counseling needs of minority students, disadvantaged students, students with handicaps, and students of limited English proficiency; and

[(B) to reduce and eliminate sex bias and stereotyping.

[PART H—TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTIONS

[SEC. 381. SHORT TITLE.

[This part may be cited as the "Tribally Controlled Vocational Institutions Support Act of 1990".

[SEC. 382. PURPOSE.

[It is the purpose of this part to provide grants for the operation and improvement of tribally controlled postsecondary vocational institutions to ensure continued and expanded educational opportunities for Indian students, and to allow for the improvement and expansion of the physical resources of such institutions.

[SEC. 383. GRANTS AUTHORIZED.

[(a) GENERAL AUTHORITY.—The Secretary shall, subject to the availability of appropriations, make grants pursuant to this section to tribally controlled postsecondary vocational institutions to provide basic support for the education and training of Indian students.

[(b) USE OF GRANTS.—Amounts made available under grants made pursuant to this section may be used for—

[(1) training costs;

[(2) educational costs;

[(3) equipment costs;

[(4) administrative costs; and

[(5) costs of operation and maintenance of the institution.

[SEC. 384. ELIGIBLE GRANT RECIPIENTS.

[To be eligible for assistance under this part a tribally controlled postsecondary vocational institution shall—

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

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

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

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

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

[SEC. 385. GRANTS TO TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTIONS.

[(a) APPLICATIONS.—Any tribally controlled postsecondary vocational institution that desires to receive a grant under this part shall submit an application to the Secretary. Such application shall include a description of recordkeeping procedures for the expenditure of funds received under this part which will allow the Secretary to audit and monitor programs.

[(b) INITIAL GRANTS.—In the first year for which amounts are appropriated to carry out this part, the number of grants issued shall be not less than 2.

[(c) CONSULTATION.—In making grants pursuant to this part, the Secretary shall, to the extent practicable, consult with the boards of trustees and the tribal governments chartering the institutions being considered.

[(d) LIMITATION.—Amounts made available under grants made pursuant to this part shall not be used in connection with religious worship or sectarian instruction.

[SEC. 386. AMOUNT OF GRANTS.

[(a) ALLOWABLE EXPENSES.—Except as provided in subsection (d), the Secretary shall, subject to the availability of appropriations, provide for each program year to each tribally controlled vo-

cational institution having an application approved by the Secretary, an amount necessary to pay expenses associated with—

[(1) the maintenance and operation of the program, including development costs, costs of basic and special instruction (including special programs for individuals with handicaps and academic instruction), materials, student costs, administrative expenses, boarding costs, transportation, student services, day care and family support programs for students and their families (including contributions to the costs of education for dependents);

[(2) capital expenditures, including operations and maintenance and minor improvements and repair, physical plant maintenance costs; and

[(3) costs associated with repair, upkeep, replacement, and upgrading of the instructional equipment.

[(b) PAYMENTS.—(1) For each fiscal year, the Secretary shall provide amounts to institutions that are approved for grants under section 385 in 2 payments.

[(2)(A) The first payment shall be made before the end of the 30-day period beginning on the date of the enactment of an Act providing appropriations for such fiscal year for purposes of carrying out this part. Except as provided in subparagraph (B), such payment shall be in an amount that is equal to at least 50 percent of the amount determined to be required under subsection (a) for the preceding year.

[(B) In the first year that an institution receives a grant under this part, the Secretary shall determine the amount of the first payment by estimating the costs described in subsection (a) based upon information submitted by the institution.

[(3) Each institution that receives a grant under section 385 shall receive a final payment of amounts to which it is entitled based on its costs under subsection (a) not later than January 1 of the fiscal year in which the costs are incurred.

[(c) ACCOUNTING.—Each institution receiving payments under this part shall annually provide to the Secretary an accurate and detailed accounting of its operating and maintenance expenses and such other information concerning costs as the Secretary may reasonably require.

[(d) ADDITIONAL GRANTS AUTHORIZED.—(1) After providing grants to all eligible institutions under subsection (a), the Secretary shall, from any amounts remaining—

[(A) first allocate to institutions receiving their first grant under this part an amount equal to the training equipment costs necessary to implement training programs; and

[(B) from any remaining funds, review training equipment needs at each institution receiving assistance under this part at the end of the 5-year period beginning on the first day of the first year for which the institution received a grant under this part, and provide allocations for other training equipment needs if it is demonstrated by the institution that its training equipment has become obsolete for its purposes, or that the development of other training programs is appropriate.

[(2) For the purposes of carrying out this subsection, the Secretary may require from each institution the submission of such in-

formation relating to the feasibility of such training programs as is reasonable and practical.

[SEC. 387. EFFECT ON OTHER PROGRAMS.

[(a) IN GENERAL.—Except as specifically provided in this Act, eligibility for assistance under this part shall not preclude any tribally controlled postsecondary vocational institution from receiving Federal financial assistance under any program authorized under the Higher Education Act of 1965 or any other applicable program for the benefit of institutions of higher education or vocational education.

[(b) PROHIBITION ON ALTERATION OF GRANT AMOUNT.—The amount of any grant for which tribally controlled postsecondary vocational institutions are eligible under this part shall not be altered because of funds allocated to any such institution from funds appropriated under the Act of November 2, 1921.

[(c) PROHIBITION ON CONTRACT DENIAL.—No tribally controlled postsecondary vocational institution for which an Indian tribe has designated a portion of the funds appropriated for the tribe from funds appropriated under the Act of November 2, 1921, may be denied a contract for such portion under the Indian Self-Determination and Education Assistance Act (except as provided in that Act), or denied appropriate contract support to administer such portion of the appropriated funds.

[SEC. 388. GRANT ADJUSTMENTS.

[(a) ALLOCATION.—(1) If the sums appropriated for any fiscal year for grants under this part are not sufficient to pay in full the total amount which approved applicants are eligible to receive under this part for such fiscal year, the Secretary shall first allocate to each such applicant which received funds under this part for the preceding fiscal year an amount equal to 100 percent of the product of the per capita payment for the preceding fiscal year and such applicant's Indian student count for the current program year, plus an amount equal to the actual cost of any increase to the per capita figure resulting from inflationary increases to necessary costs beyond the institution's control.

[(2) For purposes of paragraph (1), the per capita payment for any fiscal year shall be determined by dividing the amount available for grants to tribally controlled postsecondary vocational institutions under this part for such program year by the sum of the Indian student counts of such institutions for such program year. The Secretary shall, on the basis of the most accurate data available from the institutions, compute the Indian student count for any fiscal year for which such count was not used for the purpose of making allocations under this part.

[(b) NEEDS ESTIMATE.—The Secretary shall, based on the most accurate data available from the institutions and Indian tribes whose Indian students are served under this part, in consideration of employment needs, economic development needs, population training needs, prepare an actual budget needs estimate for each institution eligible under this part for each subsequent program year, and submit such budget needs estimate to the Congress in such a timely manner as will enable the appropriate committees of

the Congress to consider such needs data for purposes of the uninterrupted flow of adequate appropriations to such institutions.

[SEC. 389. REPORT ON FACILITIES AND FACILITIES IMPROVEMENT.

[(a) STUDY OF TRAINING AND HOUSING NEEDS.—(1) The Secretary shall conduct a detailed study of the training and housing needs of each institution eligible under this part.

[(2) The study required by paragraph (1) shall include an examination of—

[(A) training equipment needs; and

[(B) housing needs of families whose heads of household are students and whose dependents have no alternate source of support while such heads of household are students.

[(3) The Secretary shall report to the Congress not later than July 1, 1991, on the results of the study required by paragraph (1).

[(4) The report required by paragraph (3) shall—

[(A) include the number, type, and cost of meeting the needs described in paragraph (2); and

[(B) rank each institution by relative need.

[(5) In conducting the study required by paragraph (1), the Secretary shall give priority to institutions which are receiving assistance under this part.

[(b) LONG-TERM STUDY OF FACILITIES.—(1) The Secretary shall provide for the conduct of a long-term study of facilities of each institution eligible for assistance under this part.

[(2) The study required by paragraph (1) shall include a 5-year projection of training facilities and equipment and housing needs and shall consider such factors as projected service population, employment and economic development forecasting, based on the most current and accurate data available from the institutions and Indian tribes affected.

[(3) The Secretary shall submit to the Congress a detailed report on the results of such study not later than the end of the 18-month period beginning on the date of the enactment of this Act.

[(4) The Secretary shall submit to the Congress a progress report not less often than once every 6 months, beginning on the date of the enactment of this Act, concerning activities conducted pursuant to this section.

[(c) CONSTRUCTION AND RENOVATION GRANTS.—Pursuant to the studies conducted and the report submitted under subsections (a) and (b), the Secretary is authorized to make grants to the tribally controlled vocational institutions for construction, rehabilitation, major alterations and renovation of buildings and other physical structures for the conduct of programs funded under this part. Such grants shall be made in such time and pursuant to such applications as the Secretary shall by regulation determine.

[SEC. 390. DEFINITIONS.

[For the purposes of this part:

[(1) The terms "Indian" and "Indian tribe" have the meaning given such terms in section 2 of the Tribally Controlled Community College Assistance Act of 1978.

[(2) The term "tribally controlled postsecondary vocational institution" means an institution of higher education which is formally controlled, or has been formally sanctioned or char-

tered by the governing body of an Indian tribe or tribes which offers technical degrees or certificate granting programs.

[(3) The term "Indian student count" means a number equal to the total number of Indian students enrolled in each tribally controlled vocational institution, determined as follows:

[(A) The registrations of Indian students as in effect on October 1 of each year.

[(B) Credits or clock hours toward a certificate earned in classes offered during a summer term shall be counted toward the computation of the Indian student count in the succeeding fall term.

[(C) Credits or clock hours toward a certificate earned in classes during a summer term shall be counted toward the computation of the Indian student count if the institution at which the student is in attendance has established criteria for the admission of such student on the basis of the student's ability to benefit from the education or training offered. The institution shall be presumed to have established such criteria if the admission procedures for such studies include counseling or testing that measures the student's aptitude to successfully complete the course in which the student has enrolled. No credit earned by such student for purposes of obtaining a high school degree or its equivalent shall be counted toward the computation of the Indian student count.

[(D) Indian students earning credits in any continuing education program of a tribally controlled vocational institution shall be included in determining the sum of all credit or clock hours.

[(E) Credits or clock hours earned in a continuing education program shall be converted to the basis that is in accordance with the institution's system for providing credit for participation in such programs.

[TITLE IV—NATIONAL PROGRAMS

[PART A—RESEARCH AND DEVELOPMENT

[RESEARCH OBJECTIVES

[SEC. 401. It is the purpose of this part—

[(1) to authorize research activities which contribute to improving the access to vocational education programs of individuals who are disadvantaged, who are handicapped, women who are entering nontraditional occupations, adults who are in need of retraining, individuals who are single parents, displaced homemakers, or single pregnant women, individuals with limited English proficiency, and individuals who are incarcerated in correctional institutions;

[(2) to authorize additional research and development activities that are related to the purposes of this Act as stated in section 2;

[(3) to improve the competitive process by which research projects are awarded;

[(4) to encourage the dissemination of findings of research projects assisted under this Act to all States; and

[(5) to authorize research activities which are readily applicable to the vocational education setting and are of practical application to vocational education administrators, counselors, and instructors and others involved in vocational education.

[RESEARCH ACTIVITIES

[SEC. 402. (a) In order to carry out the objectives set forth in section 401, the Secretary shall conduct applied research on aspects of vocational education specifically related to this Act. Such research may be conducted through the Office of Educational Research and Improvement. Such research shall include—

[(1) effective methods for providing quality vocational education to handicapped individuals, disadvantaged individuals, men and women in nontraditional fields, adults, single parents, displaced homemakers, single pregnant women, individuals with limited English proficiency, and individuals who are incarcerated in correctional institutions;

[(2) research on the development and implementation of performance standards and measures that fit within the needs of State boards or eligible recipients in carrying out the provisions of this Act and on the relationship of such standards and measures to the data system established under section 421, which may include evaluation of existing performance standards and measures and dissemination of such information to the State board and eligible recipients;

[(3) evaluation of the use of performance standards and measures under this Act and the effect of such standards and measures on the participation of students in vocational education programs and on the outcomes of students in such programs, especially students who are members of special populations;

[(4) strategies for coordinating local, State, and Federal vocational education; employment training, and economic development programs to maximize their efficacy and for improving worker training and retraining;

[(5) the constructive involvement of the private sector in public vocational education;

[(6) successful methods of reinforcing and enhancing basic and more advanced academic and problem-solving skills in vocational settings;

[(7) successful methods for providing students, to the maximum extent practicable, with experience in and understanding of all aspects of the industry such students are preparing to enter; and

[(8) the development of effective methods for providing quality vocational education to individuals of limited English proficiency, including research related to bilingual vocational training.

[(b) In addition, the Secretary shall support meritorious, unsolicited research proposals from individual researchers, community colleges, State advisory councils, and State and local educators relating to the goals of this Act.

[(c) DISSEMINATION.—(1) The Secretary shall establish a system for disseminating information resulting from research and development activities carried out under this Act. In establishing such system, the Secretary shall use existing dissemination systems, including the National Diffusion Network, the National Center or Centers for Research in Vocational Education, and the National Network for Curriculum Coordination in Vocational and Technical Education, in order to assure broad access at the State and local levels to the information being disseminated.

[(2)(A) In order to comply with paragraph (1), the Secretary shall establish through grants or contracts a National Network for Curriculum Coordination in Vocational and Technical Education (in this paragraph referred to as the "Network") consisting of 6 regional curriculum coordination centers. The Network shall—

[(i) provide national dissemination of information on effective vocational education programs and materials, with particular attention to regional programs;

[(ii) be accessible by electronic means;

[(iii) provide leadership and technical assistance in the design, development, and dissemination of curricula for vocational education;

[(iv) coordinate the sharing of information among the States with respect to vocational education curricula;

[(v) reduce duplication of effort in State activities for the development of vocational education curricula; and

[(vi) promote the use of research findings with respect to vocational education curricula.

[(B) The Secretary shall encourage the designation by each State of a liaison representative for the Network.

[(d) The Secretary shall give preference in carrying out the provisions of this part to public and private postsecondary institutions in conducting vocational education research.

[(e) The Secretary shall institute measures designed to ensure that program improvement activities carried out under this section represent a coordinated effort to improve the quality of vocational education.

[SEC. 403. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

[(a) IN GENERAL.—(1) The Office of Education Research and Improvement (in this section referred to as the "Office") shall conduct a national assessment of vocational education programs assisted under this Act, through studies and analyses conducted independently through competitive awards.

[(2) The Office shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of business, industry, labor, and other relevant groups, to advise the Office on the implementation of such assessment, including the issues to be addressed, the methodology of the studies, and the findings and recommendations. The panel, at its discretion, may submit to the Congress an independent analysis of the findings and recommendations of the assessment. The Federal Advisory Committee Act shall not apply to the panel established under this paragraph.

[(b) CONTENTS.—The assessment required under subsection (a) shall include descriptions and evaluations of—

[(1) the effect of this Act 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 priorities identified in this Act;

[(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 allocation 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, including, in particular, access of individuals who are members of special populations to high-quality vocational education programs and the effect on the delivery of services to such populations, of Federal legislation giving States flexibility in allocating funds to serve such populations;

[(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 performance standards and other measures of accountability on the delivery of vocational education services;

[(8) the effect of Federal requirements regarding criteria for services to special populations, participatory planning in the States, and articulation between secondary and postsecondary programs;

[(9) coordination of services under this Act, the Adult Education Act, the Job Training Partnership Act, the National Apprenticeship Act, the Rehabilitation Act of 1973, and the Wagner-Peyser Act; and

[(10) the degree to which minority students are involved in vocational student organizations.

[(c) CONSULTATION.—(1) The Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives in the design and implementation of the assessment required under subsection (a).

[(2) The Secretary shall submit to the Congress—

[(A) an interim report on or before January 1, 1994; and

[(B) a final report, summarizing all studies and analyses completed after the assessment, on or before July 1, 1994.

[(3) Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Office of Educational Research and Improvement before their transmittal to the Congress, but the President, the Secretary, and the independent advisory council established under subsection (a)(2) may make such additional recommendations to the Congress with respect to the assessment as they deem appropriate.

[(d) STUDY.—(1) The assessment required by subsection (a) shall include a study of the distribution of Federal vocational education funds to the States. The study shall—

[(A) consider the distributional effects of the formula for allocation to the States established in section 101(a)(2), including the age cohorts and the per capita income allotment ratios;

[(B) examine the impact that various other factors such as State tax capacity, tax effort, per capita income, poverty and educational achievement, could have in achieving the Federal goals and policy objectives of this Act;

[(C) specifically address the appropriate distribution mechanism to serve the target populations of this Act; and

[(D) explore the use of other possible methods of targeting funds to individuals who are members of special populations, particularly individuals who are economically disadvantaged, including the poverty rate of the school-aged population, the gross State product per school-aged child, relative tax capacity, and tax effort of the State, unemployment figures, and dropout rates.

[(2) The findings of the study required by paragraph (1) shall be used to formulate recommendations on the most appropriate criteria and methods to direct Federal funds to the States and to achieve the Federal goals and policy objectives of this Act.

[(3) The study required under paragraph (1) shall be completed by January 1, 1994.

[SEC. 404. NATIONAL CENTER OR CENTERS FOR RESEARCH IN VOCATIONAL EDUCATION.

[(a) GENERAL AUTHORITY.—(1) In order to address the purposes of this Act through the involvement of a broad array of individuals, including both vocational and academic teachers and administrators, the Secretary is authorized to award a grant or grants for the establishment of 1 or 2 national centers in the areas of—

[(A) applied research and development; and

[(B) dissemination and training.

[(2)(A) Each entity selected to establish and operate a Center pursuant to paragraph (1) shall operate such Center for a period of 5 years.

[(B) Beginning after December 31, 1992, the Secretary shall award an annual grant to the National Center or Centers selected pursuant to paragraph (1) for each of the 5 years such National Center is operated. After the third year in which the National Center or Centers receive a grant under this section the Secretary shall review the research priorities of the National Center or Centers.

[(3) Of the amount available pursuant to section 451(a)(1) for purposes of carrying out this section, at least ⅔ of such amount shall be available for applied research and development.

[(4)(A) The Secretary shall hold a competition at the same point in time for the grant or grants for the activities described in paragraph (1). Any institution of higher education or consortium of such institutions may compete for either or both sets of activities.

[(B) For the purpose of this section the term "institution of higher education", notwithstanding section 427(b)(2) of the Higher Education Amendments of 1992, has the same meaning as provided by section 435(b) of the Higher Education Act of 1965 as such section was in effect on July 22, 1992.

[(5) If an institution or consortium demonstrates that it can effectively carry out both activities either directly or through contracting, such institution or consortium shall be given a preference in the grant selection. If no institution or consortium demonstrates such capability and 2 grants are awarded, the Secretary must assure coordination of the activities under both grants.

[(6) Not more than 10 percent of each year's budget for the Center or for each of the Centers may be used to respond to field-initiated needs unanticipated prior to the annual funding period and which are in the mission of the Center but not part of the scope of work of the grant.

[(7) The National Center in existence on the date of the enactment of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 shall continue to operate through its 5-year cycle ending December 31, 1992.

[(b) ACTIVITIES.—(1) The applied research and development activities shall include—

[(A) economic changes that affect the skills which employers seek and entrepreneurs need;

[(B) integration of academic and vocational education;

[(C) efficient and effective practices for addressing the needs of special populations;

[(D) efficient and effective methods for delivering vocational education;

[(E) articulation of school and college instruction with high quality work experience;

[(F) recruitment, education, and enhancement of vocational teachers and other professionals in the field;

[(G) accountability processes in vocational education, to include identification and evaluation of the use of appropriate performance standards for student, program, and State-level outcomes;

[(H) effective practices that educate students in all aspects of the industry the students are preparing to enter;

[(I) effective methods for identifying and inculcating literacy and other communication skills essential for effective job preparation and job performance;

[(J) identification of strategic, high priority occupational skills and skills formation approaches needed to maintain the competitiveness of the United States workforce, sustain high-wage, high-technology jobs and which address national prior-

ities such as technical jobs needed to protect and restore the environment;

[(K) identification of practices and strategies that address entrepreneurial development for minority-owned enterprises; and

[(L) upon negotiation with the Center, and if funds are provided pursuant to subsection (d), such other topics as the Secretary may designate.

[(2) The Center conducting the activities described in paragraph (1) shall annually prepare a study on the research conducted on approaches that lead to effective articulation for the education-to-work transition, including tech-prep programs, cooperative education or other work-based programs, such as innovative apprenticeship or mentoring approaches, and shall submit copies of such study to the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, the Committee on Labor and Human Resources of the Senate, and the Committee on Education and Labor of the House of Representatives.

[(c) DISSEMINATION AND TRAINING.—(1) The dissemination and training activities shall include—

[(A) teacher and administrator training and leadership development;

[(B) technical assistance to assure that programs serving special populations are effective in delivering well-integrated and appropriately articulated vocational and academic offerings for secondary, postsecondary, and adult students;

[(C) needs assessment, design, and implementation of new and revised programs with related curriculum materials to facilitate vocational-academic integration;

[(D) evaluation and follow-through to maintain and extend quality programs;

[(E) assistance in technology transfer and articulation of program offerings from advanced technology centers to minority enterprises;

[(F) assistance to programs and States on the use of accountability indicators, including appropriate and innovative performance standards;

[(G) delivery of information and services using advanced technology, where appropriate, to increase the effectiveness and efficiency of knowledge transfer;

[(H) development of processes for synthesis of research, in cooperation with a broad array of users, including vocational and non-vocational educators, employers and labor organizations;

[(I) dissemination of exemplary curriculum and instructional materials, and development and publication of curriculum materials (in conjunction with vocational and non-vocational constituency groups, where appropriate);

[(J) technical assistance in recruiting, hiring, and advancing minorities in vocational education; and

[(K) upon negotiation with the Center and if funds are provided pursuant to subsection (d), such other topics as the Secretary may designate.

[(2) The Center conducting the activities described in paragraph (1) shall annually prepare a study on the dissemination and training activities described in paragraph (1) and shall submit copies of such study to the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, the Committee on Labor and Human Resources of the Senate, and the Committee on Education and Labor of the House of Representatives.

[(d) AUTHORIZATION OF OTHER RESEARCH.—There are authorized to be appropriated $3,000,000 for the fiscal year 1991 and such sums as may be necessary for each of the fiscal years 1992, 1993, 1994, and 1995 to carry out such additional activities assigned by the Secretary to the National Center in existence on the date of enactment of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 until the termination of its grant on December 31, 1992 and to carry out the provisions of subsections (b)(1)(L) and (c)(1)(K).

[PART B—DEMONSTRATION PROGRAMS

[SEC. 411. PROGRAMS AUTHORIZED.

[(a) IN GENERAL.—From amounts available pursuant to section 101(a)(1)(A) in each fiscal year, the Secretary shall make demonstration grants in accordance with the provisions of this part.

[(b) PRIORITY.—In awarding demonstration grants pursuant to this part, the Secretary shall give priority to the programs described in sections 412 and 413.

[SEC. 412. MATERIALS DEVELOPMENT IN TELECOMMUNICATIONS.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to nonprofit educational telecommunications entities to pay the Federal share of the costs of the development, production, and distribution of instructional telecommunications materials and services for use in local vocational and technical educational schools and colleges.

[(b) FEDERAL SHARE.—(1) The Federal share of the cost of each project assisted under this section shall be 50 percent.

[(2) The non-Federal share of the cost of each project assisted under this section shall be provided from non-Federal sources.

[(c) USE OF FUNDS.—Grants awarded pursuant to this section may be used to provide—

[(1) a sequential course of study that includes either preproduced video courseware or direct interactive teaching delivered via satellite, accompanied by a variety of print and computer-based instructional materials;

[(2) the development of individual videocassettes or a series of videocassettes that supplement instruction, which shall be distributed both via broadcast and nonbroadcast means;

[(3) videodiscs that produce simulated hands-on training; and

[(4) teacher training programs for vocational educators and administrators and correctional educators.

[(d) PRIORITY.—In awarding grants under this section the Secretary shall give priority to programs or projects which serve—

[(1) students in area vocational and technical schools;

[(2) teachers, administrators, and counselors in need of training or retraining;

[(3) out-of-school adults in need of basic skills improvement or a high school equivalency diploma to improve the employability of such individuals;

[(4) college students, particularly college students who are working toward a 2-year associate degree from a technical or community college;

[(5) workers in need of basic skills, vocational instruction, or career counseling to retain employment; and

[(6) workers who need to improve their skills to obtain jobs in high-growth industries.

[SEC. 413. DEMONSTRATION CENTERS FOR THE TRAINING OF DISLOCATED WORKERS.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to establish 1 or more demonstration centers for the retraining of dislocated workers. Such center or centers may provide for the recruitment of unemployed workers, vocational evaluation, assessment and counseling services, vocational and technical training, support services, and job placement assistance. The design and operation of each center shall provide for the utilization of appropriate existing Federal, State, and local programs.

[(b) EVALUATION.—The Secretary shall provide for the evaluation of each center established under subsection (a).

[(c) DISSEMINATION OF INFORMATION.—The Secretary shall disseminate information on successful retraining models developed by any center established under subsection (a) through dissemination programs operated by the Secretary and the Secretary of Labor.

[(d) ELIGIBLE ORGANIZATIONS.—Any private, nonprofit organization that is eligible to receive funding under the Job Training Partnership Act is eligible to receive funding under this section.

[SEC. 414. PROFESSIONAL DEVELOPMENT.

[(a) TRAINING AND STUDY GRANTS.—(1) The Secretary is authorized to provide grants to institutions of higher education, State educational agencies, or State correctional education agencies to provide grants, awards, or stipends—

[(A) to individuals who are entering the field of vocational education;

[(B) for graduate training in vocational education;

[(C) for vocational teacher education; and

[(D) for attracting gifted and talented students in vocational programs into further study and professional development.

[(2) Grants, awards, and stipends awarded under paragraph (1) shall provide—

[(A) opportunities for experienced vocational educators;

[(B) opportunities for—

[(i) certified teachers who have been trained to teach in other fields to become vocational educators, including teachers with skills related to vocational fields who can be trained as vocational educators, and especially minority instructors and instructors with experience in teaching individuals who are economically disadvantaged, individuals

with handicaps, students of limited English proficiency, and adult and juvenile criminal offenders;

[(ii) individuals in industry who have skills and experience in vocational fields to be trained as vocational educators; and

[(iii) vocational educators to improve or maintain technological currency in their fields; and

[(C) opportunities for gifted and talented vocational education secondary and postsecondary students to intern with Federal or State agencies, nationally recognized vocational education associations and student organizations or the National Center or Centers for Research in Vocational Education.

[(b) LEADERSHIP DEVELOPMENT AWARDS.—(1) In order to meet the needs of all States for qualified vocational education leaders (such as administrators, supervisors, teacher educators, researchers, career guidance and vocational counseling personnel, vocational student organization leadership personnel and teachers in vocational education programs), the Secretary shall make grants to institutions of higher education for leadership development awards. Individuals selected for such awards shall—

[(A) have not less than 3 years of experience in vocational education or in industrial training, or, in the case of researchers, experience in social science research which is applicable to vocational education;

[(B) are currently employed or are reasonably assured of employment in vocational education and have successfully completed at least a baccalaureate degree program;

[(C) are recommended by their employer, or others, as having leadership potential in the field of vocational education and have been accepted for admission as a graduate student in a program of higher education approved by the Secretary; and

[(D) have made a commitment to return to the field of vocational education upon completion of education provided through the leadership development award.

[(2) For a period of not more than 3 years, stipends shall be paid to individuals selected for leadership development awards. Such stipends shall be paid (including allowances for tuition, nonrefundable fees, and other expenses for such individuals and their dependents) as may be determined to be consistent with prevailing practices.

[(3) The Secretary may provide grants to institutions for stipends to individuals, which shall not exceed $9,000 per individual per academic year or its equivalent and $3,000 per individual per summer session or its equivalent.

[(4) The Secretary shall approve the application of the vocational education program of an institution of higher education for the purposes of this section only upon finding that—

[(A) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, career guidance and vocational counseling, research, and curriculum development;

[(B) such program is designed to substantially advance the objective of improving vocational education through providing opportunities for graduate training of vocational teachers, su-

pervisors, and administrators, and of university-level vocational education teacher educators and researchers; and

[(C) such programs are conducted by a school of graduate study in the institution of higher education.

[(5) The Secretary, in carrying out this subsection shall apportion leadership development awards to institutions of higher education equitably among the States, taking into account such factors as the State's vocational education enrollments and the need for additional vocational education personnel in the State.

[(6) Each individual who receives a leadership development award under this subsection shall receive payments as provided in paragraph (2) for not more than a 3-year period during which such individual is—

[(A) pursuing a full-time course of study in vocational education in an approved institution of higher education;

[(B) maintaining satisfactory proficiency in such course of study; and

[(C) not engaged in gainful employment other than part-time employment by such institution in teaching, research, or similar activities.

[(c) VOCATIONAL EDUCATOR TRAINING FELLOWSHIPS.—(1) The purpose of this subsection is to provide fellowships—

[(A) to meet the need to provide adequate numbers of teachers and related classroom instructors in vocational education who are technologically current in their fields;

[(B) to take full advantage of the education which has been provided to already certified teachers who are unable to find employment in their fields of training and of individuals employed in industry who have skills and experience in vocational fields; and

[(C) to encourage more instructors from minority groups and teachers with skills and experience with individuals of limited English proficiency to become vocational education teachers.

[(2) The Secretary shall make available fellowships, in accordance with the provisions of this subsection, to individuals (especially minority instructors and instructors with experience in teaching individuals who are economically disadvantaged, individuals with disabilities, students of limited English proficiency, and adult and juvenile criminal offenders) who—

[(A)(i)(I) are employed in vocational education and need an opportunity to improve or maintain technological skills;

[(II) are certified by a State, or were so certified during the 10-year period preceding their application for a fellowship under this subsection, as teachers in secondary schools, area vocational education schools or institutes, or in community or junior colleges; and

[(III) have skills and experiences in vocational fields so that such individuals can be trained to be vocational educators; or

[(ii) are employed in agriculture, business, or industry (and may or may not hold a baccalaureate degree) and have skills and experience in vocational fields for which there is a need for vocational educators;

[(B) have been accepted in a program to become a vocational educator by an institution of higher education approved by the Secretary; and

[(C) have made a commitment to work in the field of vocational education upon completion of such program.

[(2) The Secretary shall, for a period of not more than 2 years, provide stipends to individuals who are awarded fellowships under this subsection (including such allowances for tuition, nonrefundable fees, subsistence and other expenses for such individuals and the dependents of such individuals) as the Secretary may determine to be consistent with prevailing practices.

[(3) The Secretary shall approve an institution of higher education under this subsection if—

[(A) the institution offers a comprehensive program in vocational education with adequate supporting services and disciplines such as education administration, career guidance and vocational counseling, research and curriculum development; and

[(B) such program is available to individuals receiving fellowships under this subsection so that such individuals receive the same quality of education and training provided for undergraduate students at such institution who are preparing to become vocational education teachers.

[(4) The Secretary shall apportion the fellowships available under this subsection equitably among the States, taking into account such factors as the State's vocational education enrollments, and the need in the State for additional vocational educators, especially minority educators and individuals with skills and experience in teaching individuals of limited English proficiency.

[(5) Individuals receiving fellowships under this subsection shall continue to receive payments provided in paragraph (2) only during such period as such individuals—

[(A) are maintaining satisfactory proficiency;

[(B) are devoting full time to study in the field of vocational education in an institution of higher education; and

[(C) are not engaging in gainful employment other than part-time employment by such institution.

[(6)(A) The Secretary shall, before the beginning of each fiscal year for which amounts are appropriated or otherwise made available to carry out this subsection, publish a listing of—

[(i) the areas of teaching in vocational education in need of additional personnel;

[(ii) the areas of teaching which will likely have need of additional personnel in the future; and

[(iii) areas of teaching in which technological upgrading may be especially critical.

[(B) The listing required by subparagraph (A) shall be based on information from the National Occupational Information Coordinating Committee, State occupational information coordinating committees, the vocational education data system established pursuant to section 421, and other appropriate sources.

[(7) In selecting recipients for fellowships under this subsection, the Secretary shall, to the maximum extent practicable, grant fellowships to individuals seeking to become teachers or improve their

skills in the areas identified in the listing required by paragraph (6)(A).

[(d) INTERNSHIPS FOR GIFTED AND TALENTED STUDENTS.—(1) The purpose of this subsection is to provide stipends for internships to meet the need of attracting gifted and talented vocational education students into further study and professional development in the field of vocational education.

[(2)(A) The Secretary shall, from recommendations provided by State directors of vocational education, select gifted and talented students from vocational education secondary and postsecondary programs to work as interns for Federal and State agencies, nationally recognized vocational education associations, or the National Center or Centers for Research in Vocational Education. Each such student shall receive a stipend for the period of the student's internship, which shall not exceed 9 months. Such stipend shall cover subsistence and other expenses for such individuals and shall be in such amount as the Secretary may determine to be consistent with prevailing practices.

[(B) Each individual selected under this paragraph shall have been recommended as gifted and talented by a vocational educator at the secondary or postsecondary school the student attends.

[(C) Each individual selected under this paragraph shall, during the period of such individual's internship, be provided with professional supervision by an individual qualified and experienced in the field of vocational education at the agency or institution at which the internship is offered.

[SEC. 415. BLUE RIBBON VOCATIONAL EDUCATION PROGRAMS.

[(a) INFORMATION DISSEMINATION.—The Secretary is authorized to disseminate information and exemplary materials regarding effective vocational education.

[(b) STANDARDS OF EXCELLENCE.—(1) The Secretary, in consultation with the National Center or Centers for Research in Vocational Education (in this section referred to as the "National Center or Centers for Research"), the National Diffusion Network, and the Blue Ribbon Schools Program, is authorized to carry out programs to recognize secondary and postsecondary schools or programs which have established standards of excellence in vocational education and which have demonstrated a high level of quality. Such schools and programs shall be known as "Blue Ribbon Vocational Programs". The Secretary shall competitively select schools and programs to be recognized from among public and private schools or programs within the States and schools funded by the Department of the Interior.

[(2) In the case of a private school or vocational education program that is designated as a Blue Ribbon Vocational Education Program, the Secretary shall make suitable arrangements to provide the award to such school.

[(c) AWARDS.—(1) The Secretary, in consultation with the National Center or Centers for Research and the National Occupational Information Coordinating Committee (in this section referred to as the "Committee"), is authorized to designate each fiscal year a category or several categories of vocational education, which may include tech-prep education, in which Blue Ribbon Vocational Education Program awards will be named. Such categories shall em-

phasize the expansion or strengthening of the participation of individuals who are members of special populations and may give special consideration to any of the following:

[(A) program improvement;

[(B) academic and occupational competencies; and

[(C) other categories determined by the Secretary in consultation with the National Center or Centers for Research and the Committee.

[(2) Within each category, the Secretary shall determine the criteria and procedures for selection. Selection for such awards shall be based solely on merit. Schools or programs selected for awards under this section shall not be required to be representative of the States.

[(d) CONSULTATION.—(1) The Secretary shall carry out the provisions of this section, including the establishment of the selection procedures, after consultation with appropriate outside parties.

[(2) No award may be made under this section unless the local educational agency, area vocational education school, intermediate educational agency, tribal authority, Bureau of Indian Affairs, or appropriate State agency with jurisdiction over the school or program involved submits an application to the Secretary at such time, in such manner and containing such information as the Secretary may reasonably require.

[SEC. 416. DEVELOPMENT OF BUSINESS AND EDUCATION STANDARDS.

[(a) FINDINGS.—The Congress finds that, in order to meet the needs of business for competent entry-level workers who have received a quality vocational education, national standards should be developed for competencies in industries and trades.

[(b) GENERAL AUTHORITY.—(1) The Secretary, in consultation with the Secretary of Labor, is authorized to establish a program of grants to industrial trade associations, labor organizations, or comparable national organizations for purposes of organizing and operating business-labor-education technical committees.

[(2) The committees established with assistance under this section shall propose national standards for competencies in industries and trades. Such standards shall at least include standards for—

[(A) major divisions or specialty areas identified within occupations studied;

[(B) minimum hours of study to be competent in such divisions or specialty areas;

[(C) minimum tools and equipment required in such divisions or specialty areas;

[(D) minimum qualifications for instructional staff; and

[(E) minimum tasks to be included in any course of study purporting to prepare individuals for work in such divisions or specialty areas.

[(c) MATCHING REQUIREMENT.—Each recipient of a grant under this section shall agree to provide for the committee to be established under the grant an amount equal to the amount provided under the grant.

[(d) APPLICATION.—Any industrial trade association, labor organization, national joint apprenticeship committee, or comparable national organization that desires to receive a grant under this section shall submit to the Secretary an application at such time, in

such manner, and containing or accompanied by such information as the Secretary may reasonably require.

[SEC. 417. EDUCATIONAL PROGRAMS FOR FEDERAL CORRECTIONAL INSTITUTIONS.

[(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to Federal correctional institutions in consortia with educational institutions, community-based organizations of demonstrated effectiveness, or business and industry, to provide education and training for criminal offenders in such institutions.

[(b) USE OF FUNDS.—Grants awarded pursuant to this section may be used for—

[(1) basic education programs with an emphasis on literacy instruction;

[(2) vocational training programs;

[(3) guidance and counseling programs; and

[(4) supportive services for criminal offenders, with special emphasis on the coordination of educational services with agencies furnishing services to criminal offenders after such offenders are released from correctional institutions.

[SEC. 418. DROPOUT PREVENTION.

[(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to partnerships between—

[(1) local educational agencies or area vocational education schools; and

[(2) institutions of higher education or public or private nonprofit organizations which have an established record of vocational education strategies that prevent students from dropping out of school.

[(b) USE OF FUNDS.—Grants awarded under this section shall be used to develop, implement, and operate vocational education programs designed to prevent students from dropping out of school. Such programs shall—

[(1) serve special populations, including significant numbers of economically disadvantaged dropout-prone youth;

[(2) provide inservice training for teachers and administrators in dropout prevention; and

[(3) disseminate information relating to successful dropout prevention strategies and programs through the National Dropout Prevention Network and the Center on Adult, Career and Vocational Education of the Educational Resources Information Clearinghouse.

[(c) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to partnerships which—

[(1) provide the special support services necessary to help individual students successfully complete the program such as mentoring, basic skills education, and services which address barriers to learning; and

[(2) utilize measures to integrate basic and academic skills instruction with work experience and vocational education.

[SEC. 419. MODEL PROGRAMS OF REGIONAL TRAINING FOR SKILLED TRADES.

[(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to regional model centers which provide—

[(1) training for skilled tradesmen within a region serving several States, and

[(2) technical assistance for programs which train such tradesmen within a region serving several States.

[(b) USE OF FUNDS.—The regional model centers described in subsection (a) shall—

[(1) provide training and career counseling for skilled tradesmen in areas of skill shortages or projected skilled shortages;

[(2) provide prejob and apprenticeship training and career counseling in skilled trades;

[(3) upgrade specialized craft training; and

[(4) improve the access of women, minorities, economically disadvantaged individuals, individuals with handicaps and ex-criminal offenders to trade occupations and training.

[(c) SPECIAL RULE.—In awarding grants under this section, and to the extent practicable, the Secretary shall ensure an equitable distribution of funds available under this section to the various skilled trades.

[SEC. 420. DEMONSTRATION PROJECTS FOR THE INTEGRATION OF VOCATIONAL AND ACADEMIC LEARNING.

[(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants to institutions of higher education, area vocational education schools, local educational agencies, secondary schools funded by the Bureau of Indian Affairs, State boards, public or private nonprofit organizations, or any consortia thereof, to develop, implement and operate programs using different models of curricula which integrate vocational and academic learning by—

[(1) designing integrated curricula and courses;

[(2) providing inservice training for teachers and administrators in integrated curricula; and

[(3) disseminating information regarding effective integrative strategies to other school districts through the National Diffusion Network established under part B of title XIII of the Elementary and Secondary Education Act of 1965.

[(b) REQUIREMENTS RELATING TO GRANT AWARDS.—In awarding grants under this section, the Secretary shall ensure—

[(1) an equitable geographic distribution of funds awarded pursuant to this section;

[(2) that programs supported under this section offer significantly different approaches to integrating curricula;

[(3) that the programs supported under this section serve individuals who are members of special populations;

[(4) that programs supported under this section serve—

[(A) vocational students in secondary schools and at postsecondary institutions;

[(B) individuals enrolled in adult programs; and

[(C) single parents, displaced homemakers, and single pregnant women; and

[(5) that adequate evaluation measures will be employed to measure the effectiveness of the curriculum approaches supported under this section.

[SEC. 420A. COOPERATIVE DEMONSTRATION PROGRAMS.

[(a) PROGRAM AUTHORIZED.—The Secretary is authorized to carry out, directly or through grants to or contracts with State and local educational agencies, postsecondary educational institutions, institutions of higher education, and other public and private agencies, organizations, and institutions, programs and projects which support—

[(1) model programs providing improved access to quality vocational education programs for those individuals described in section 521(31) of this Act and for men and women seeking nontraditional occupations;

[(2) examples of successful cooperation between the private sector and public agencies in vocational education, involving employers or consortia of employers or labor organizations and building trade councils, and State boards or eligible recipients designed to demonstrate ways in which vocational education and the private sector of the economy can work together effectively to assist vocational education students to attain the advanced level of skills needed to make the transition from school to productive employment, including—

[(A) work experience and apprenticeship programs;

[(B) transitional worksite job training for vocational education students which is related to their occupational goals and closely linked to classroom and laboratory instruction provided by an eligible recipient;

[(C) placement services in occupations which the students are preparing to enter;

[(D) where practical, projects (such as the rehabilitation of public schools or housing in inner cities or economically depressed rural areas) that will benefit the public; and

[(E) employment-based learning programs;

[(3) programs to overcome national skill shortages, as designated by the Secretary in cooperation with the Secretary of Labor, Secretary of Defense, and Secretary of Commerce;

[(4) model programs described in section 312(b)(1), including child growth and development centers;

[(5) grants to community-based organizations in partnerships with local schools, institutions of higher education, and businesses for programs and projects that assist disadvantaged youths in preparing for technical and professional health careers (which partnerships should include in-kind contributions from such schools, institutions, and businesses and involve health professionals serving as preceptors and counselors); and

[(6) model programs providing improved access to vocational education programs through centers to be known as agriculture action centers, which programs shall be operated under regulations developed by the Secretary in consultation with the Secretary of Labor and—

[(A) shall assist—

[(i) individuals who are adversely affected by farm and rural economic downturns;

[(ii) individuals who are dislocated from farming; and

[(iii) individuals who are dislocated from agriculturally-related businesses and industries that are adversely affected by farm and rural economic downturns;

[(B) shall provide services, including—

[(i) crisis management counseling and outreach counseling that would include members of the family of the affected individual;

[(ii) evaluation of vocational skills and counseling on enhancement of such skills;

[(iii) assistance in obtaining training in basic, remedial, and literacy skills;

[(iv) assistance in seeking employment and training in employment-seeking skills; and

[(v) assistance in obtaining training related to operating a business or enterprise;

[(C) shall provide for formal and on-the-job training to the extent practicable; and

[(D) shall be coordinated with activities and discretionary programs conducted under title III of the Job Training Partnership Act.

[(b)(1) Projects described in clause (2) of subsection (a) may include institutional and on-the-job training, supportive services authorized by this Act, and such other necessary assistance as the Secretary determines to be necessary for the successful completion of the project.

[(2) Not less than 25 percent of the cost of the demonstration programs authorized by this subpart shall be provided by the recipient of the grant or contract, and such share may be in the form of cash or in-kind contributions, including facilities, overhead, personnel, and equipment fairly valued.

[(c) All programs assisted under this section shall be—

[(1) of direct service to individuals enrolled in such programs; and

[(2) capable of wide replication by service providers.

[(d) The Secretary shall disseminate the results of the programs and projects assisted under this section in a manner designed to improve the training of teachers, other instructional personnel, counsellors, and administrators who are needed to carry out the purposes of this Act.

[PART C—VOCATIONAL EDUCATION AND OCCUPATIONAL INFORMATION DATA SYSTEMS

[SEC. 421. DATA SYSTEMS AUTHORIZED.

[(a) ESTABLISHMENT OF SYSTEM.—(1) The Secretary shall, directly, or by grant, contract or cooperative agreement, establish a vocational educational data system (in this section referred to as the "system"), using comparative information elements and uniform definitions, to the extent practicable.

[(2) The Secretary shall establish the system not later than the end of the 6-month period beginning on the date of the enactment of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990.

[(3) The National Center for Education Statistics (in this section referred to as the "National Center") shall coordinate the development and implementation of the system.

[(b) FUNCTIONS OF SYSTEM.—Through the system, the Secretary shall collect data and analyze such data in order to provide—

[(1) the Congress with information relevant to policymaking; and

[(2) Federal, State, and local agencies and Tribal agencies with information relevant to program management, administration and effectiveness with respect to education and employment opportunities.

[(c) CONTENTS OF SYSTEM.—(1)(A) The system shall include information—

[(i) describing the major elements of the vocational education system on at least a national basis, including information with respect to teachers, administrators, students, facilities, and, to the extent practicable, equipment; and

[(ii) describing the condition of vocational education with respect to the elements described in clause (i).

[(B) The information described in subparagraph (A) shall be provided, to the extent practicable, in the context of other educational data relating to the condition of the overall education system.

[(C) The Secretary, in consultation with the Task Force, the National Center, and the Office of Adult and Vocational Education (in this section referred to as the "Office"), shall modify existing general purpose and program data systems to ensure that an appropriate vocational education component is included in the design, implementation and reporting of such systems in order to fulfill the information requirements of this section.

[(2) The information system shall include data reflecting the extent of participation of the following populations:

[(A) women;

[(B) Indians;

[(C) individuals with handicaps;

[(D) individuals of limited English proficiency;

[(E) economically disadvantaged students (including information on students in rural and urban areas);

[(F) adults who are in need of training and retraining;

[(G) single parents;

[(H) youths incarcerated in juvenile detention or correctional facilities or criminal offenders who are serving time in correctional institutions;

[(I) individuals who participate in programs designed to eliminate gender bias and sex stereotyping in vocational education;

[(J) minorities; and

[(K) displaced homemakers.

[(3) The Secretary, in consultation with the National Center and the Office, shall maintain and update the system at least every 3 years and assure the system provides the highest quality statistics and is adequate to meet the information needs of this Act. In carrying out the requirements of this paragraph, the Secretary shall ensure that appropriate methodologies are used in assessments of students of limited English proficiency and students with handi-

caps to ensure valid and reliable comparisons with the general student population and across program areas. With respect to standardized tests and assessments administered under this Act, test results shall be used as 1 of multiple independent indicators in assessment of performance and achievement.

[(d) ASSESSMENT OF INTERNATIONAL COMPETITIVENESS.—The Center shall carry out an assessment of data availability and adequacy with respect to international competitiveness in vocational skills. To the extent practicable, the assessment shall include comparative policy-relevant data on vocational education in nations which are major trade partners of the United States. The assessment shall at a minimum identify available internationally comparative data on vocational education and options for obtaining and upgrading such data. The results of the assessment required by this paragraph shall be reported to the appropriate committees of the Congress not later than August 31, 1994.

[(e) USE OF AND COMPATIBILITY WITH OTHER DATA COLLECTION SYSTEMS.—(1) In establishing, maintaining, and updating the system, the Secretary shall—

[(A) use existing data collection systems operated by the Secretary and, to the extent appropriate, data collection systems operated by other Federal agencies;

[(B) conduct additional data collection efforts to augment the data collection systems described in subparagraph (A) by providing information necessary for policy analysis required by this section; and

[(C) use any independent data collection efforts that are complementary to the data collection efforts described in subparagraphs (A) and (B).

[(2) In carrying out the responsibilities imposed by this part, the Secretary shall cooperate with the Secretary of Commerce, the Secretary of Labor, and the National Occupational Information Coordinating Committee established under section 422 with respect to the development of an information system under section 463 of the Job Training Partnership Act to ensure that the information system operated under this section is compatible with and complementary to other occupational supply and demand information systems developed or maintained with Federal assistance. The Secretary shall also ensure that the system allows international comparisons to the extent feasible.

[(3) The Secretary shall assure that the system, to the extent practicable, uses data definitions common to State plans, performance standards, local applications and evaluations required by this Act. The data in the system shall be available for use in preparing such plans, standards, applications, and evaluations.

[(f) REPORTS.—The Secretary shall report to the Congress at least biennially with respect to—

[(1) the performance of the system established under subsection (a); and

[(2) strategies to improve the system and expand its implementation.

[(g) VOCATIONAL EDUCATION ADVISORY TASK FORCE.—(1) The Secretary, in consultation with the National Center and the Office shall establish a Vocational Education Advisory Task Force.

[(2) The Secretary shall establish the Task Force before the expiration of the 90-day period beginning on the date of the enactment of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, and shall terminate upon the expiration of the 2-year period beginning on such date.

[(3) The Task Force shall advise the Secretary on the development and implementation of an information reporting and accounting system responsive to the diverse programs supported by this Act.

[(4) The membership of the Task Force shall be representative of Federal, State, and local agencies and Tribal agencies affected by technological information, representatives of secondary and vocational postsecondary educational institutions, representatives of vocational student organizations, representatives of special populations, representatives of adult training programs funded under this Act, and representatives of apprenticeships, business, and industry.

[(5) The National Center shall provide the Task Force with staff for the purpose of carrying out its functions.

[(h)(1) ASSESSMENT OF EDUCATIONAL PROGRESS ACTIVITIES.—As a regular part of its assessments, the National Assessment of Educational Progress shall collect and report information for at least a nationally representative subsample of vocational education students, including students who are members of special populations, which shall allow for fair and accurate assessment and comparison of the educational achievement of vocational education students and other students in the areas assessed. Such assessment may include international comparisons.

[(2)(A) Notwithstanding any provision of section 406 of the General Education Provisions Act, the Commissioner of Education Statistics may authorize a State educational agency or a consortium of such agencies to use items and data from the National Assessment of Educational Progress for the purpose of evaluating a course of study related to vocational education, if the Commissioner has determined, in writing, that such use will not—

[(i) result in the identification of characteristics or performance of individual students or schools;

[(ii) result in the ranking or comparing of schools or local educational agencies;

[(iii) be used to evaluate the performance of teachers, principals, or other local educators for the purpose of dispensing rewards or punishments; or

[(iv) corrupt or harm the use and value of data collected for the National Assessment of Educational Progress.

[(B) Not later than 60 days after making an authorization under subsection (a), the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate, a report which contains—

[(i) a copy of the request for such authorization;

[(ii) a copy of the written determination under subsection (a); and

[(iii) a description of the details and duration of such authorization.

[(C) The Commissioner may not grant more than one such authorization in any fiscal year and shall ensure that the authorized use of items or data from the National Assessment is evaluated for technical merit and for its affect on the National Assessment of Educational Progress. The results of such evaluations shall be promptly reported to the committees specified in subparagraph (B).

[NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

[SEC. 422. (a) There is established a National Occupational Information Coordinating Committee (in this section referred to as the "Committee") which shall consist of the Assistant Secretary for Vocational and Adult Education, the Commissioner of the Rehabilitative Services Administration, the Director of the Office of Bilingual Education and Minority Language Affairs, the Assistant Secretary for Postsecondary Education, and the Administrator of the National Center for Education Statistics of the Department of Education, the Commissioner of Labor Statistics and the Assistant Secretary for Employment and Training of the Department of Labor, the Undersecretary for Small Community and Rural Development of the Department of Agriculture, the Assistant Secretary for Economic Development of the Department of Commerce, and the Assistant Secretary of Defense (Force Management and Personnel). The Committee, with funds available to it under section 451, shall provide funds, on an annual basis, to State occupational information coordinating committees and to eligible recipients and shall—

[(1) in the use of program data and employment data, improve coordination and communication among administrators and planners of programs authorized by this Act and by the Job Training Partnership Act, employment security agency administrators, research personnel, and personnel of employment and training planning and administering agencies (including apprenticeship training agencies) at the Federal, State, and local levels;

[(2) develop and implement, in cooperation with State and local agencies, an occupational information system to meet the common occupational information needs of vocational education programs and employment and training programs (including postsecondary employment and training programs) at the national, State, and local levels, which system shall include data on occupational demand and supply based on uniform definitions, standardized estimating procedures, and standardized occupational classifications, including regularly updated data on employment demand for agribusiness;

[(3) conduct studies to improve the quality and delivery of occupational information systems to assist economic development activities, and examine the effects of technological change on new and existing occupational areas and the required changes in knowledge and job skills;

[(4) continue training, technical assistance activities to support comprehensive career guidance, and vocational counseling programs designed to promote improved career decisionmaking by individuals (especially in areas of career information delivery and use);

[(5) coordinate the efforts of Federal, State, and local agencies and Tribal agencies with respect to such programs; and

[(6) assist State occupational information coordinating committees established pursuant to subsection (b).

[(b) Each State receiving assistance under this Act shall establish a State occupational information coordinating committee composed of representatives of the State board, the State employment security agency, the State economic development agency, the State job training coordinating council, the State board or agency governing higher education, and the agency administering the vocational rehabilitation program. Such committee shall, with funds available to it from the National Occupational Information Coordinating Committee established pursuant to subsection (a)—

[(1) implement an occupational information system in the State which will meet the common needs for the planning for, and the operation of, programs of the State board assisted under this Act, of the administering agencies under the Job Training Partnership Act and of the State board or agency governing higher education; and

[(2) use the occupational information system to implement a career information delivery system.

[(c)(1)(A) The Committee, in consultation with the National Center or Centers for Research in Vocational Education, appropriate Federal agencies, and the States, shall establish a demonstration program to monitor educational outcomes for vocational education using wage and other records. The Committee shall develop procedures for establishing and maintaining nationally accessible information on a sample of wage and earning records maintained by States on earnings, establishment and industry affiliation and geographical location, and on educational activities. This information shall be collected on at least an annual basis. The program shall ensure that a scientific sample of vocational education students and nonvocational education students, local educational agencies, and States participate in the program. The Committee shall maintain, analyze, and report data collected under the program and shall provide technical assistance to States, local educational agencies, and others that wish to participate in the study.

[(B)(i) Participation in the program described in subparagraph (A) shall be voluntary. The Committee shall enter into an agreement with any State which desires to carry out a study for the State under this subsection. Each such agreement shall contain provisions designed to assure—

[(I) that the State will participate in the study;

[(II) that the State will pay from non-Federal sources the non-Federal share of participation; and

[(III) that the State agrees to the terms and conditions specified in this section.

[(ii) For each fiscal year, the non-Federal share for the purpose of this program shall be the cost of conducting the study in the State, including the cost of administering the assessment for the State sample and the cost of coordination within the State.

[(2) The program shall provide for an independent evaluation conducted by the Office of Technology Assessment of the Congress to assess the validity, fairness, accuracy, and utility of the data it

produces. The report shall also describe the technical problems encountered and a description of what was learned about how to best implement and utilize data from the program.

[(3) The provision of wage and other records to the Committee by a State employment security agency shall be voluntary and pursuant to an agreement between the Committee and the agency. Such agreement shall take into consideration issues such as—

[(A) reimbursing the State employment security agency for the costs to the agency of providing the information; and

[(B) compliance with safeguards established by the State employment security agency and determined by the Secretary of Labor to be appropriate to ensure that the information disclosed to the Committee is used only for the purposes of this subsection.

[(4) The Executive Director of the Committee, in consultation with the Secretary, shall ensure that all personally identifiable information about students, their educational performance and their families and information with respect to individual schools shall remain confidential in accordance with the provisions of section 552 of title 5, United States Code. The data gathered under this subsection shall not be used to rank, compare, or otherwise evaluate individual students or individual schools. No individual may be included in the program without that individual's written consent. At least once every 3 years the Secretary shall remind participants in writing of their inclusion in the program.

[(d) DATA COLLECTION SYSTEM.—In the development and design of a system to provide data on graduation or completion rates, job placement rates from occupationally specific programs, licensing rates, and awards of high school graduate equivalency diplomas (GED), each State board for higher education shall develop a data collection system the results of which can be integrated into the occupational information system developed under this section.

[(e) Of amounts reserved under section 451(a)(3)(A) to carry out the provisions of this section, the Committee shall use—

[(1) to support State occupational information coordinating committees for the purpose of operating State occupational information systems and career information delivery systems, the greater of—

[(A) an amount equal to the aggregate amount appropriated or otherwise made available for that purpose for the fiscal year 1990; or

[(B) an amount equal to 75 percent of the aggregate amount appropriated or otherwise made available to carry out this section; and

[(2) for purposes of carrying out subsection (c)—

[(A) an amount equal to not less than 10 percent of the amounts available to carry out this section; or

[(B) if the amount remaining after carrying out paragraph (1) is insufficient to provide the amount described in subparagraph (A), such remaining amount.

[SEC. 423. INFORMATION BASE FOR VOCATIONAL EDUCATION DATA SYSTEM.

[(a) INFORMATION RELATING TO STUDENTS WITH HANDICAPS.—(1) The Secretary shall ensure that adequate information on access to

vocational education by secondary school students with handicaps is maintained in the data system established under section 421.

[(2) The system shall include detailed information obtained through scientific sample surveys concerning—

[(A) types of programs available; and

[(B) enrollment of students with handicaps by—

[(i) type of program;

[(ii) type of instructional setting; and

[(iii) type of handicap.

[(3)(A) The General Accounting Office shall conduct a 3-year study, using representative samples, of the effects of the amendments made by title II of the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1990 on the access to and participation in vocational education of disadvantaged students, students with handicaps, students of limited English proficiency, and, to the extent practicable, foster children.

[(B) The study shall include consideration of issues such as—

[(i) the proportion of students described in paragraph (1) who are enrolled in vocational education programs during the first 3 program years to which the amendments made by the Carl D. Perkins Vocational and Applied Technology Education Amendments Act of 1990 apply compared to the program year preceding such years;

[(ii) the number of such students who enroll in vocational education programs for the first time during the period of study;

[(iii) the number of such students who participate in vocational education programs that lead to an occupational skill or job placement;

[(iv) the extent to which academics are incorporated with vocational education courses;

[(v) the manner in which vocational education programs have addressed special needs of such students for supportive services, material, and equipment;

[(vi) the comparability of vocational education services provided to such students with vocational education services provided to students who are not members of special populations; and

[(vii) in the case of students with handicaps—

[(I) the types and severity of handicaps of such students who enroll in vocational education programs;

[(II) the extent to which such students participate in the same vocational education programs as students who do not have handicaps;

[(III) the number of such students with individualized education programs developed under section 614(a)(5) of the Individuals with Disabilities Education Act who have individualized education programs that include vocational education programs;

[(IV) the extent to which special personnel such as special education personnel or vocational rehabilitation personnel assist in the selection and provision of vocational education programs with respect to such students;

[(V) the extent to which such students and their parents are involved in selecting vocational education courses and programs;

[(VI) the number of such students who have returned to secondary vocational education programs after dropping out of or formally exiting the local educational system; and

[(VII) the ages of such students.

[(C) In conducting the study required by this subsection, the General Accounting Office may consider and include information from other sources to address or augment the issues considered in the study.

[(4) The General Accounting Office shall submit to the appropriate committees of the Congress a report describing the results of the study conducted as required by this subsection not later than July 1, 1995.

[(b) INFORMATION RELATING TO STUDENTS WHO HAVE COMPLETED SECONDARY SCHOOL.—(1) To carry out the provisions of this section, in accordance with the provisions of section 3 of the Technology Assessment Act of 1972, the Office of Technology Assessment shall conduct an assessment of a sample of tests designed to be administered to students who have completed secondary school to assess the level of technical knowledge relating to broad technical fields possessed by such students. The assessment shall include at least—

[(A) an assessment of the quality, validity, reliability, and predictive capability of widely used vocational aptitude and competency tests and assessments, with particular attention to—

[(i) the use of such assessments with respect to students who are members of special populations; and

[(ii) patterns of actual usage with respect to entry into vocational education programs, promotion within such programs, completion of such programs, and placement in appropriate positions;

[(B) identification of trends in such tests and assessments, including any relationship to vocational education curricula; and

[(C) identification of policy options for—

[(i) strengthening development and quality of such tests and assessments to ensure that such tests and assessments are conducted in an impartial manner that does not penalize students on the basis of race, sex, or economic background; and

[(ii) means of sustaining competition in the development of such tests and assessments.

[(2) The results of the study required by paragraph (1) shall be reported to the appropriate committees of the Congress not later than September 30, 1994.

[SEC. 424. MISCELLANEOUS PROVISIONS.

[(a) COLLECTION OF INFORMATION AT REASONABLE COST.—The Secretary shall take such action as may be necessary to secure at reasonable cost the information required by this part. To ensure reasonable cost, the Secretary, in consultation with the Vocational Education Task Force, the National Center for Education Statis-

tics, the Office of Vocational and Adult Education, and the National Occupational Information Coordinating Committee shall determine the methodology to be used and the frequency with which information is to be collected.

[(b) COOPERATION OF STATES.—All States receiving assistance under this Act shall cooperate with the Secretary in implementing the information systems developed pursuant to this part.

[PART E—BILINGUAL VOCATIONAL TRAINING

[PROGRAM AUTHORIZED

[SEC. 441. (a)(1) From the sums made available to carry out this section in each fiscal year under section 3(d), the Secretary is authorized to make grants to and to enter into contracts with appropriate State agencies, local educational agencies, postsecondary educational institutions, private nonprofit vocational training institutions, and other nonprofit organizations specially created to serve individuals who normally use a language other than English, for bilingual vocational education and training for individuals with limited English proficiency to prepare such individuals for jobs in recognized occupations and new and emerging occupations. Such training shall include instruction in the English language to ensure that participants in such training will be equipped to pursue such occupations in an English language environment. The Secretary may also enter into contracts with private for-profit agencies and organizations for bilingual vocational education and training programs.

[(2) Grants and contracts under this subsection may be used for—

[(A) bilingual vocational training programs for individuals who have completed or left elementary or secondary school and who are available for education in a postsecondary educational institution;

[(B) bilingual vocational education and training programs for individuals who have already entered the labor market and who desire or need training or retraining to achieve year-round employment, adjust to changing manpower needs, expand their range of skills, or advance in employment; and

[(C) training allowances for participants in bilingual vocational training programs.

[(b)(1) From the sums made available to carry out this section, the Secretary is authorized to make grants to and to enter into contracts with State agencies and public and private nonprofit educational institutions and to enter into contracts with private for-profit educational institutions to assist such entities in conducting training for instructors of bilingual vocational education and training programs.

[(2) Grants and contracts under this subsection may be used for—

[(A) preservice and inservice training for instructors, aides, counselors, or other ancillary personnel participating or preparing to participate in bilingual vocational training programs; and

[(B) fellowships and traineeships for individuals participating in preservice or inservice training.

[(3) The Secretary may not make a grant or enter into a contract under this subsection unless the Secretary determines that the applicant has an ongoing vocational training program in the field in which participants will be trained and can provide instructors with adequate language capabilities in the language other than English to be used in the program.

[(c)(1) From the sums made available to carry out this section, the Secretary is authorized to make grants to and to enter into contracts with State agencies, educational institutions, and appropriate nonprofit organizations, and to enter into contracts with private for-profit organizations and individuals, to assist in the development of instructional and curriculum materials, methods, or techniques for bilingual vocational training.

[(2) Grants and contracts under this subsection may be used for—

[(A) research in bilingual vocational training;

[(B) training programs to familiarize State agencies and training institutions with research findings and with successful pilot and demonstration projects in bilingual vocational education and training; and

[(C) experimental, developmental, pilot, and demonstration projects.

[(d)(1) Any eligible entity which desires to receive a grant from the Secretary under subsection (a), (b), or (c) shall submit an application to the Secretary in such form, at such times, and accompanied by such information as the Secretary may require. Such application shall provide that the activities and services for which assistance is sought will be administered by or under the supervision of the applicant.

[(2) An application pursuant to subsection (a) shall (A) set forth a program of such size, scope, and design as will make a substantial contribution toward carrying out the purposes of this section, and (B) be submitted to the State board or agency under section 111 for review and comment. Any such comments shall be included for submission to the Secretary.

[(3) An application pursuant to subsection (c) shall set forth the qualifications of staff responsible for any such program.

[(4) An application pursuant to subsection (b) shall—

[(A) describe the capabilities of the applicant (including vocational training or education courses offered by the applicant, accreditation, and any certification of courses by appropriate State agencies);

[(B) describe the qualifications of principal staff responsible for any program under subsection (b); and

[(C) describe minimum qualifications for individuals participating or to participate in any program, describe the selection process for such individuals, and the projected amount of the fellowships or traineeships, if any.

[(5) Prior to making grants or contracts under subsection (a) or (b), the Secretary shall consult with the State board under section 111 to ensure an equitable distribution of assistance among popu-

lations of individuals with limited English proficiency within the State.

[(6) The Secretary may approve an application for assistance under this section only if the application meets the requirements set forth under this section. An amendment to an application shall, except as the Secretary may otherwise provide, be subject to approval in the same manner as the initial application.

[(e)(1) The Secretary shall administer programs under this section in consultation with the Secretary of Labor.

[(2) Programs of bilingual vocational education and training under this section in the Commonwealth of Puerto Rico may provide for the needs of students of limited Spanish proficiency.

[(3) The Secretary of Education, in consultation with the Secretary of Labor, shall gather and disseminate information concerning the status of bilingual vocational education in all geographic regions and shall evaluate the impact of bilingual vocational education on occupational shortages of skilled workers, the unemployment or underemployment of individuals with limited English proficiency, and the ability of such individuals to acquire sufficient job skills and English language skills to fully contribute to the economy. The Secretary of Education and the Secretary of Labor shall annually report their findings to the President and the Congress.

[(f)(1) For each fiscal year, not less than 75 per centum of sums appropriated for the purposes of this section shall be available only for grants and contracts under subsection (a).

[(2) For each fiscal year, not less than 15 per centum of the sums appropriated for the purposes of this section shall be available only for grants and contracts under subsection (b).

[(3) For each fiscal year, not less than 10 per centum of sums appropriated for the purposes of this section shall be available only for grants and contracts under subsection (c).

[PART F—GENERAL PROVISIONS

[SEC. 451. DISTRIBUTION OF ASSISTANCE.

[(a) IN GENERAL.—Subject to the provisions of subsection (b) and section 504, of the amounts available pursuant to section 3(e)(1) for any fiscal year for this title—

[(1) 30 percent shall be available for part A, relating to research and development, of which 90 percent shall be available for section 404, relating to the National Center or Centers;

[(2) 30 percent shall be available for part B, relating to demonstration programs; and

[(3) 40 percent shall be available for part C, relating to vocational education and occupational information data systems, of which not less than—

[(A) 22 percent of the total amount appropriated pursuant to the authority of section 3(e) shall be available to carry out section 422, relating to the National Occupational Information Coordinating Committee;

[(B) 8 percent shall be available to carry out the provisions of section 421, relating to data systems; and

[(C) 10 percent shall be available to carry out the provisions of section 402(c), relating to the National Network for Curriculum Coordination.

[(b) HOLD HARMLESS.—Notwithstanding the provisions of subsection (a), the amounts available to carry out the activities described in subsection (a)(1) and in subsections (a)(3)(A) and (a)(3)(C) shall be at least equal to the amounts made available for such activities in the fiscal year 1990.

[TITLE V—GENERAL PROVISIONS

[PART A—FEDERAL ADMINISTRATIVE PROVISIONS

[PAYMENTS

[SEC. 501. (a) The Secretary shall pay from its allotment under section 101 to each State for any fiscal year for which the State has a State plan approved in accordance with section 114 (including any amendment to such plan) the Federal share of the costs of carrying out the State plan.

[(b) The Secretary shall pay to each State council of a State which has a State plan approved in accordance with section 114, from its allotment under section 112(f), an amount equal to the reasonable amounts expended by the State council in carrying out its functions under this Act in such fiscal year.

[MAINTENANCE OF EFFORT

[SEC. 502. (a) No payments shall be made under this Act for any fiscal year to a State unless the Secretary determines that the fiscal effort per student or the aggregate expenditures of such State for vocational education for the fiscal year preceding the fiscal year for which the determination is made, equaled or exceeded such effort or expenditures for vocational education for the second preceding fiscal year.

[(b) The Secretary may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for one fiscal year only, upon 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 required under this section for years subsequent to the year covered by such waiver; such fiscal effort shall be computed on the basis of the level of funding which would, but for such waiver, have been required.

[AUTHORITY TO MAKE PAYMENTS

[SEC. 503. Any authority to make payments or to enter into contracts under this Act shall be available only to such extent or in such amounts as are provided in advance appropriation Acts.

[SEC. 504. REGIONAL MEETINGS AND NEGOTIATED RULEMAKING.

[(a) IN GENERAL.—(1) The Secretary shall convene regional meetings to obtain public involvement in the development of proposed regulations under the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990. Such meetings shall include individuals and representatives of groups in-

volved in vocational education programs under this Act, such as Federal, State, tribal and local administrators, parents, teachers, members of local boards of education and special populations.

[(2) During each meeting described in paragraph (1), the Secretary shall provide for a comprehensive discussion and exchange of information on at least 4 key issues, selected by the Secretary, concerning implementation of the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990. The Secretary shall take into account information received at such meetings in the development of proposed regulations, and shall publish a summary of such information in the Federal Register together with such proposed regulations.

[(b) DRAFT REGULATIONS.—After holding regional meetings and before publishing proposed regulations in the Federal Register, the Secretary shall prepare draft regulations under this Act and submit regulations on at least 2 key issues to a negotiated rulemaking process. The Secretary shall follow the guidance provided in the Administrative Conference of the United States in Recommendation 82–4 and 85–5, "Procedures for Negotiating Proposed Regulations" (1 C.F.R. 305.82–4 and 85–5) and any successor recommendation, regulation, or law. Participants in the negotiation process shall be chosen by the Secretary from among participants in the regional meetings, representing the groups described in subsection (a)(1) and all geographic regions. At least 10 participants, 1 from each of the regions served by a regional office established pursuant to section 416 of the Department of Education Organization Act, representing the groups described in subsection (a)(1), shall be chosen under the preceding sentence. The negotiation process shall be conducted in a timely manner in order that final regulations may be issued by the Secretary within the 360-day period required by section 437(e) of the General Education Provisions Act.

[(c) SPECIAL RULE.—If a regulation must be issued within a very limited time period to assist States and eligible recipients with the operation of a program under this Act, the Secretary may issue a regulation without fulfilling the requirements of subsections (a) and (b), but shall immediately convene regional meetings to review the regulation before such regulation is issued in final form.

[(d) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act shall not apply to activities carried out under this section.

[(e) RESERVATION OF AMOUNTS.—For the fiscal year 1991, the Secretary may reserve for purposes of carrying out subsection (b) not more than $300,000 from amounts made available under section 3(e).

[SEC. 505. REQUIREMENTS RELATING TO REPORTS, PLANS, AND REGULATIONS.

[The General Accounting Office shall, upon the request of any Member of the Congress—

[(1) investigate the circumstances of any failure by the Secretary to submit any report or research finding or issue any regulation required by this Act by the time specified in the provision of this Act requiring the submission of such report or research finding or issuance of such regulation; and

[(2) submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report containing the results of any investigation conducted pursuant to paragraph (1), including an identification of the cause of delay and of the office or offices of the Department of Education or of the Office of Management and Budget responsible for the delay.

[SEC. 506. FEDERAL LAWS GUARANTEEING CIVIL RIGHTS.

[Nothing in this Act shall be construed to be inconsistent with appropriate Federal laws guaranteeing civil rights.

[SEC. 507. STUDENT ASSISTANCE AND OTHER FEDERAL PROGRAMS.

[(a) ATTENDANCE COSTS NOT TREATED AS INCOME OR RESOURCES.—The portion of any student financial assistance received under this Act that is made available for attendance costs described in subsection (b) shall not be considered as income or resources in determining eligibility for assistance under any other program funded in whole or in part with Federal funds.

[(b) ATTENDANCE COSTS.—The attendance costs described in this subsection are—

[(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study; and

[(2) an allowance for books, supplies, transportation, dependent care, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.

[SEC. 508. FEDERAL MONITORING.

[The Secretary shall make every effort to provide adequate monitoring of compliance by recipients of assistance under this Act with the provisions of this Act. Such monitoring activities shall be developed by the Secretary in consultation with parents, students, and advocacy organizations, and shall—

[(1) consider items such as whether the provisions of the State plan are being fully implemented;

[(2) consider items such as whether the State board's monitoring of local recipients of assistance under this Act is adequate to assure full compliance with the provisions of this Act by such recipients;

[(3) consider items such as whether the State-level coordinators for individuals who are members of special populations are able to review the local plans for serving such individuals;

[(4) consider items such as whether the other State responsibilities under this Act are being implemented; and

[(5) provide for input from students, parents, teachers, and special populations in the States.

[PART B—STATE ADMINISTRATIVE PROVISIONS

[SEC. 511. JOINT FUNDING.

[(a) GENERAL AUTHORITY.—Funds made available to States under this Act may be used to provide additional funds under an applicable program if—

[(1) such program otherwise meets the requirements of this Act and the requirements of the applicable program;

[(2) such program serves the same individuals that are served under this Act;

[(3) such program provides services in a coordinated manner with services provided under this Act; and

[(4) such funds would be used to supplement, and not supplant, funds provided from non-Federal sources.

[(b) APPLICABLE PROGRAMS.—For the purposes of this section, the term "applicable program" means any program under any of the following provisions of law:

[(1) Section 123, title II, and title III of the Job Training Partnership Act.

[(2) The Wagner-Peyser Act.

[(c) ISSUANCE OF REGULATIONS.—Notwithstanding the provisions of section 504, the Secretary shall develop regulations to be issued under this section in consultation with the Secretary of Labor.

[(d) USE OF FUNDS AS MATCHING FUNDS.—For the purposes of this section, the term "additional funds" includes the use of funds as matching funds.

[SEC. 512. REVIEW OF REGULATIONS.

[(a) ESTABLISHMENT OF REVIEW COMMITTEE.—Except as provided in subsection (b), before any State publishes any proposed or final State rule or regulation pursuant to this Act, the State shall establish and convene a State Committee of Practitioners (in this section referred to as the "Committee") for the purpose of reviewing such rule or regulation. The Committee shall be selected from nominees solicited from State organizations representing school administrators, teachers, parents, members of local boards of education, and appropriate representatives of institutions of higher education. The Committee shall consist of—

[(1) representatives of local educational agencies, who shall constitute a majority of the members of the Committee;

[(2) school administrators;

[(3) teachers;

[(4) parents;

[(5) members of local boards of education;

[(6) representatives of institutions of higher education; and

[(7) students.

[(b) LIMITED EXCEPTION.—In an emergency, where a regulation must be issued within a very limited time period to assist eligible recipients with the operation of a program, the State may issue a regulation without fulfilling the requirements of subsection (a), but shall immediately convene the Committee to review the regulation before it is issued in final form.

[SEC. 513. IDENTIFICATION OF STATE-IMPOSED REQUIREMENTS.

[Any State rule or policy imposed on the administration or operation of programs funded by this Act, including any rule or policy based on State interpretation of any Federal law, regulation, or guideline, shall be identified as a State imposed requirement.

[SEC. 514. PROHIBITION ON USE OF FUNDS TO INDUCE OUT-OF-STATE RELOCATION OF BUSINESSES.

[No funds provided under this Act shall be used for the purpose of directly providing incentives or inducements to an employer to relocate a business enterprise from 1 State to another State if such relocation would result in a reduction in the number of jobs available in the State where the business enterprise is located before such incentives or inducements are offered.

[SEC. 515. STATE ADMINISTRATIVE COSTS.

[For each fiscal year for which a State receives assistance under this Act, the State shall provide from non-Federal sources for costs the State incurs for administration of programs under this Act an amount that is not less than the amount provided by the State from non-Federal sources for such costs for the preceding fiscal year.

[SEC. 516. ADDITIONAL ADMINISTRATIVE PROVISIONS.

[(a) IN GENERAL.—(1)(A) Funds made available under title II shall be used to supplement, and to the extent practicable increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses specified in the application, and in no case supplant such State or local funds.

[(B) Notwithstanding subparagraph (A), funds made available under title II may be used to pay for the costs of vocational education services required in an individualized education plan developed pursuant to sections 612(4) and 614(a)(5) of the Individuals with Disabilities Education Act, in a manner consistent with section 614(a)(1) of such Act, and services necessary to meet the requirements of section 504 of the Rehabilitation Act of 1973 with respect to ensuring equal access to vocational education.

[(2) No State shall take into consideration payments under this Act in determining, for any educational agency or institution in that State, the eligibility for State aid, or the amount of State aid, with respect to public education within the State.

[(b) LIMITATION.—Any project assisted with funds made available under title II shall be of sufficient size, scope, and quality to give reasonable promise of meeting the vocational education needs of the students involved in the project.

[(c) PERMISSIBLE SERVICES AND ACTIVITIES.—(1) Vocational education services and activities authorized in title II may include work-site programs such as cooperative vocational education, programs with community-based organizations, work-study, and apprenticeship programs.

[(2) Vocational education services and activities described in title II may include placement services for students who have successfully completed vocational education programs.

[(3) Vocational education services and activities described in title II may include programs which involve students in addressing the needs of the community in the production of goods or services

which contribute to the community's welfare or which involve the students with other community development planning, institutions, and enterprises.

[(d) ACADEMIC CREDIT.—Each State board receiving financial assistance under title II may consider granting academic credit for vocational education courses which integrate core academic competencies.

[PART C—DEFINITIONS

[SEC. 521. DEFINITIONS.

[As used in this Act:

[(1) The term "administration" means activities of a State necessary for the proper and efficient performance of its duties under this Act, including supervision, but does not include curriculum development activities, personnel development, or research activities.

[(2) The term "all aspects of the industry" means strong experience in, and understanding of, all aspects of the industry the students are preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor issues, and health and safety.

[(3) The term "apprenticeship training program" means a program registered with the Department of Labor or the State apprenticeship agency in accordance with the Act of August 16, 1937, commonly known as the National Apprenticeship Act, which is conducted or sponsored by an employer, a group of employers, or a joint apprenticeship committee representing both employers and a union, and which contains all terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices.

[(4) The term "area vocational education school" means—

[(A) a specialized high 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 high school exclusively or principally used for providing vocational education in not less 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 high school and who are available for study in preparation for entering the labor market; or

[(D) the department or division of a junior college, community college or university operating under the policies of the State board and which provides vocational education in not less than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if, in the case of a school, department, or division described in subparagraph (C) or this subparagraph, it admits as regular students both individuals who

have completed high school and individuals who have left high school.

[(5) The term "career guidance and counseling" means programs—

[(A) which pertain to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities; and

[(B) which assist such individuals in making and implementing informed educational and occupational choices.

[(6) The term "community-based organization" means any such organization of demonstrated effectiveness described in section 4(5) of the Job Training Partnership Act.

[(7) The term "construction" includes construction of new buildings and acquisition, and expansion, remodeling, and alternation of existing buildings, and includes site grading and improvement and architect fees.

[(8) The term "cooperative education" means a method of instruction of vocational education for individuals who, through written cooperative arrangements between the school and employers, receive instruction, including required academic courses and related vocational instruction by alternation of study in school with a job in any occupational field. Such alternation shall be planned and supervised by the school and employers so that each contributes to the student's education and to his or her employability. Work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

[(9) The term "criminal offender" means any individual who is charged with or convicted of any criminal offense, including a youth offender or a juvenile offender.

[(10) The term "correctional institution" means any—

[(A) prison,

[(B) jail,

[(C) reformatory,

[(D) work farm,

[(E) detention center, or

[(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

[(11) The term "Council" means the National Council on Vocational Education.

[(12) The term "curriculum materials" means instructional and related or supportive material, including materials using advanced learning technology, in any occupational field which is designed to strengthen the academic foundation and prepare individuals for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field, and appropriate counseling and guidance material.

[(13) The term "disadvantaged" means individuals (other than individuals with handicaps) who have economic or academic disadvantages and who require special services and assistance in order to enable such individuals to succeed in vocational education programs. Such term includes individuals who are members of economically disadvantaged families, migrants, individuals of limited English proficiency and individuals who are dropouts from, or who are identified as potential dropouts from, secondary school.

[(14) The term "displaced homemaker" means an individual who—

[(A) is an adult; and

[(B)(i) has worked as an adult primarily without remuneration to care for the home and family, and for that reason has diminished marketable skills;

[(ii) has been dependent on public assistance or on the income of a relative but is no longer supported by such income;

[(iii) is a parent whose youngest dependent child will become ineligible to receive assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act within 2 years of the parent's application for assistance under this Act; or

[(iv) is unemployed or underemployed and is experiencing difficulty in obtaining any employment or suitable employment, as appropriate, or

[(C) is described in subparagraph (A) or (B) and is a criminal offender.

The Secretary may not prescribe the manner in which the States will comply with the application of the definition contained in this paragraph.

[(15) The term "economically disadvantaged family or individual" means such families or individuals who are determined by the Secretary to be low-income according to the latest available data from the Department of Commerce.

[(16) Except as otherwise provided, the term "eligible recipient" means a local educational agency, an area vocational education school, an intermediate educational agency, a postsecondary educational institution, a State corrections educational agency, or an eligible institution (as such term is defined in section 232(d)(1)).

[(17) The term "general occupational skills" means experience in and understanding of all aspects of the industry the student is preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, and health, safety, and environmental issues.

[(18) The term "high technology" means state-of-the-art computer, microelectronic, hydraulic, pneumatic, laser, nuclear, chemical, telecommunication, and other technologies being used to enhance productivity in manufacturing, communication, transportation, agriculture, mining, energy, commercial, and similar economic activity, and to improve the provision of health care.

[(19) The term "individual with handicaps" means any individual who is an individual with any disability (as defined in section 3(2) of the Americans With Disabilities Act of 1990).

[(20) The term "intermediate educational agency" means a combination of school districts or counties (as defined in section 14101 of the Elementary and Secondary Education Act of 1965) as are recognized in a State as an administrative agency for such State's vocational or technical education schools or for vocational programs within its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction over a public elementary or secondary school.

[(21) The term "limited English proficiency" has the meaning given such term in section 7004(a) of the Elementary and Secondary Education Act of 1965.

[(22) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a vocational education program. For the purposes of sections 114, 115, 116, 117, and 240, such term shall include a State corrections educational agency.

[(23) The term "postsecondary educational institution" means an institution legally authorized to provide postsecondary education within a State, a Bureau of Indian Affairs controlled postsecondary institution, or any postsecondary educational institution operated by or on behalf of any Indian tribe which is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or under the Act of April 16, 1934.

[(24) The term "preparatory services" means services, programs, or activities designed to assist individuals who are not enrolled in vocational education programs in the selection of, or preparation for participation in, an appropriate vocational education or training program, such as—

[(A) services, programs, or activities related to outreach to or recruitment of potential vocational education students;

[(B) career counseling and personal counseling;

[(C) vocational assessment and testing; and

[(D) other appropriate services, programs, or activities.

[(25) The term "private vocational training institution" means a business or trade school, or technical institution or other technical or vocational school, in any State, which—

[(A) admits as regular students only persons who have completed or left elementary or secondary school and who have the ability to benefit from the training offered by such institution;

[(B) is legally authorized to provide, and provides within that State, a program of postsecondary vocational or technical education designed to fit individuals for useful employment in recognized occupations;

[(C) has been in existence for 2 years or has been specially accredited by the Secretary as an institution meeting the other requirements of this subsection; and

[(D) is accredited—

[(i) by a nationally recognized accrediting agency or association listed by the Secretary pursuant to this clause;

[(ii) if the Secretary determines that there is no nationally recognized accrediting agency or association qualified to accredit schools of a particular category, by a State agency listed by the Secretary pursuant to this clause; or

[(iii) if the Secretary determines that there is no nationally recognized or State agency or association qualified to accredit schools of a particular category, by an advisory committee appointed by the Secretary and composed of persons specially qualified to evaluate training provided by schools of that category, which committee shall prescribe the standards of content, scope, and quality which must be met by those schools and shall also determine whether particular schools meet those standards.

For the purpose of this paragraph, the Secretary shall publish a list of nationally recognized accrediting agencies or associations and State agencies which the Secretary determines to be reliable authority as to the quality of education or training afforded.

[(26) The term "school facilities" means classrooms and related facilities (including initial equipment) and interests in lands on which such facilities are constructed. Such term shall not include any facility intended primarily for events for which admission is to be charged to the general public.

[(27) The term "Secretary" means the Secretary of Education.

[(28) The term "small business" means for-profit enterprises employing 500 or fewer employees.

[(29) The term "sequential course of study" means an integrated series of courses which are directly related to the educational and occupational skills preparation of individuals for jobs, or preparation for postsecondary education.

[(30) The term "single parent" means an individual who—

[(A) is unmarried or legally separated from a spouse; and

[(B)(i) has a minor child or children for which the parent has either custody or joint custody; or

[(ii) is pregnant.

[(31) The term "special populations" includes individuals with handicaps, educationally and economically disadvantaged individuals (including foster children), individuals of limited English proficiency, individuals who participate in programs designed to eliminate sex bias, and individuals in correctional institutions.

[(32) The term "specific job training" means training and education for skills required by the employer that provides the

individual student with the ability to obtain employment and to adapt to the changing demands of the workplace.

[(33) The term "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658).

[(34) The term "State board" means a State board designated or created by State law as the sole State agency responsible for the administration of vocational education, or for supervision of the administration of vocational education in the State.

[(35) The term "State corrections educational agency" means the State agency or agencies responsible for carrying out corrections education programs in the State.

[(36) The term "State council" means the State council on vocational education established in accordance with section 112.

[(37) 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.

[(38) The term "supplementary services" means curriculum modification, equipment modification, classroom modification, supportive personnel, and instructional aids and devices.

[(39) The term "technology education" means an applied discipline designed to promote technological literacy which provides knowledge and understanding of the impacts of technology including its organizations, techniques, tools and skills to solve practical problems and extend human capabilities in areas such as construction, manufacturing, communication, transportation, power and energy.

[(40) The term "tribally controlled community college" means an institution which receives assistance under the Tribally Controlled Community College Assistance Act of 1976 or the Navajo Community College Act.

[(41) The term "vocational education" means organized educational programs offering a sequence of courses which are directly related to the preparation of individuals in paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Such programs shall include competency-based applied learning which contributes to an individual's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. Such term also includes applied technology education.

[(42) The term "vocational student organizations" means those organizations for individuals enrolled in vocational education programs which engage in activities as an integral part of the instructional program. Such organizations may have

State and national units which aggregate the work and purposes of instruction in vocational education at the local level.]

SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994

AN ACT To establish a national framework for the development of School-to-Work Opportunities systems in all States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

[(a) SHORT TITLE.—This Act may be cited as the "School-to-Work Opportunities Act of 1994".

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

[Sec. 1. Short title; table of contents.
[Sec. 2. Findings.
[Sec. 3. Purposes and congressional intent.
[Sec. 4. Definitions.
[Sec. 5. Federal administration.

[TITLE I—SCHOOL-TO-WORK OPPORTUNITIES BASIC PROGRAM COMPONENTS

[Sec. 101. General program requirements.
[Sec. 102. School-based learning component.
[Sec. 103. Work-based learning component.
[Sec. 104. Connecting activities component.

[TITLE II—SCHOOL-TO-WORK OPPORTUNITIES SYSTEM DEVELOPMENT AND IMPLEMENTATION GRANTS TO STATES

[Subtitle A—State Development Grants

[Sec. 201. Purpose.
[Sec. 202. Authorization.
[Sec. 203. Application.
[Sec. 204. Approval of application.
[Sec. 205. Use of amounts.
[Sec. 206. Maintenance of effort.
[Sec. 207. Reports.

[Subtitle B—State Implementation Grants

[Sec. 211. Purpose.
[Sec. 212. Authorization.
[Sec. 213. Application.
[Sec. 214. Review of application.
[Sec. 215. Use of amounts.
[Sec. 216. Allocation requirement.
[Sec. 217. Limitation on administrative costs.
[Sec. 218. Reports.

[Subtitle C—Development and Implementation Grants for School-to-Work Programs for Indian Youths

[Sec. 221. Authorization.
[Sec. 222. Requirements.

[TITLE III—FEDERAL IMPLEMENTATION GRANTS TO LOCAL PARTNERSHIPS

[Sec. 301. Purposes.
[Sec. 302. Authorization.
[Sec. 303. Application.
[Sec. 304. Use of amounts.
[Sec. 305. Conformity with approved State plan.
[Sec. 306. Reports.
[Sec. 307. High poverty area defined.

[TITLE IV—NATIONAL PROGRAMS

[Sec. 401. Research, demonstration, and other projects.
[Sec. 402. Performance outcomes and evaluation.
[Sec. 403. Training and technical assistance.
[Sec. 404. Capacity building and information and dissemination network.
[Sec. 405. Reports to Congress.
[Sec. 406. Funding.

[TITLE V—WAIVER OF STATUTORY AND REGULATORY REQUIREMENTS

[Sec. 501. State and local partnership requests and responsibilities for waivers.
[Sec. 502. Waiver authority of Secretary of Education.
[Sec. 503. Waiver authority of Secretary of Labor.
[Sec. 504. Combination of Federal funds for high poverty schools.
[Sec. 505. Combination of Federal funds by States for school-to-work activities.

[TITLE VI—GENERAL PROVISIONS

[Sec. 601. Requirements.
[Sec. 602. Sanctions.
[Sec. 603. State authority.
[Sec. 604. Prohibition on Federal mandates, direction, and control.
[Sec. 605. Authorization of appropriations.

[TITLE VII—OTHER PROGRAMS

[Subtitle A—Reauthorization of Job Training for the Homeless Demonstration Program Under the Stewart B. McKinney Homeless Assistance Act

[Sec. 701. Reauthorization.

[Subtitle B—Tech-Prep Programs

[Sec. 711. Tech-prep education.

[Subtitle C—Alaska Native Art and Culture

[Sec. 721. Short title.
[Sec. 722. Alaska Native art and culture.

[Subtitle D—Job Training

[Sec. 731. Amendment to Job Training Partnership Act to provide allowances for child care costs to certain individuals participating in the Job Corps.

[TITLE VIII—TECHNICAL PROVISIONS

[Sec. 801. Effective date.
[Sec. 802. Sunset.

[SEC. 2. FINDINGS.

[Congress finds that—

[(1) three-fourths of high school students in the United States enter the workforce without baccalaureate degrees, and many do not possess the academic and entry-level occupational skills necessary to succeed in the changing United States workplace;

[(2) a substantial number of youths in the United States, especially disadvantaged students, students of diverse racial, ethnic, and cultural backgrounds, and students with disabilities, do not complete high school;

[(3) unemployment among youths in the United States is intolerably high, and earnings of high school graduates have been falling relative to earnings of individuals with more education;

[(4) the workplace in the United States is changing in response to heightened international competition and new technologies, and such forces, which are ultimately beneficial to the

Nation, are shrinking the demand for and undermining the earning power of unskilled labor;

[(5) the United States lacks a comprehensive and coherent system to help its youths acquire the knowledge, skills, abilities, and information about and access to the labor market necessary to make an effective transition from school to career-oriented work or to further education and training;

[(6) students in the United States can achieve high academic and occupational standards, and many learn better and retain more when the students learn in context, rather than in the abstract;

[(7) while many students in the United States have part-time jobs, there is infrequent linkage between—

[(A) such jobs; and

[(B) the career planning or exploration, or the school-based learning, of such students;

[(8) the work-based learning approach, which is modeled after the time-honored apprenticeship concept, integrates theoretical instruction with structured on-the-job training, and this approach, combined with school-based learning, can be very effective in engaging student interest, enhancing skill acquisition, developing positive work attitudes, and preparing youths for high-skill, high-wage careers;

[(9) Federal resources currently fund a series of categorical, work-related education and training programs, many of which serve disadvantaged youths, that are not administered as a coherent whole; and

[(10) in 1992 approximately 3,400,000 individuals in the United States age 16 through 24 had not completed high school and were not currently enrolled in school, a number representing approximately 11 percent of all individuals in this age group, which indicates that these young persons are particularly unprepared for the demands of a 21st century workforce.

[SEC. 3. PURPOSES AND CONGRESSIONAL INTENT.

[(a) PURPOSES.—The purposes of this Act are—

[(1) to establish a national framework within which all States can create statewide School-to-Work Opportunities systems that—

[(A) are a part of comprehensive education reform;

[(B) are integrated with the systems developed under the Goals 2000: Educate America Act and the National Skill Standards Act of 1994; and

[(C) offer opportunities for all students to participate in a performance-based education and training program that will—

[(i) enable the students to earn portable credentials;

[(ii) prepare the students for first jobs in high-skill, high-wage careers; and

[(iii) increase their opportunities for further education, including education in a 4-year college or university;

[(2) to facilitate the creation of a universal, high-quality school-to-work transition system that enables youths in the

United States to identify and navigate paths to productive and progressively more rewarding roles in the workplace;

[(3) to utilize workplaces as active learning environments in the educational process by making employers joint partners with educators in providing opportunities for all students to participate in high-quality, work-based learning experiences;

[(4) to use Federal funds under this Act as venture capital, to underwrite the initial costs of planning and establishing statewide School-to-Work Opportunities systems that will be maintained with other Federal, State, and local resources;

[(5) to promote the formation of local partnerships that are dedicated to linking the worlds of school and work among secondary schools and postsecondary educational institutions, private and public employers, labor organizations, government, community-based organizations, parents, students, State educational agencies, local educational agencies, and training and human service agencies;

[(6) to promote the formation of local partnerships between elementary schools and secondary schools (including middle schools) and local businesses as an investment in future workplace productivity and competitiveness;

[(7) to help all students attain high academic and occupational standards;

[(8) to build on and advance a range of promising school-to-work activities, such as tech-prep education, career academies, school-to-apprenticeship programs, cooperative education, youth apprenticeship, school-sponsored enterprises, business-education compacts, and promising strategies that assist school dropouts, that can be developed into programs funded under this Act;

[(9) to improve the knowledge and skills of youths by integrating academic and occupational learning, integrating school-based and work-based learning, and building effective linkages between secondary and postsecondary education;

[(10) to encourage the development and implementation of programs that will require paid high-quality, work-based learning experiences;

[(11) to motivate all youths, including low-achieving youths, school dropouts, and youths with disabilities, to stay in or return to school or a classroom setting and strive to succeed, by providing enriched learning experiences and assistance in obtaining good jobs and continuing their education in postsecondary educational institutions;

[(12) to expose students to a broad array of career opportunities, and facilitate the selection of career majors, based on individual interests, goals, strengths, and abilities;

[(13) to increase opportunities for minorities, women, and individuals with disabilities, by enabling individuals to prepare for careers that are not traditional for their race, gender, or disability; and

[(14) to further the National Education Goals set forth in title I of the Goals 2000: Educate America Act.

[(b) CONGRESSIONAL INTENT.—It is the intent of Congress that the Secretary of Labor and the Secretary of Education jointly administer this Act in a flexible manner that—

[(1) promotes State and local discretion in establishing and implementing statewide School-to-Work Opportunities systems and School-to-Work Opportunities programs; and

[(2) contributes to reinventing government by—

[(A) building on State and local capacity;

[(B) eliminating duplication in education and training programs for youths by integrating such programs into 1 comprehensive system;

[(C) maximizing the effective use of resources;

[(D) supporting locally established initiatives;

[(E) requiring measurable goals for performance; and

[(F) offering flexibility in meeting such goals.

[SEC. 4. DEFINITIONS.

[As used in this Act:

[(1) ALL ASPECTS OF AN INDUSTRY.—The term "all aspects of an industry" means all aspects of the industry or industry sector a student is preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor and community issues, health and safety issues, and environmental issues, related to such industry or industry sector.

[(2) ALL STUDENTS.—The term "all students" means both male and female students from a broad range of backgrounds and circumstances, including disadvantaged students, students with diverse racial, ethnic, or cultural backgrounds, American Indians, Alaska Natives, Native Hawaiians, students with disabilities, students with limited-English proficiency, migrant children, school dropouts, and academically talented students.

[(3) APPROVED STATE PLAN.—The term "approved State plan" means a statewide School-to-Work Opportunities system plan that is submitted by a State under section 213, is determined by the Secretaries to include the program components described in sections 102 through 104 and otherwise meet the requirements of this Act, and is consistent with the State improvement plan for the State, if any, under the Goals 2000: Educate America Act.

[(4) CAREER GUIDANCE AND COUNSELING.—The term "career guidance and counseling" means programs—

[(A) that pertain to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities;

[(B) that assist individuals in making and implementing informed educational and occupational choices; and

[(C) that aid students to develop career options with attention to surmounting gender, race, ethnic, disability, language, or socioeconomic impediments to career options and encouraging careers in nontraditional employment.

[(5) CAREER MAJOR.—The term "career major" means a coherent sequence of courses or field of study that prepares a student for a first job and that—

[(A) integrates academic and occupational learning, integrates school-based and work-based learning, establishes linkages between secondary schools and postsecondary educational institutions;

[(B) prepares the student for employment in a broad occupational cluster or industry sector;

[(C) typically includes at least 2 years of secondary education and at least 1 or 2 years of postsecondary education;

[(D) provides the students, to the extent practicable, with strong experience in and understanding of all aspects of the industry the students are planning to enter;

[(E) results in the award of—

[(i) a high school diploma or its equivalent, such as—

[(I) a general equivalency diploma; or

[(II) an alternative diploma or certificate for students with disabilities for whom such alternative diploma or certificate is appropriate;

[(ii) a certificate or diploma recognizing successful completion of 1 or 2 years of postsecondary education (if appropriate); and

[(iii) a skill certificate; and

[(F) may lead to further education and training, such as entry into a registered apprenticeship program, or may lead to admission to a 2- or 4-year college or university.

[(6) COMMUNITY-BASED ORGANIZATIONS.—The term "community-based organizations" has the meaning given such term in section 4(5) of the Job Training Partnership Act (29 U.S.C. 1503(5)).

[(7) ELEMENTARY SCHOOL.—The term "elementary school" means a day or residential school that provides elementary education, as determined under State law.

[(8) EMPLOYER.—The term "employer" includes both public and private employers.

[(9) GOVERNOR.—The term "Governor" means the chief executive of a State.

[(10) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

[(11) LOCAL PARTNERSHIP.—The term "local partnership" means a local entity that is responsible for local School-to-Work Opportunities programs and that—

[(A) consists of employers, representatives of local educational agencies and local postsecondary educational institutions (including representatives of area vocational education schools, where applicable), local educators (such as teachers, counselors, or administrators), representatives of labor organizations or nonmanagerial employee representatives, and students; and

[(B) may include other entities, such as—

[(i) employer organizations;

[(ii) community-based organizations;

[(iii) national trade associations working at the local levels;

[(iv) industrial extension centers;

[(v) rehabilitation agencies and organizations;

[(vi) registered apprenticeship agencies;

[(vii) local vocational education entities;

[(viii) proprietary institutions of higher education (as defined in section 481(b) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) that continue to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.);

[(ix) local government agencies;

[(x) parent organizations;

[(xi) teacher organizations;

[(xii) vocational student organizations;

[(xiii) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512);

[(xiv) federally recognized Indian tribes, Indian organizations, and Alaska Native villages within the meaning of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.); and

[(xv) Native Hawaiian entities.

[(12) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)) which continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).

[(13) REGISTERED APPRENTICESHIP AGENCY.—The term "registered apprenticeship agency" means the Bureau of Apprenticeship and Training in the Department of Labor or a State apprenticeship agency recognized and approved by the Bureau of Apprenticeship and Training as the appropriate body for State registration or approval of local apprenticeship programs and agreements for Federal purposes.

[(14) REGISTERED APPRENTICESHIP PROGRAM.—The term "registered apprenticeship program" means a program registered by a registered apprenticeship agency.

[(15) RELATED SERVICES.—The term "related services" includes the types of services described in section 602(17) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(17)).

[(16) RURAL COMMUNITY WITH LOW POPULATION DENSITY.—The term "rural community with low population density" means a county, block number area in a nonmetropolitan county, or consortium of counties or of such block number areas, that has a population density of 20 or fewer individuals per square mile.

[(17) SCHOOL DROPOUT.—The term "school dropout" means a youth who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

[(18) SCHOOL SITE MENTOR.—The term "school site mentor" means a professional employed at a school who is designated as the advocate for a particular student, and who works in consultation with classroom teachers, counselors, related services personnel, and the employer of the student to design and monitor the progress of the School-to-Work Opportunities program of the student.

[(19) SCHOOL-TO-WORK OPPORTUNITIES PROGRAM.—The term "School-to-Work Opportunities program" means a program that meets the requirements of this Act, other than a program described in section 401(a).

[(20) SECONDARY SCHOOL.—The term "secondary school" means—

[(A) a nonprofit day or residential school that provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12; and

[(B) a Job Corps center under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.).

[(21) SECRETARIES.—The term "Secretaries" means the Secretary of Education and the Secretary of Labor.

[(22) SKILL CERTIFICATE.—The term "skill certificate" means a portable, industry-recognized credential issued by a School-to-Work Opportunities program under an approved State plan, that certifies that a student has mastered skills at levels that are at least as challenging as skill standards endorsed by the National Skill Standards Board established under the National Skill Standards Act of 1994, except that until such skill standards are developed, the term "skill certificate" means a credential issued under a process described in the approved State plan.

[(23) STATE.—The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

[(24) STATE EDUCATIONAL AGENCY.—The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

[(25) WORKPLACE MENTOR.—The term "workplace mentor" means an employee or other individual, approved by the employer at a workplace, who possesses the skills and knowledge

to be mastered by a student, and who instructs the student, critiques the performance of the student, challenges the student to perform well, and works in consultation with classroom teachers and the employer of the student.

[SEC. 5. FEDERAL ADMINISTRATION.

[(a) JOINT ADMINISTRATION.—

[(1) IN GENERAL.—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 166 of the Job Training Partnership Act (29 U.S.C. 1576), the Secretaries shall jointly provide for, and shall exercise final authority over, the administration of this Act, and shall have final authority to jointly issue whatever procedures, guidelines, and regulations, in accordance with section 553 of title 5, United States Code, the Secretaries consider necessary and appropriate to administer and enforce the provisions of this Act.

[(2) SUBMISSION OF PLAN.—Not later than 120 days after the date of enactment of this Act, the Secretaries shall prepare a plan for the joint administration of this Act and submit such plan to Congress for review and comment.

[(b) ACCEPTANCE OF GIFTS.—The Secretaries are authorized, in carrying out this Act, to accept, purchase, or lease in the name of the Department of Labor or the Department of Education, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

[(c) USE OF VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretaries are authorized to accept voluntary and uncompensated services in furtherance of the purposes of this Act.

[TITLE I—SCHOOL-TO-WORK OPPORTUNITIES BASIC PROGRAM COMPONENTS

[SEC. 101. GENERAL PROGRAM REQUIREMENTS.

[A School-to-Work Opportunities program under this Act shall—

[(1) integrate school-based learning and work-based learning, as provided for in sections 102 and 103, integrate academic and occupational learning, and establish effective linkages between secondary and postsecondary education;

[(2) provide participating students with the opportunity to complete career majors;

[(3) incorporate the program components provided in sections 102 through 104;

[(4) provide participating students, to the extent practicable, with strong experience in and understanding of all aspects of the industry the students are preparing to enter; and

[(5) provide all students with equal access to the full range of such program components (including both school-based and

work-based learning components) and related activities, such as recruitment, enrollment, and placement activities, except that nothing in this Act shall be construed to provide any individual with an entitlement to services under this Act.

[SEC. 102. SCHOOL-BASED LEARNING COMPONENT.

[The school-based learning component of a School-to-Work Opportunities program shall include—

[(1) career awareness and career exploration and counseling (beginning at the earliest possible age, but not later than the 7th grade) in order to help students who may be interested to identify, and select or reconsider, their interests, goals, and career majors, including those options that may not be traditional for their gender, race, or ethnicity;

[(2) initial selection by interested students of a career major not later than the beginning of the 11th grade;

[(3) a program of study designed to meet the same academic content standards the State has established for all students, including, where applicable, standards established under the Goals 2000: Educate America Act, and to meet the requirements necessary to prepare a student for postsecondary education and the requirements necessary for a student to earn a skill certificate;

[(4) a program of instruction and curriculum that integrates academic and vocational learning (including applied methodologies and team-teaching strategies), and incorporates instruction, to the extent practicable, in all aspects of an industry, appropriately tied to the career major of a participant;

[(5) regularly scheduled evaluations involving ongoing consultation and problem solving with students and school dropouts to identify their academic strengths and weaknesses, academic progress, workplace knowledge, goals, and the need for additional learning opportunities to master core academic and vocational skills; and

[(6) procedures to facilitate the entry of students participating in a School-to-Work Opportunities program into additional training or postsecondary education programs, as well as to facilitate the transfer of the students between education and training programs.

[SEC. 103. WORK-BASED LEARNING COMPONENT.

[(a) MANDATORY ACTIVITIES.—The work-based learning component of a School-to-Work Opportunities program shall include—

[(1) work experience;

[(2) a planned program of job training and work experiences (including training related to preemployment and employment skills to be mastered at progressively higher levels) that are coordinated with learning in the school-based learning component described in section 102 and are relevant to the career majors of students and lead to the award of skill certificates;

[(3) workplace mentoring;

[(4) instruction in general workplace competencies, including instruction and activities related to developing positive work attitudes, and employability and participative skills; and

[(5) broad instruction, to the extent practicable, in all aspects of the industry.

[(b) PERMISSIBLE ACTIVITIES.—Such component may include such activities as paid work experience, job shadowing, school-sponsored enterprises, or on-the-job training.

[SEC. 104. CONNECTING ACTIVITIES COMPONENT.

[The connecting activities component of a School-to-Work Opportunities program shall include—

[(1) matching students with the work-based learning opportunities of employers;

[(2) providing, with respect to each student, a school site mentor to act as a liaison among the student and the employer, school, teacher, school administrator, and parent of the student, and, if appropriate, other community partners;

[(3) providing technical assistance and services to employers, including small- and medium-sized businesses, and other parties in—

[(A) designing school-based learning components described in section 102, work-based learning components described in section 103, and counseling and case management services; and

[(B) training teachers, workplace mentors, school site mentors, and counselors;

[(4) providing assistance to schools and employers to integrate school-based and work-based learning and integrate academic and occupational learning into the program;

[(5) encouraging the active participation of employers, in cooperation with local education officials, in the implementation of local activities described in section 102, section 103, or this section;

[(6)(A) providing assistance to participants who have completed the program in finding an appropriate job, continuing their education, or entering into an additional training program; and

[(B) linking the participants with other community services that may be necessary to assure a successful transition from school to work;

[(7) collecting and analyzing information regarding post-program outcomes of participants in the School-to-Work Opportunities program, to the extent practicable, on the basis of socioeconomic status, race, gender, ethnicity, culture, and disability, and on the basis of whether the participants are students with limited-English proficiency, school dropouts, disadvantaged students, or academically talented students; and

[(8) linking youth development activities under this Act with employer and industry strategies for upgrading the skills of their workers.

[TITLE II—SCHOOL-TO-WORK OPPORTUNITIES SYSTEM DEVELOPMENT AND IMPLEMENTATION GRANTS TO STATES

[Subtitle A—State Development Grants

[SEC. 201. PURPOSE.

[The purpose of this subtitle is to assist States in planning and developing comprehensive statewide School-to-Work Opportunities systems.

[SEC. 202. AUTHORIZATION.

[(a) GRANTS TO STATES.—

[(1) IN GENERAL.—On the application of the Governor on behalf of a State in accordance with section 203, the Secretaries may provide a development grant to the State in such amounts as the Secretaries determine to be necessary to enable such State to complete planning and development of a comprehensive statewide School-to-Work Opportunities system.

[(2) AMOUNT.—The amount of a development grant under this section may not exceed $1,000,000 for any fiscal year.

[(3) COMPLETION.—The Secretaries may provide such grant to complete development of a statewide School-to-Work Opportunities systems initiated with funds received under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

[(b) GRANTS TO TERRITORIES.—In providing grants under this section to the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, the Secretaries shall use amounts reserved under section 605(b)(1).

[SEC. 203. APPLICATION.

[(a) IN GENERAL.—The Secretaries may not provide a development grant under section 202 to a State unless the Governor of the State, on behalf of the State, submits to the Secretaries an application, at such time, in such form, and containing such information as the Secretaries may reasonably require.

[(b) CONTENTS.—Such application shall include—

[(1) a timetable and an estimate of the amount of funding needed to complete the planning and development necessary to implement a comprehensive statewide School-to-Work Opportunities system for all students;

[(2) a description of how—

[(A) the Governor;

[(B) the State educational agency;

[(C) the State agency officials responsible for economic development;

[(D) the State agency officials responsible for employment;

[(E) the State agency officials responsible for job training;

[(F) the State agency officials responsible for postsecondary education;

[(G) the State agency officials responsible for vocational education;

[(H) the State agency officials responsible for vocational rehabilitation;

[(I) the individual assigned by the State under section 111(b)(1) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2321(b)(1));

[(J) other appropriate officials, including the State human resource investment council established in accordance with title VII of the Job Training Partnership Act (29 U.S.C. 1792 et seq.), if the State has established such a council; and

[(K) representatives of the private sector;

will collaborate in the planning and development of the statewide School-to-Work Opportunities system;

[(3) a description of the manner in which the State has obtained and will continue to obtain the active and continued participation, in the planning and development of the statewide School-to-Work Opportunities system, of employers and other interested parties, such as locally elected officials, secondary schools and postsecondary educational institutions (or related agencies), business associations, industrial extension centers, employees, labor organizations or associations of such organizations, teachers, related services personnel, students, parents, community-based organizations, rehabilitation agencies and organizations, Indian tribes, registered apprenticeship agencies, vocational educational agencies, vocational student organizations, and human service agencies;

[(4) a description of the manner in which the State will coordinate planning activities with any local school-to-work programs, including programs funded under title III, if any;

[(5) a designation of a fiscal agent to receive and be accountable for funds provided from a grant under section 202; and

[(6) a description of how the State will provide opportunities for students from low-income families, low-achieving students, students with limited-English proficiency, students with disabilities, students living in rural communities with low population densities, school dropouts, and academically talented students to participate in School-to-Work Opportunities programs.

[(c) COORDINATION WITH GOALS 2000: EDUCATE AMERICA ACT.—A State seeking assistance under both this subtitle and the Goals 2000: Educate America Act may—

[(1) submit a single application containing plans that meet the requirements of such subtitle and such Act and ensure that the plans are coordinated and not duplicative; or

[(2) if such State has already submitted its application for funds under the Goals 2000: Educate America Act, submit its application under this subtitle as an amendment to the Goals 2000: Educate America Act application if such amendment

meets the requirements of this subtitle and is coordinated with and not duplicative of the Goals 2000: Educate America Act application.

[SEC. 204. APPROVAL OF APPLICATION.

[The Secretaries may approve an application submitted by a State under section 203 only if the State demonstrates in such application that the activities proposed to be undertaken by the State to develop a statewide School-to-Work Opportunities system are consistent with the State improvement plan for the State, if any, under the Goals 2000: Educate America Act.

[SEC. 205. USE OF AMOUNTS.

[The Secretaries may not provide a development grant under section 202 to a State unless the State agrees that the State will use all amounts received from such grant for activities to develop a statewide School-to-Work Opportunities system, which may include—

[(1) identifying or establishing an appropriate State structure to administer the statewide School-to-Work Opportunities system;

[(2) identifying secondary and postsecondary school-to-work programs in existence on or after the date of the enactment of this Act that might be incorporated into such system;

[(3) identifying or establishing broad-based partnerships among employers, labor, education, government, and other community-based organizations and parent organizations to participate in the design, development, and administration of School-to-Work Opportunities programs;

[(4) developing a marketing plan to build consensus and support for such programs;

[(5) promoting the active involvement of business (including small- and medium-sized businesses) in planning, developing, and implementing local School-to-Work Opportunities programs, and in establishing partnerships between business and elementary schools and secondary schools (including middle schools);

[(6) identifying ways that local school-to-work programs in existence on or after the date of the enactment of this Act could be coordinated with the statewide School-to-Work Opportunities system;

[(7) supporting local planning and development activities to provide guidance, training and technical assistance for teachers, employers, mentors, counselors, administrators, and others in the development of School-to-Work Opportunities programs;

[(8) identifying or establishing mechanisms for providing training and technical assistance to enhance the development of the statewide School-to-Work Opportunities system;

[(9) developing a training and technical support system for teachers, employers, mentors, counselors, related services personnel, and others that includes specialized training and technical support for the counseling and training of women, minorities, and individuals with disabilities for high-skill, high-wage careers in nontraditional employment;

[(10) initiating pilot programs for testing key components of the program design of programs under the statewide School-to-Work Opportunities system;

[(11) developing a State process for issuing skill certificates that is, to the extent feasible, consistent with the skill standards certification systems endorsed under the National Skill Standards Act of 1994;

[(12) designing challenging curricula, in cooperation with representatives of local partnerships, that take into account the diverse learning needs and abilities of the student population served by the statewide School-to-Work Opportunities system;

[(13) developing a system for labor market analysis and strategic planning for local targeting of industry sectors or broad occupational clusters that can provide students with placements in high-skill workplaces;

[(14) analyzing the post-high school employment experiences of recent high school graduates and school dropouts;

[(15) preparing the plan described in section 213(d);

[(16) working with localities to develop strategies to recruit and retain all students in programs under this Act through collaborations with community-based organizations, where appropriate, and other entities with expertise in working with such students;

[(17) coordinating recruitment of out-of-school, at-risk, and disadvantaged youths with those organizations and institutions that have a successful history of working with such youths; and

[(18) providing technical assistance to rural areas in planning, developing, and implementing local School-to-Work Opportunities programs that meet the needs of rural communities with low population densities.

[SEC. 206. MAINTENANCE OF EFFORT.

[(a) IN GENERAL.—A State may receive a development grant under section 202 for a fiscal year only if the State provides assurances, satisfactory to the Secretaries, that—

[(1) the amount of State funds expended per student by the State for school-to-work activities of the type described in title I for the preceding fiscal year was not less than 90 percent of the amount so expended for the second preceding fiscal year; or

[(2) the aggregate amount of State funds expended by the State for such activities for the preceding fiscal year was not less than 90 percent of the amount so expended for the second preceding fiscal year.

[(b) WAIVER.—

[(1) DETERMINATION.—The Secretaries may jointly waive the requirements described in subsection (a) for a State that requests such a waiver if the Secretaries determine that such a waiver would be equitable due to—

[(A) exceptional or uncontrollable circumstances such as a natural disaster; or

[(B) a precipitous decline in the financial resources of the State.

[(2) REQUEST.—To be eligible to receive such a waiver, a State shall submit a request at such time, in such form, and containing such information as the Secretaries may require.

[SEC. 207. REPORTS.

[The Secretaries may not provide a development grant under section 202 to a State unless the State agrees that the State will submit to the Secretaries such reports as the Secretaries may reasonably require, relating to the use of amounts from such grant, except that the Secretaries may not require more than 1 such report during any 3-month period.

[Subtitle B—State Implementation Grants

[SEC. 211. PURPOSE.

[The purpose of this subtitle is to assist States in the implementation of comprehensive statewide School-to-Work Opportunities systems.

[SEC. 212. AUTHORIZATION.

[(a) GRANTS TO STATES.—On the application of the Governor on behalf of a State in accordance with section 213, the Secretaries may provide an implementation grant to the State in such amounts as the Secretaries determine to be necessary to enable such State to implement a comprehensive statewide School-to-Work Opportunities system.

[(b) GRANTS TO TERRITORIES.—In providing grants under this section to the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, the Secretaries shall use amounts reserved under section 605(b)(1).

[(c) PERIOD OF GRANT.—The provision of payments under a grant under subsection (a) shall not exceed 5 fiscal years and shall be subject to the annual approval of the Secretaries and subject to the availability of appropriations for the fiscal year involved to make the payments.

[(d) LIMITATION.—A State shall be eligible to receive only 1 implementation grant under subsection (a).

[SEC. 213. APPLICATION.

[(a) IN GENERAL.—

[(1) SUBMISSION BY GOVERNOR ON BEHALF OF STATE.—Subject to paragraph (2), the Secretaries may not provide an implementation grant under section 212 to a State unless the Governor of the State, on behalf of the State, submits to the Secretaries an application, at such time, in such form, and containing such information as the Secretaries may reasonably require.

[(2) REVIEW AND COMMENT BY CERTAIN INDIVIDUALS AND ENTITIES.—If, after a reasonable effort, the Governor is unable in accordance with subsection (d)(4) to obtain the support of the individuals and entities described in subparagraphs (A) through (J) of subsection (b)(4) for the State plan described in subsection (d), then the Governor shall—

[(A) provide such individuals and entities with copies of such application;

[(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 application under subparagraph (A), comments on those portions of the plan that address matters that, under State or other applicable law, are under the jurisdiction of such individuals or entities; and

[(C) include any such comments in the application in accordance with subsection (b)(5).

[(b) CONTENTS.—Such application shall include—

[(1) a plan for a comprehensive, statewide School-to-Work Opportunities system that meets the requirements of subsection (d);

[(2) a description of the manner in which the State will allocate funds made available through such a grant to local partnerships under section 215(b)(7);

[(3) a request, if the State decides to submit such a request, for 1 or more waivers of certain statutory or regulatory requirements, as provided for under title V;

[(4) a description of the manner in which—

[(A) the Governor;

[(B) the State educational agency;

[(C) the State agency officials responsible for economic development;

[(D) the State agency officials responsible for employment;

[(E) the State agency officials responsible for job training;

[(F) the State agency officials responsible for postsecondary education;

[(G) the State agency officials responsible for vocational education;

[(H) the State agency officials responsible for vocational rehabilitation;

[(I) the individual assigned for the State under section 111(b)(1) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2321(b)(1));

[(J) other appropriate officials, including the State human resource investment council established in accordance with title VII of the Job Training Partnership Act (29 U.S.C. 1792 et seq.), if the State has established such a council; and

[(K) representatives of the private sector;

collaborated in the development of the application;

[(5) the comments submitted to the Governor under subsection (a)(2), where applicable; and

[(6) such other information as the Secretaries may require.

[(c) COORDINATION WITH GOALS 2000: EDUCATE AMERICA ACT.—A State seeking assistance under both this subtitle and the Goals 2000: Educate America Act may—

[(1) submit a single application containing plans that meet the requirements of such subtitle and such Act and ensure that the plans are coordinated and not duplicative; or

[(2) if such State has already submitted its application for funds under the Goals 2000: Educate America Act, submit its application under this subtitle as an amendment to the Goals 2000: Educate America Act application if such amendment meets the requirements of this subtitle and is coordinated with and not duplicative of the Goals 2000: Educate America Act application.

[(d) STATE PLAN.—A State plan referred to in subsection (b)(1) shall—

[(1) designate the geographical areas, including urban and rural areas, to be served by local partnerships that receive grants under section 215(b), which geographic areas shall, to the extent feasible, reflect local labor market areas;

[(2) describe the manner in which the State will stimulate and support local School-to-Work Opportunities programs and the manner in which the statewide School-to-Work Opportunities system will be expanded over time to cover all geographic areas in the State, including urban and rural areas;

[(3) describe the procedure by which the individuals and entities described in subsection (b)(4) will collaborate in the implementation of the School-to-Work Opportunities system;

[(4) demonstrate the support of individuals and entities described in subparagraphs (A) through (J) of subsection (b)(4) for the plan, except in the case where the Governor is unable to obtain the support of such individuals and entities as provided in subsection (a)(2);

[(5) describe the manner in which the State has obtained and will continue to obtain the active and continued involvement, in the statewide School-to-Work Opportunities system, of employers and other interested parties such as locally elected officials, secondary schools and postsecondary educational institutions (or related agencies), business associations, industrial extension centers, employees, labor organizations or associations of such organizations, teachers, related services personnel, students, parents, community-based organizations, rehabilitation agencies and organizations, registered apprenticeship agencies, local vocational educational agencies, vocational student organizations, State or regional cooperative education associations, and human service agencies;

[(6) describe the manner in which the statewide School-to-Work Opportunities system will coordinate with or integrate local school-to-work programs in existence on or after the date of the enactment of this Act, including programs financed from State and private sources, with funds available from such related Federal programs as programs under—

[(A) the Adult Education Act (20 U.S.C. 1201 et seq.);

[(B) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(C) the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.);

[(D) the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.);

[(E) part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.);

[(F) the Goals 2000: Educate America Act;

[(G) the National Skills Standards Act of 1994;

[(H) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

[(I) the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

[(J) the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);

[(K) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.); and

[(L) the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

[(7) describe the strategy of the State for providing training for teachers, employers, mentors, counselors, related services personnel, and others, including specialized training and technical support for the counseling and training of women, minorities, and individuals with disabilities for high-skill, high-wage careers in nontraditional employment, and provide assurances of coordination with similar training and technical support under other provisions of law;

[(8) describe how the State will adopt, develop, or assist local partnerships to adopt or develop model curricula and innovative instructional methodologies, to be used in the secondary, and where possible, the elementary grades, that integrate academic and vocational learning and promote career awareness, and that are consistent with academic and skill standards established pursuant to the Goals 2000: Educate America Act and the National Skill Standards Act of 1994;

[(9) describe how the State will expand and improve career and academic counseling in the elementary and secondary grades, which may include linkages to career counseling and labor market information services outside of the school system;

[(10) describe the strategy of the State for integrating academic and vocational education;

[(11) describe the resources, including private sector resources, the State intends to employ in maintaining the statewide School-to-Work Opportunities system when funds under this Act are no longer available;

[(12) describe the extent to which the statewide School-to-Work Opportunities system will include programs that will require paid high-quality, work-based learning experiences, and the steps the State will take to generate such paid experiences;

[(13) describe the manner in which the State will ensure effective and meaningful opportunities for all students in the State to participate in School-to-Work Opportunities programs;

[(14) describe the goals of the State and the methods the State will use, such as awareness and outreach, to ensure opportunities for young women to participate in School-to-Work Opportunities programs in a manner that leads to employment

in high-performance, high-paying jobs, including nontraditional employment, and goals to ensure an environment free from racial and sexual harassment;

[(15) describe how the State will ensure opportunities for low achieving students, students with disabilities, school dropouts, and academically talented students to participate in School-to-Work Opportunities programs;

[(16) describe the process of the State for assessing the skills and knowledge required in career majors, and the process for awarding skill certificates that is, to the extent feasible, consistent with the skills standards certification systems endorsed under the National Skill Standards Act of 1994;

[(17) describe the manner in which the State will ensure that students participating in the programs are provided, to the greatest extent possible, with flexibility to develop new career goals over time and to change career majors;

[(18) describe the manner in which the State will, to the extent feasible, continue programs funded under title III in the statewide School-to-Work Opportunities system;

[(19) describe how the State will serve students from rural communities with low population densities;

[(20) describe how local School-to-Work Opportunities programs, including those funded under title III, if any, will be integrated into the statewide School-to-Work Opportunities system;

[(21) describe the performance standards that the State intends to meet in establishing and carrying out the statewide School-to-Work Opportunities system, including how such standards relate to those performance standards established under other related programs;

[(22) designate a fiscal agent to receive and be accountable for funds provided from a grant under section 212; and

[(23) describe the procedures to facilitate the entry of students participating in a School-to-Work Opportunities program into additional training or postsecondary education programs, as well as to facilitate the transfer of the students between education and training programs.

[SEC. 214. REVIEW OF APPLICATION.

[(a) CONSIDERATIONS.—In evaluating applications submitted under section 213, the Secretaries shall—

[(1) give priority to applications that describe the highest levels of concurrence by the individuals and entities described in section 213(b)(4) with the State plan for the statewide School-to-Work Opportunities system;

[(2) give priority to applications that require paid, high-quality work-based learning experiences as an integral part of such system; and

[(3) take into consideration the quality of the application, including the replicability, sustainability, and innovation of School-to-Work Opportunities programs described in the application.

[(b) APPROVAL CRITERIA.—The Secretaries—

[(1) shall approve only those applications submitted under section 213 that demonstrate the highest levels of collaboration

by the individuals and entities described in section 213(b)(4) in the development and implementation of the statewide School-to-Work system;

[(2) shall approve an application submitted under section 213 only if the State provides the assurances described in section 206(a) (relating to maintenance of effort) in accordance with such section, except that this requirement may be waived in accordance with section 206(b); and

[(3) may approve an application submitted under section 213 only if the State demonstrates in the application—

[(A) that other Federal, State, and local resources will be used to implement the proposed State plan;

[(B) the extent to which such plan would limit administrative costs and increase amounts spent on delivery of services to students enrolled in programs under this Act;

[(C) that the State, where appropriate, will ensure the establishment of a partnership in at least 1 urban and 1 rural area in the State; and

[(D) that the State plan contained in such application is consistent with the State improvement plan for the State, if any, under the Goals 2000: Educate America Act.

[(c) ACTIONS.—

[(1) IN GENERAL.—In reviewing each application submitted under section 213, the Secretaries shall determine whether the application and the plan described in such application meet the approval criteria in subsection (b).

[(2) ACTIONS AFTER AFFIRMATIVE DETERMINATION.—If the determination under paragraph (1) is affirmative, the Secretaries may take 1 or more of the following actions:

[(A) Provide an implementation grant under section 212 to the State submitting the application.

[(B) Approve the request of the State, if any, for a waiver in accordance with the procedures set forth in title V.

[(3) ACTION AFTER NONAFFIRMATIVE DETERMINATION.—If the determination under paragraph (1) is not affirmative, the Secretaries shall inform the State of the opportunity to apply for development funds under subtitle A in accordance with such subtitle.

[(d) USE OF FUNDS FOR REVIEW OF APPLICATIONS.—The Secretaries may use amounts reserved under section 605(b)(4) for the review of applications submitted under section 213.

[SEC. 215. USE OF AMOUNTS.

[(a) IN GENERAL.—The Secretaries may not provide an implementation grant under section 212 to a State unless the State agrees that the State will use all amounts received from such grant to implement the statewide School-to-Work Opportunities system in accordance with this section.

[(b) SUBGRANTS TO LOCAL PARTNERSHIPS.—

[(1) AUTHORITY.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the State shall provide subgrants to local partnerships, according to criteria established by the State, for the purpose of carrying out School-to-Work Opportunities programs.

[(B) PROHIBITION.—The State shall not provide subgrants to local partnerships that have received implementation grants under title III, except that this prohibition shall not apply with respect to local partnerships that are located in high poverty areas, as such term is defined in section 307.

[(2) APPLICATION.—A local partnership that seeks a subgrant to carry out a local School-to-Work Opportunities program, including a program initiated under section 302, shall submit an application to the State that—

[(A) describes how the program will include the program components described in sections 102, 103, and 104 and otherwise meet the requirements of this Act;

[(B) sets forth measurable program goals and outcomes;

[(C) describes the local strategies and timetables of the local partnership to provide opportunities for all students in the area served to participate in a School-to-Work Opportunities program;

[(D) describes the extent to which the program will require paid high-quality, work-based learning experiences, and the steps the local partnerships will take to generate such paid experiences;

[(E) describes the process that will be used to ensure employer involvement in the development and implementation of the local School-to-Work Opportunities program;

[(F) provides assurances that, to the extent practicable, opportunities provided to students to participate in a School-to-Work Opportunities program will be in industries and occupations offering high-skill, high-wage employment opportunities;

[(G) provides such other information as the State may require; and

[(H) is submitted at such time and in such form as the State may require.

[(3) DISAPPROVAL OF APPLICATION.—If the State determines that an application submitted by a local partnership does not meet the criteria under paragraph (2), or that the application is incomplete or otherwise unsatisfactory, the State shall—

[(A) notify the local partnership of the reasons for the failure to approve the application; and

[(B) permit the local partnership to resubmit a corrected or amended application.

[(4) ALLOWABLE ACTIVITIES.—A local partnership shall expend funds provided through subgrants under this subsection only for activities undertaken to carry out local School-to-Work Opportunities programs, and such activities may include, for each such program—

[(A) recruiting and providing assistance to employers, including small- and medium-size businesses, to provide the work-based learning components described in section 103;

[(B) establishing consortia of employers to support the School-to-Work Opportunities program and provide access to jobs related to the career majors of students;

[(C) supporting or establishing intermediaries (selected from among the members of the local partnership) to perform the activities described in section 104 and to provide assistance to students or school dropouts in obtaining jobs and further education and training;

[(D) designing or adapting school curricula that can be used to integrate academic, vocational, and occupational learning, school-based and work-based learning, and secondary and postsecondary education for all students in the area served;

[(E) providing training to work-based and school-based staff on new curricula, student assessments, student guidance, and feedback to the school regarding student performance;

[(F) establishing, in schools participating in the School-to-Work Opportunities program, a graduation assistance program to assist at-risk students, low-achieving students, and students with disabilities, in graduating from high school, enrolling in postsecondary education or training, and finding or advancing in jobs;

[(G) providing career exploration and awareness services, counseling and mentoring services, college awareness and preparation services, and other services (beginning at the earliest possible age, but not later than the 7th grade) to prepare students for the transition from school to work;

[(H) providing supplementary and support services, including child care and transportation, when such services are necessary for participation in a local School-to-Work Opportunities program;

[(I) conducting or obtaining an in-depth analysis of the local labor market and the generic and specific skill needs of employers to identify high-demand, high-wage careers to target;

[(J) integrating school-based and work-based learning into job training programs that are for school dropouts and that are in existence on or after the date of the enactment of this Act;

[(K) establishing or expanding school-to-apprenticeship programs in cooperation with registered apprenticeship agencies and apprenticeship sponsors;

[(L) assisting participating employers, including small- and medium-size businesses, to identify and train workplace mentors and to develop work-based learning components;

[(M) promoting the formation of partnerships between elementary schools and secondary schools (including middle schools) and local businesses as an investment in future workplace productivity and competitiveness;

[(N) designing local strategies to provide adequate planning time and staff development activities for teachers, school counselors, related services personnel, and school site mentors, including opportunities outside the classroom that are at the worksite;

[(O) enhancing linkages between after-school, weekend, and summer jobs, career exploration, and school-based learning; and

[(P) obtaining the assistance of organizations and institutions that have a history of success in working with school dropouts and at-risk and disadvantaged youths in recruiting such school dropouts and youths to participate in the local School-to-Work Opportunities program.

[(5) LOCAL PARTNERSHIP COMPACT.—The State may not provide a subgrant under paragraph (1) to a local partnership unless the partnership agrees that the local partnership will establish a process by which the responsibilities and expectations of students, parents, employers, and schools are clearly established and agreed upon at the point of entry of the student into a career major program of study.

[(6) ADMINISTRATIVE COSTS.—The local partnership may not use more than 10 percent of amounts received from a subgrant under paragraph (1) for any fiscal year for administrative costs associated with activities in carrying out, but not including, activities under paragraphs (4) and (5) for such fiscal year.

[(7) ALLOCATION REQUIREMENTS.—

[(A) FIRST YEAR.—In the 1st fiscal year for which a State receives amounts from a grant under section 212, the State shall use not less than 70 percent of such amounts to provide subgrants to local partnerships under paragraph (1).

[(B) SECOND YEAR.—In the 2d fiscal year for which a State receives amounts from a grant under section 212, the State shall use not less than 80 percent of such amounts to provide subgrants to local partnerships under paragraph (1).

[(C) THIRD YEAR AND SUCCEEDING YEARS.—In the 3d fiscal year for which a State receives amounts from a grant under section 212, and in each succeeding year, the State shall use not less than 90 percent of such amounts to provide subgrants to local partnerships under paragraph (1).

[(c) ADDITIONAL STATE ACTIVITIES.—In carrying out the statewide School-to-Work Opportunities system, the State may also—

[(1) recruit and provide assistance to employers to provide work-based learning for all students;

[(2) conduct outreach activities to promote and support collaboration, in School-to-Work Opportunities programs, by businesses, labor organizations, and other organizations;

[(3) provide training for teachers, employers, workplace mentors, school site mentors, counselors, related services personnel, and other parties;

[(4) provide labor market information to local partnerships that is useful in determining which high-skill, high-wage occupations are in demand;

[(5) design or adapt model curricula that can be used to integrate academic, vocational, and occupational learning, school-based and work-based learning, and secondary and postsecondary education, for all students in the State;

[(6) design or adapt model work-based learning programs and identify best practices for such programs;

[(7) conduct outreach activities and provide technical assistance to other States that are developing or implementing School-to-Work Opportunities systems;

[(8) reorganize and streamline school-to-work programs in the State to facilitate the development of a comprehensive statewide School-to-Work Opportunities system;

[(9) identify ways that local school-to-work programs in existence on or after the date of the enactment of this Act could be integrated with the statewide School-to-Work Opportunities system;

[(10) design career awareness and exploration activities (beginning at the earliest possible age, but not later than the 7th grade), such as job shadowing, job site visits, school visits by individuals in various occupations, and mentoring;

[(11) design and implement school-sponsored work experiences, such as school-sponsored enterprises and community development projects;

[(12) promote the formation of partnerships between elementary schools and secondary schools (including middle schools) and local businesses as an investment in future workplace productivity and competitiveness;

[(13) obtain the assistance of organizations and institutions that have a history of success in working with school dropouts and at-risk and disadvantaged youths in recruiting such school dropouts and youths to participate in the statewide School-to-Work Opportunities system;

[(14) conduct outreach to all students in a manner that most appropriately meets their needs and the needs of their communities; and

[(15) provide career exploration and awareness services, counseling and mentoring services, college awareness and preparation services, and other services (beginning at the earliest possible age, but not later than the 7th grade) to prepare students for the transition from school to work.

[SEC. 216. ALLOCATION REQUIREMENT.

[The Secretaries shall establish the minimum and maximum amounts available for an implementation grant under section 212, and shall determine the actual amount granted to any State under such section, based on such criteria as the scope and quality of the plan described in section 213(d) and the number of projected participants in programs carried out through the system.

[SEC. 217. LIMITATION ON ADMINISTRATIVE COSTS.

[A State that receives an implementation grant under section 212 may not use more than 10 percent of the amounts received through the grant for any fiscal year for administrative costs associated with implementing the statewide School-to-Work Opportunities system for such fiscal year.

[SEC. 218. REPORTS.

[The Secretaries may not provide an implementation grant under section 212 to a State unless the State agrees that the State will submit to the Secretaries such reports as the Secretaries may

reasonably require, relating to the use of amounts from such grant, except that the Secretaries may not require more than 1 such report during any 3-month period.

[Subtitle C—Development and Implementation Grants for School-to-Work Programs for Indian Youths

[SEC. 221. AUTHORIZATION.

[(a) IN GENERAL.—From amounts reserved under section 605(b)(2), the Secretaries shall provide grants to establish and carry out School-to-Work Opportunities programs for Indian youths that involve Bureau funded schools (as defined in section 1139(3) of the Education Amendments of 1978 (25 U.S.C. 2019(3))).

[(b) ADDITIONAL AUTHORITIES.—The Secretaries may carry out subsection (a) through such means as the Secretaries find appropriate, including—

[(1) the transfer of funds to the Secretary of the Interior; and

[(2) the provision of financial assistance to Indian tribes and Indian organizations.

[SEC. 222. REQUIREMENTS.

[In providing grants under section 221, the Secretaries shall require recipients of such grants to comply with requirements similar to those requirements imposed on States under subtitles A and B of this title.

[TITLE III—FEDERAL IMPLEMENTATION GRANTS TO LOCAL PARTNERSHIPS

[SEC. 301. PURPOSES.

[The purposes of this title are—

[(1) to authorize the Secretaries to provide competitive grants directly to local partnerships in order to provide funding for communities that have built a sound planning and development base for School-to-Work Opportunities programs and are ready to begin implementing a local School-to-Work Opportunities program; and

[(2) to authorize the Secretaries to provide competitive grants to local partnerships to implement School-to-Work Opportunities programs in high poverty areas of urban and rural communities to provide support for a comprehensive range of education, training, and support services for youths residing in such areas.

[SEC. 302. AUTHORIZATION.

[(a) GRANTS TO LOCAL PARTNERSHIPS.—

[(1) IN GENERAL.—Subject to paragraph (2), the Secretaries may provide implementation grants, in accordance with competitive criteria established by the Secretaries, directly to local

partnerships in States in such amounts as the Secretaries determine to be necessary to enable such partnerships to implement School-to-Work Opportunities programs.

[(2) RESTRICTIONS.—A local partnership—

[(A) shall be eligible to receive only 1 grant under this subsection; and

[(B) shall not be eligible to receive a grant under this subsection if such partnership is located in a State that—

[(i) has been provided an implementation grant under section 212; and

[(ii) has received amounts from such grant for any fiscal year after the 1st fiscal year under such grant.

[(b) GRANTS TO LOCAL PARTNERSHIPS IN HIGH POVERTY AREAS.—

[(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretaries shall, from amounts reserved under section 605(b)(3), provide grants to local partnerships that are located in high poverty areas in States in such amounts as the Secretaries determine to be necessary to enable such partnerships to implement School-to-Work Opportunities programs in such areas.

[(2) RESTRICTION.—A local partnership shall be eligible to receive only 1 grant under this subsection.

[(3) PRIORITY.—In providing grants under paragraph (1), the Secretaries shall give priority to local partnerships that have a demonstrated effectiveness in the delivery of comprehensive vocational preparation programs with successful rates in job placement through cooperative activities among local educational agencies, local businesses, labor organizations, and other organizations.

[(c) PERIOD OF GRANT.—The provision of payments under a grant under subsection (a) or (b) shall not exceed 5 fiscal years and shall be subject to the annual approval of the Secretaries and subject to the availability of appropriations for the fiscal year involved to make the payments.

[SEC. 303. APPLICATION.

[(a) IN GENERAL.—A local partnership that desires to receive a Federal implementation grant under section 302 shall submit an application to the Secretaries at such time and in such form as the Secretaries may require. The local partnership shall submit the application to the State for review and comment before submitting the application to the Secretaries.

[(b) TIME LIMIT FOR STATE REVIEW AND COMMENT.—

[(1) IN GENERAL.—The State shall provide for review and comment on the application under subsection (a) not later than 30 days after the date on which the State receives the application from the local partnership.

[(2) SUBMISSION WITHOUT STATE REVIEW AND COMMENT.—If the State does not provide review and comment within the 30-day time period specified in paragraph (1), the local partnership may submit the application to the Secretaries without first obtaining such review and comment.

[(c) CONTENTS.—The application described in subsection (a) shall include a plan for local School-to-Work Opportunities programs that—

[(1) describes the manner in which the local partnership will meet the requirements of this Act;

[(2) includes the comments of the State on the plan, if any;

[(3) contains information that is consistent with the information required to be submitted as part of a State plan in accordance with paragraphs (5) through (17) and paragraph (23) of section 213(d);

[(4) designates a fiscal agent to receive and be accountable for funds under this section; and

[(5) provides such other information as the Secretaries may require.

[(d) USE OF FUNDS FOR REVIEW OF APPLICATIONS.—The Secretaries may use amounts reserved under section 605(b)(4) for the review of applications submitted under subsection (a).

[SEC. 304. USE OF AMOUNTS.

[The Secretaries may not provide an implementation grant under section 302 to a local partnership unless the partnership agrees that it will use all amounts from such grant to carry out activities to implement a School-to-Work Opportunities program, including the activities described in section 215(b)(4).

[SEC. 305. CONFORMITY WITH APPROVED STATE PLAN.

[The Secretaries shall not provide a grant under section 302 to a local partnership in a State that has an approved State plan unless the Secretaries determine, after consultation with the State, that the plan submitted by the partnership is in accordance with such approved State plan.

[SEC. 306. REPORTS.

[The Secretaries may not provide an implementation grant under section 302 to a local partnership unless the partnership agrees that the local partnership will submit to the Secretaries such reports as the Secretaries may reasonably require, relating to the use of amounts from such grant, except that the Secretaries may not require more than 1 such report during any 3-month period.

[SEC. 307. HIGH POVERTY AREA DEFINED.

[For purposes of this title, the term "high poverty area" means an urban census tract, a contiguous group of urban census tracts, a block number area in a nonmetropolitan county, a contiguous group of block number areas in a nonmetropolitan county, or an Indian reservation (as defined in section 403(9) of the Indian Child Protection and Family Violence Prevention Act (25 U.S.C. 3202(9))), with a poverty rate of 20 percent or more among individuals who have not attained the age of 22, as determined by the Bureau of the Census.

[TITLE IV—NATIONAL PROGRAMS

[SEC. 401. RESEARCH, DEMONSTRATION, AND OTHER PROJECTS.

[(a) IN GENERAL.—The Secretaries shall conduct research and development projects and establish a program of experimental and demonstration projects, to further the purposes of this Act.

[(b) ADDITIONAL USE OF FUNDS.—The Secretaries may provide assistance for programs or services authorized under any other provision of this Act that are most appropriately administered at the national level and that will operate in, or benefit, more than 1 State.

[SEC. 402. PERFORMANCE OUTCOMES AND EVALUATION.

[(a) IN GENERAL.—The Secretaries, in collaboration with the States, shall by grant, contract, or otherwise, establish a system of performance measures for assessing State and local programs regarding—

[(1) progress in the development and implementation of State plans described in section 213(d) that include the basic program components described in sections 102, 103, and 104 and otherwise meet the requirements of title I;

[(2) participation in School-to-Work Opportunities programs by employers, schools, students, and school dropouts, including information on the gender, race, ethnicity, socioeconomic background, limited-English proficiency, and disability of all participants and whether the participants are academically talented students;

[(3) progress in developing and implementing strategies for addressing the needs of students and school dropouts;

[(4) progress in meeting the goals of the State to ensure opportunities for young women to participate in School-to-Work Opportunities programs, including participation in nontraditional employment through such programs;

[(5) outcomes for participating students and school dropouts, by gender, race, ethnicity, socioeconomic background, limited-English proficiency, and disability of the participants, and whether the participants are academically talented students, including information on—

[(A) academic learning gains;

[(B) staying in school and attaining—

[(i) a high school diploma, or a general equivalency diploma, or an alternative diploma or certificate for those students with disabilities for whom such alternative diploma or certificate is appropriate;

[(ii) a skill certificate; and

[(iii) a postsecondary degree;

[(C) attainment of strong experience in and understanding of all aspects of the industry the students are preparing to enter;

[(D) placement and retention in further education or training, particularly in the career major of the student; and

[(E) job placement, retention, and earnings, particularly in the career major of the student; and

[(6) the extent to which the program has met the needs of employers.

[(b) EVALUATION.—Not later than September 30, 1998, the Secretaries shall complete a national evaluation of School-to-Work Opportunities programs funded under this Act by grants, contracts, or otherwise, that will track and assess the progress of implementa-

tion of State and local programs and their effectiveness based on measures such as those measures described in subsection (a).

[(c) REPORTS TO THE SECRETARIES.—

[(1) IN GENERAL.—Each State shall prepare and submit to the Secretaries periodic reports, at such intervals as the Secretaries may determine, containing information regarding the matters described in paragraphs (1) through (6) of subsection (a).

[(2) FEDERAL PROGRAMS.—Each State shall prepare and submit reports to the Secretaries, at such intervals as the Secretaries may determine, containing information on the extent to which Federal programs that are in existence on the date of submission of the report and that are implemented at the State or local level may be duplicative, outdated, overly restrictive, or otherwise counterproductive to the development of comprehensive statewide School-to-Work Opportunities systems.

[SEC. 403. TRAINING AND TECHNICAL ASSISTANCE.

[(a) PURPOSE.—The Secretaries shall work in cooperation with the States, the individuals assigned under section 111(b)(1) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2321(b)(1)), employers and their associations, secondary schools and postsecondary educational institutions, student and teacher organizations, labor organizations, and community-based organizations, to increase their capacity to develop and implement effective School-to-Work Opportunities programs.

[(b) AUTHORIZED ACTIVITIES.—The Secretaries shall provide, through grants, contracts, or otherwise—

[(1) training, technical assistance, and other activities that will—

[(A) enhance the skills, knowledge, and expertise of the personnel involved in planning and implementing State and local School-to-Work Opportunities programs, such as training of the personnel to assist students; and

[(B) improve the quality of services provided to individuals served under this Act;

[(2) assistance to States and local partnerships involved in carrying out School-to-Work Opportunities programs in order to integrate resources available under this Act with resources available under other Federal, State, and local authorities;

[(3) assistance to States and such local partnerships, including local partnerships in rural communities with low population densities or in urban areas, to recruit employers to provide the work-based learning component, described in section 103, of School-to-Work Opportunities programs; and

[(4) assistance to States and local partnerships involved in carrying out School-to-Work Opportunities programs to design and implement school-sponsored enterprises.

[SEC. 404. CAPACITY BUILDING AND INFORMATION AND DISSEMINATION NETWORK.

[The Secretaries, acting through such mechanisms as 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)), the Educational Resources Information Center

Clearinghouses referred to in the Educational Research, Development, Dissemination, and Improvement Act of 1994, and the National Network for Curriculum Coordination in Vocational and Technical Education under section 402(c) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2402(c)), shall—

[(1) collect and disseminate information—

[(A) on successful School-to-Work Opportunities programs and innovative school- and work-based curricula;

[(B) on research and evaluation conducted concerning school-to-work activities;

[(C) that will assist States and local partnerships in undertaking labor market analysis, surveys, or other activities related to economic development;

[(D) on skill certificates, skill standards, and related assessment technologies; and

[(E) on methods for recruiting and building the capacity of employers to provide work-based learning opportunities; and

[(2) facilitate communication and the exchange of information and ideas among States and local partnerships carrying out School-to-Work Opportunities programs.

[SEC. 405. REPORTS TO CONGRESS.

[(a) IN GENERAL.—Not later than 24 months after the date of the enactment of this Act, and every 12 months thereafter, the Secretaries shall prepare and submit a report to the Congress on all activities carried out pursuant to this Act.

[(b) CONTENTS.—The Secretaries shall, at a minimum, include in each such report—

[(1) information concerning the programs that receive assistance under this Act;

[(2) a summary of the information contained in the State and local partnership reports submitted under titles II and III and section 402(c); and

[(3) information regarding the findings and actions taken as a result of any evaluation conducted by the Secretaries.

[SEC. 406. FUNDING.

[The Secretaries shall use funds reserved under section 605(b)(4) to carry out activities under this title.

[TITLE V—WAIVER OF STATUTORY AND REGULATORY REQUIREMENTS

[SEC. 501. STATE AND LOCAL PARTNERSHIP REQUESTS AND RESPONSIBILITIES FOR WAIVERS.

[(a) STATE REQUEST FOR WAIVER.—A State may submit to the Secretaries a request for a waiver of 1 or more requirements of the provisions of law referred to in sections 502 and 503, or of the regulations issued under such provisions, in order to carry out the statewide School-to-Work Opportunities system established by such State under subtitle B of title II. The State may submit the request as a part of the application described in section 213 (or as an

amendment to the application at any time after submission of the application). Such request may include a request for different waivers with respect to different areas within the State.

[(b) LOCAL PARTNERSHIP REQUEST FOR WAIVER.—

[(1) IN GENERAL.—A local partnership that seeks a waiver of such a requirement shall submit an application for such waiver to the State, and the State shall determine whether to submit a request for a waiver to the Secretaries, as provided in subsection (a).

[(2) TIME LIMIT.—

[(A) IN GENERAL.—The State shall make a determination to submit or not submit the request for a waiver under paragraph (1) not later than 30 days after the date on which the State receives the application from the local partnership.

[(B) DIRECT SUBMISSION.—

[(i) IN GENERAL.—If the State does not make a determination to submit or not submit the request within the 30-day time period specified in subparagraph (A), the local partnership may submit the application to the Secretaries.

[(ii) REQUIREMENTS.—In submitting such an application, the local partnership shall obtain the agreement of the State involved to comply with the requirements of section 502(a)(1)(C) or 503(a)(1)(C), as appropriate, and comply with the other requirements of section 502 or 503, as appropriate, and of subsections (c) and (d), that would otherwise apply to a State submitting a request for a waiver. In reviewing such an application, the Secretaries shall comply with the requirements of such section and such subsections that would otherwise apply to the Secretaries with respect to review of such a request.

[(c) WAIVER CRITERIA.—Any such request by the State shall meet the criteria contained in section 502 or 503 and shall specify the provisions or regulations referred to in such sections with respect to which the State seeks a waiver.

[(d) SUPPORT BY APPROPRIATE STATE AGENCIES.—In requesting such a waiver, the State shall provide evidence of support for the waiver request by the State agencies or officials with jurisdiction over the provisions or regulations that would be waived.

[SEC. 502. WAIVER AUTHORITY OF SECRETARY OF EDUCATION.

[(a) WAIVER AUTHORITY.—

[(1) IN GENERAL.—Except as provided in subsection (c), the Secretary of Education may waive any requirement under any provision of law referred to in subsection (b), or of any regulation issued under such provision, for a State that requests such a waiver and has an approved State plan—

[(A) if, and only to the extent that, the Secretary of Education determines that such requirement impedes the ability of the State or a local partnership to carry out the purposes of this Act;

[(B) if the State provides the Secretary of Education with documentation of the necessity for the waiver, including information concerning—

[(i) the specific requirement that will be waived;

[(ii) the specific positive outcomes expected from the waiver and why those outcomes cannot be achieved while complying with the requirement;

[(iii) the process that will be used to monitor the progress of the State or local partnership in implementing the waiver; and

[(iv) such other information as the Secretary of Education may require;

[(C) if the State waives, or agrees to waive, similar requirements of State law; and

[(D) if the State—

[(i) has provided all local partnerships that carry out programs under this Act, and local educational agencies participating in such a local partnership, in the State with notice and an opportunity to comment on the proposal of the State to seek a waiver;

[(ii) provides, to the extent feasible, to students, parents, advocacy and civil rights groups, and labor and business organizations an opportunity to comment on the proposal of the State to seek a waiver; and

[(iii) has submitted the comments of the local partnerships and local educational agencies to the Secretary of Education.

[(2) APPROVAL OR DISAPPROVAL.—The Secretary of Education shall promptly approve or disapprove any request submitted pursuant to paragraph (1) and shall issue a decision that shall—

[(A) include the reasons for approving or disapproving the request, including a response to comments on the proposal; and

[(B) in the case of a decision to approve the request, be disseminated by the State seeking the waiver to interested parties, including educators, parents, students, advocacy and civil rights organizations, labor and business organizations, and the public.

[(3) APPROVAL CRITERIA.—In approving a request under paragraph (2), the Secretary of Education shall consider the amount of State resources that will be used to implement the approved State plan.

[(4) TERM.—Each waiver approved pursuant to this subsection shall be for a period not to exceed 5 years, except that the Secretary of Education may extend such period if the Secretary of Education determines that the waiver has been effective in enabling the State or local partnership to carry out the purposes of this Act.

[(b) INCLUDED PROGRAMS.—The provisions subject to the waiver authority of this section are—

[(1) chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.), including the

Even Start programs carried out under part B of such chapter (20 U.S.C. 2741 et seq.);

[(2) part A of chapter 2 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2921 et seq.);

[(3) part A of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2981 et seq.);

[(4) part D of title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3121 et seq.);

[(5) title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3171 et seq.); and

[(6) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

[(c) WAIVERS NOT AUTHORIZED.—The Secretary of Education may not waive any requirement of any provision referred to in subsection (b), or of any regulation issued under such provision, relating to—

[(1) the basic purposes or goals of such provision;

[(2) maintenance of effort;

[(3) comparability of services;

[(4) the equitable participation of students attending private schools;

[(5) student and parental participation and involvement;

[(6) the distribution of funds to State or local educational agencies;

[(7) the eligibility of an individual for participation in a program under such provision;

[(8) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

[(9) prohibitions or restrictions relating to the construction of buildings or facilities.

[(d) TERMINATION OF WAIVERS.—The Secretary of Education shall periodically review the performance of any State, local partnership, or local educational agency, for which the Secretary of Education has granted a waiver under this section and shall terminate the waiver under this section if the Secretary of Education determines that the performance of the State, local partnership, or local educational agency that is affected by the waiver has been inadequate to justify a continuation of the waiver, or the State fails to waive similar requirements of State law as required or agreed to in accordance with subsection (a)(1)(C).

[SEC. 503. WAIVER AUTHORITY OF SECRETARY OF LABOR.

[(a) WAIVER AUTHORITY.—

[(1) IN GENERAL.—Except as provided in subsection (b), the Secretary of Labor may waive any requirement under any provision of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), or of any regulation issued under such provision, for a State that requests such a waiver and has an approved State plan—

[(A) if, and only to the extent that, the Secretary of Labor determines that such requirement impedes the ability of the State or a local partnership to carry out the purposes of this Act;

[(B) if the State provides the Secretary of Labor with documentation of the necessity for the waiver, including information concerning—

[(i) the specific requirement that will be waived;

[(ii) the specific positive outcomes expected from the waiver and why those outcomes cannot be achieved while complying with the requirement;

[(iii) the process that will be used to monitor the progress of the State or local partnership in implementing the waiver; and

[(iv) such other information as the Secretary of Labor may require;

[(C) if the State waives, or agrees to waive, similar requirements of State law; and

[(D) if the State—

[(i) has provided all local partnerships that carry out programs under this Act in the State with notice and an opportunity to comment on the proposal of the State to seek a waiver;

[(ii) provides, to the extent feasible, to students, parents, advocacy and civil rights groups, and labor and business organizations an opportunity to comment on the proposal of the State to seek a waiver; and

[(iii) has submitted the comments of the local partnerships to the Secretary of Labor.

[(2) APPROVAL OR DISAPPROVAL.—The Secretary of Labor shall promptly approve or disapprove any request submitted pursuant to paragraph (1) and shall issue a decision that shall—

[(A) include the reasons for approving or disapproving the request, including a response to comments on the proposal; and

[(B) in the case of a decision to approve the request, be disseminated by the State seeking the waiver to interested parties, including educators, parents, students, advocacy and civil rights organizations, labor and business organizations, and the public.

[(3) APPROVAL CRITERIA.—In approving a request under paragraph (2), the Secretary of Labor shall consider the amount of State resources that will be used to implement the approved State plan.

[(4) TERM.—Each waiver approved pursuant to this subsection shall be for a period not to exceed 5 years, except that the Secretary of Labor may extend such period if the Secretary of Labor determines that the waiver has been effective in enabling the State or local partnership to carry out the purposes of this Act.

[(b) WAIVERS NOT AUTHORIZED.—The Secretary of Labor may not waive any requirement under any provision of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), or of any regulation issued under such provision, relating to—

[(1) the basic purposes or goals of such provision;

[(2) maintenance of effort;

[(3) the distribution of funds;

[(4) the eligibility of an individual for participation in a program under such provision;

[(5) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

[(6) prohibitions or restrictions relating to the construction of buildings or facilities.

[(c) TERMINATION OF WAIVERS.—The Secretary of Labor shall periodically review the performance of any State or local partnership for which the Secretary of Labor has granted a waiver under this section and shall terminate the waiver under this section if the Secretary of Labor determines that the performance of the State or local partnership affected by the waiver has been inadequate to justify a continuation of the waiver, or the State fails to waive similar requirements of State law as required or agreed to in accordance with subsection (a)(1)(C).

[SEC. 504. COMBINATION OF FEDERAL FUNDS FOR HIGH POVERTY SCHOOLS.

[(a) IN GENERAL.—

[(1) PURPOSES.—The purposes of this section are—

[(A) to integrate activities under this Act with school-to-work activities carried out under other Acts; and

[(B) to maximize the effective use of resources.

[(2) COMBINATION OF FUNDS.—To carry out such purposes, a local partnership that receives assistance under title II or III may carry out schoolwide school-to-work activities in schools that meet the requirements of subparagraphs (A) and (B) of section 263(g)(1) of the Job Training Partnership Act (29 U.S.C. 1643(g)(1) (A) and (B)) with funds obtained by combining—

[(A) Federal funds under this Act; and

[(B) other Federal funds made available from among programs under—

[(i) the provisions of law listed in paragraphs (2) through (6) of section 502(b); and

[(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.).

[(b) USE OF FUNDS.—A local partnership may use the Federal funds combined under subsection (a) under the requirements of this Act, except that the provisions relating to the matters specified in paragraphs (1) through (6) and paragraphs (8) and (9) of section 502(c), and paragraphs (1) through (3) and paragraphs (5) and (6) of section 503(b), 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.

[(c) ADDITIONAL INFORMATION IN APPLICATION.—A local partnership seeking to combine funds under subsection (a) shall include in the application of the local partnership under title II or III—

[(1) a description of the funds the local partnership proposes to combine under the requirements of this Act;

[(2) the activities to be carried out with such funds;

[(3) the specific outcomes expected of participants in schoolwide school-to-work activities; and

[(4) such other information as the State, or Secretaries, as the case may be, may require.

[(d) PROVISION OF INFORMATION.—The local partnership shall, to the extent feasible, provide information on the proposed combination of Federal funds under subsection (a) to educators, parents, students, advocacy and civil rights organizations, labor and business organizations, and the public.

[SEC. 505. COMBINATION OF FEDERAL FUNDS BY STATES FOR SCHOOL-TO-WORK ACTIVITIES.

[(a) IN GENERAL.—

[(1) PURPOSES.—The purposes of this section are—

[(A) to integrate activities under this Act with State school-to-work activities carried out under other Acts; and

[(B) to maximize the effective use of resources.

[(2) COMBINATION OF FUNDS.—To carry out such purposes, a State that has an approved State plan may carry out activities necessary to develop and implement a statewide School-to-Work Opportunities system with funds obtained by combining—

[(A) Federal funds under this Act; and

[(B) other Federal funds that are made available under—

[(i) section 102(a)(3) of the Carl D. Perkins Vocational Education and Applied Technology Education Act (20 U.S.C. 2312(a)(3));

[(ii) section 202(c)(1)(C) or section 262(c)(1)(C) of the Job Training Partnership Act (29 U.S.C. 1602(c)(1)(C) or 1642(c)(1)(C));

[(iii) section 202(c)(1)(B) of the Job Training Partnership Act that would otherwise be available for the purposes described in section 202(c)(3) of such Act; or

[(iv) section 262(c)(1)(B) of the Job Training Partnership Act that would otherwise be available for the purposes described in section 262(c)(3) of such Act.

[(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 the matters specified in section 502(c), and section 503(b), 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.

[(c) ADDITIONAL INFORMATION IN APPLICATION.—A State seeking to combine funds under subsection (a) shall include in the application described in section 213—

[(1) a description of the funds the State proposes to combine under the requirements of this Act;

[(2) the activities to be carried out with such funds;

[(3) the specific outcomes expected of participants in school-to-work activities;

[(4) formal evidence of support for the request by the State agencies or officials with jurisdiction over the funds that would be combined; and

[(5) such other information as the Secretaries may require.

[(d) EXTENSION.—The authority of a State to combine funds under this section shall not exceed 5 years, except that the Sec-

retaries may extend such period if the Secretaries determine that an extension of such authority would further the purposes of this Act.

[(e) LIMITATION.—Nothing in this section shall be construed to relieve a State of an obligation to conduct the activities required under section 201(b) of the Carl D. Perkins Vocational Education and Applied Technology Education Act.

[TITLE VI—GENERAL PROVISIONS

[SEC. 601. REQUIREMENTS.

[The following requirements shall apply to programs under this Act:

[(1) PROHIBITION ON DISPLACEMENT.—No student participating in such a program shall displace any currently employed worker (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits).

[(2) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—No such program shall impair existing contracts for services or collective bargaining agreements, and no such program that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

[(3) PROHIBITION ON REPLACEMENT.—No student participating in such a program shall be employed or fill a job—

[(A) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or any substantially equivalent job with the participating employer; or

[(B) 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 with the student.

[(4) WORKPLACES.—Students participating in such programs shall be provided with adequate and safe equipment and safe and healthful workplaces in conformity with all health and safety requirements of Federal, State, and local law.

[(5) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, ethnicity, national origin, gender, age, or disability, or to modify or affect any right to enforcement of this Act that may exist under other Federal laws, except as expressly provided by this Act.

[(6) PROHIBITION CONCERNING WAGES.—Funds appropriated under authority of this Act shall not be expended for wages of students or workplace mentors participating in such programs.

[(7) OTHER REQUIREMENTS.—The Secretaries shall establish such other requirements as the Secretaries may determine to be appropriate, in order to ensure that participants in programs under this Act are afforded adequate supervision by

skilled adult workers, or to otherwise further the purposes of this Act.

[SEC. 602. SANCTIONS.

[(a) TERMINATION OR SUSPENSION OF ASSISTANCE.—

[(1) IN GENERAL.—The Secretaries may terminate or suspend any financial assistance under this Act, in whole or in part, or not make payments under a grant awarded under this Act, if the Secretaries determine that a recipient has failed to meet any requirements of this Act, including—

[(A) reporting requirements under section 402(c);

[(B) regulations under this Act; or

[(C) requirements of an approved State plan.

[(2) NOTICE AND OPPORTUNITY FOR HEARING.—If the Secretaries terminate or suspend such financial assistance, or do not make such payments under paragraph (1), with respect to a recipient, then the Secretaries shall provide—

[(A) prompt notice to such recipient; and

[(B) the opportunity for a hearing to such recipient not later than 30 days after the date on which such notice is provided.

[(b) NONDELEGATION.—The Secretaries shall not delegate any of the functions or authority specified in this section, other than to an officer whose appointment is required to be made by and with the advice and consent of the Senate.

[SEC. 603. STATE AUTHORITY.

[Nothing in this Act shall be construed to negate or supersede the legal authority, under State law or other applicable law, of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official. Nothing in this Act shall be construed to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law.

[SEC. 604. PROHIBITION ON FEDERAL MANDATES, DIRECTION, AND CONTROL.

[Nothing in this Act shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State's, local educational agency's, or school's curriculum, program of instruction, or allocation of State or local resources or mandate a State or any subdivision thereof to spend any funds or incur any costs not paid for under this Act.

[SEC. 605. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—There are authorized to be appropriated to the Secretaries to carry out this Act $300,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996 through 1999.

[(b) RESERVATIONS.—From amounts appropriated under subsection (a) for any fiscal year, the Secretaries—

[(1) shall reserve not more than ½ of 1 percent of such amounts for such fiscal year to provide grants under sections 202 and 212 to the jurisdictions described in section 202(b);

[(2) shall reserve not more than ½ of 1 percent of such amounts for such fiscal year to provide grants under subtitle C of title II to establish and carry out School-to-Work Opportu-

nities programs for Indian youths that involve Bureau funded schools (as defined in section 1139(3) of the Education Amendments of 1978 (25 U.S.C. 2019(3)));

[(3) shall reserve 10 percent of such amounts for such fiscal year to provide grants under section 302(b) to local partnerships located in high poverty areas, which reserved funds may be used in conjunction with funds available under the Youth Fair Chance Program set forth in part H of title IV of the Job Training Partnership Act (29 U.S.C. 1782 et seq.); and

[(4)(A) shall reserve 2.5 percent of such amounts for such fiscal year to carry out section 404; and

[(B) shall reserve not more than an additional 5 percent of such amounts for such fiscal year to carry out other activities under title IV, and activities under sections 214(d) and 303(d).

[(c) AVAILABILITY OF FUNDS.—Funds appropriated for any fiscal year for programs authorized under this Act shall remain available until expended.

[TITLE VII—OTHER PROGRAMS

[Subtitle A—Reauthorization of Job Training for the Homeless Demonstration Program Under the Stewart B. McKinney Homeless Assistance Act

[SEC. 701. REAUTHORIZATION.

[(a) IN GENERAL.—Section 739(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11449(a)) is amended by striking "the following amounts:" and all that follows and inserting "such sums as may be necessary for each of the fiscal years 1994 and 1995.".

[(b) CONFORMING AMENDMENT.—Section 741 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11450) is amended by striking "1993" and inserting "1995".

[Subtitle B—Tech-Prep Programs

[SEC. 711. TECH-PREP EDUCATION.

[(a) CONTENTS OF PROGRAM.—Section 344(b)(2) of the Tech-Prep Education Act (20 U.S.C. 2394b(b)(2)) is amended by inserting "or 4 years" before "of secondary school".

[(b) SPECIAL CONSIDERATION; PRIORITY.—Section 345(d)(2) of the Tech-Prep Education Act (20 U.S.C. 2394c(d)(2)) is amended to read as follows:

["(2) are developed in consultation with business, industry, labor unions, and institutions of higher education that award baccalaureate degrees; and".

[Subtitle C—Alaska Native Art and Culture

[SEC. 721. SHORT TITLE.

[This title may be cited as the "Alaska Native Culture and Arts Development Act".

[SEC. 722. ALASKA NATIVE ART AND CULTURE.

[Part B of title XV of the Higher Education Amendments of 1986 (20 U.S.C. 4441 et seq.) is amended—

[(1) in the part heading, to read as follows:

["PART B—NATIVE HAWAIIANS AND ALASKA NATIVES";

and

[(2) in section 1521, to read as follows:

["SEC. 1521. PROGRAM FOR NATIVE HAWAIIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT.

["(a) IN GENERAL.—The Secretary of the Interior is authorized to make grants for the purpose of supporting programs for Native Hawaiian or Alaska Native culture and arts development to any private, nonprofit organization or institution which—

["(1) primarily serves and represents Native Hawaiians or Alaska Natives, and

["(2) has been recognized by the Governor of the State of Hawaii or the Governor of the State of Alaska, as appropriate, for the purpose of making such organization or institution eligible to receive such grants.

["(b) PURPOSE OF GRANTS.—Grants made under subsection (a) shall, to the extent deemed possible by the Secretary and the recipient of the grant, be used—

["(1) to provide scholarly study of, and instruction in, Native Hawaiian or Alaska Native art and culture,

["(2) to establish programs which culminate in the awarding of degrees in the various fields of Native Hawaiian or Alaska Native art and culture, or

["(3) to establish centers and programs with respect to Native Hawaiian or Alaska Native art and culture that are similar in purpose to the centers and programs described in subsections (b) and (c) of section 1510.

["(c) MANAGEMENT OF GRANTS.—

["(1) Any organization or institution which is the recipient of a grant made under subsection (a) shall establish a governing board to manage and control the program with respect to which such grant is made.

["(2) For any grants made with respect to Native Hawaiian art and culture, the members of the governing board which is required to be established under paragraph (1) shall—

["(A) be Native Hawaiians or individuals widely recognized in the field of Native Hawaiian art and culture,

["(B) include a representative of the Office of Hawaiian Affairs of the State of Hawaii,

["(C) include the president of the University of Hawaii,

["(D) include the president of the Bishop Museum, and

[“(E) serve for a fixed term of office.

[“(3) For any grants made with respect to Alaska Native art and culture, the members of the governing board which is required to be established under paragraph (1) shall—

[“(A) include Alaska Natives and individuals widely recognized in the field of Alaska Native art and culture,

[“(B) represent the Eskimo, Indian and Aleut cultures of Alaska, and

[“(C) serve for a fixed term.”.

[Subtitle D—Job Training

[SEC. 731. AMENDMENT TO JOB TRAINING PARTNERSHIP ACT TO PROVIDE ALLOWANCES FOR CHILD CARE COSTS TO CERTAIN INDIVIDUALS PARTICIPATING IN THE JOB CORPS.

[Section 429 of the Job Training Partnership Act (29 U.S.C. 1699) is amended by adding at the end the following new subsection:

[“(e) In addition to child care assistance provided under section 428(e), the Secretary shall provide enrollees who otherwise could not participate in the Job Corps with allowances to pay for child care costs, such as food, clothing, and health care for the child. Allowances under this subsection may only be provided during the first 2 months of an enrollee’s participation in the program and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C)).”.

[TITLE VIII—TECHNICAL PROVISIONS

[SEC. 801. EFFECTIVE DATE.

[This Act shall take effect on the date of enactment of this Act.

[SEC. 802. SUNSET.

[The authority provided by this Act shall terminate on October 1, 2001.]

ADULT EDUCATION ACT

[TITLE III—ADULT EDUCATION PROGRAMS

[SEC. 301. SHORT TITLE.

[This title may be cited as the "Adult Education Act".

[PART A—BASIC PROGRAM PROVISIONS

[SEC. 311. STATEMENT OF PURPOSE.

[It is the purpose of this title to assist the States to improve educational opportunities for adults who lack the level of literacy skills requisite to effective citizenship and productive employment, to expand and improve the current system for delivering adult education services including delivery of such services to educationally disadvantaged adults, and to encourage the establishment of adult education programs that will—

[(1) enable these adults to acquire the basic educational skills necessary for literate functioning;

[(2) provide these adults with sufficient basic education to enable them to benefit from job training and retraining programs and obtain and retain productive employment so that they might more fully enjoy the benefits and responsibilities of citizenship; and

[(3) enable adults who so desire to continue their education to at least the level of completion of secondary school.

[SEC. 312. DEFINITIONS.

[As used in this title—

[(1) The term "adult" means an individual who has attained 16 years of age or who is beyond the age of compulsory school attendance under State law, except that for the purpose of section 313(b), the term "adult" means an individual 16 years of age or older.

[(2) The term "adult education" means services or instruction below the college level for adults—

[(A) who are not enrolled in secondary school;

[(B) who lack sufficient mastery of basic educational skills to enable them to function effectively in society or who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education;

[(C) who are not currently required to be enrolled in school; and

[(D) whose lack of mastery of basic skills results in an inability to speak, read, or write the English language which constitutes a substantial impairment of their ability

to get or retain employment commensurate with their real ability, and thus are in need of programs to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others.

[(3) The term "educationally disadvantaged adult" means an adult who—

[(A) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

[(B) 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.

[(4) The term "community school program" is a program in which a public building, including but not limited to a public elementary or secondary school or a community or junior college, is used as a community center operated in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, cultural, and other related community services for the community which the center serves in accordance with the needs, interest, and concerns of that community.

[(5) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools, except that, if there is a separate board or other legally constituted local authority having administrative control and direction of adult education in public schools therein, such term means such other board or authority.

[(6) The term "Secretary" means the Secretary of Education.

[(7) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658), the Northern Mariana Islands, and the Virgin Islands.

[(8) 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 and secondary schools, or, if there is a separate State agency or officer primarily responsible for supervision of adult education in public schools, then such agency or officer may be designated for the purpose of this title by the Governor or by State law. If no agency or officer qualifies under the preceding sentence, such term shall mean an appropriate agency or officer designated for the purposes of this title by the Governor.

[(9) The term "academic education" means the theoretical, the liberal, the speculative, and classical subject matter found to compose the curriculum of the public secondary school.

[(10) The term "institution of higher education" means any such institution as defined by section 481 of the Higher Education Act of 1965.

[(11) The term "individual of limited English proficiency" means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

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

[(B) who lives in a family or community environment where a language other than English is the dominant language.

[(12) The term "out-of-school youth" means an individual who is under 16 years of age and beyond the age of compulsory school attendance under State law who has not completed high school or the equivalent.

[(13) The term "English literacy program" means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

[(14) The term "community-based organization" means a private nonprofit organization which is representative of a community or significant segments of a community and which provides education, vocational education or rehabilitation, job training, or internship services and programs and includes neighborhood groups and organizations, community action agencies, community development corporations, union-related organizations, employer-related organizations, tribal governments, and organizations serving Native Alaskans and Indians.

[(15) The term "private industry council" means the private industry council established under section 102 of the Job Training Partnership Act.

[SEC. 313. AUTHORIZATION OF APPROPRIATIONS; ALLOTMENTS.

[(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for the fiscal year 1991, $260,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995 to carry out the provisions of this title (other than sections 371 and 372).

[(b) ALLOTMENT.—From the sums available for the purposes of section 311 for any fiscal year, the Secretary shall allot (1) $100,000 each to Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau, and (2) $250,000 to each of the other States. From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the number of adults who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools of such State bears to the number of such adults in all States.

[(c) REALLOTMENT.—The portion of any State's allotment under subsection (b) for a fiscal year which the Secretary determines will not be required for the period such allotment is available for carrying out the State plan approved under this title shall be available for reallotment from time to time, on such dates during such period

as the Secretary shall fix, to other States in proportion to the original allotments to such States under subsection (b) for such year, but with such proportionate amount for any of such other State being reduced to the extent it exceeds the sum which the Secretary estimates such State needs and will be able to use for such period for carrying out its State plan approved under this title, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount allotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (b) for such year.

[(d) RESERVATION OF FUNDS FOR NATIONAL PROGRAMS.—For any fiscal year, if the amount appropriated to carry out the purposes of this title exceeds $108,000,000, not more than $3,000,000 of such amount shall be reserved to carry out the programs described in part D, relating to national programs.

[PART B—STATE PROGRAMS

[Subpart 1—Basic State Grants

[SEC. 321. BASIC GRANTS.

[From the sums allotted to States for this subpart pursuant to section 313, the Secretary is authorized to make grants to States to assist them in funding adult education programs, services, and activities carried out by eligible recipients to achieve the purposes of this title.

[SEC. 322. USE OF FUNDS; LOCAL APPLICATIONS.

[(a) USE OF FUNDS.—

[(1) Grants to States under this subpart shall be used in accordance with State plans (and amendments thereto) approved under sections 341 and 351, to pay the Federal share of the cost of the establishment or expansion of adult education programs to be carried out by local educational agencies, correctional education agencies, community-based organizations, public or private nonprofit agencies, postsecondary educational institutions, and other institutions that have the ability to provide literacy services to adults and families. Each State educational agency receiving financial assistance under this subpart shall provide assurance that local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, postsecondary educational institutions, and institutions which serve educationally disadvantaged adults will be provided direct and equitable access to all Federal funds provided under this subpart. Failure to provide the assurance required by the preceding sentence shall disqualify a State from receiving its allotment under this title. In determining which programs shall receive assistance under this paragraph, the State 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 the 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 that are most in need of literacy services.

[(2) Grants to States provided under this section may also be used to carry out programs by a consortium which includes a for-profit agency, organization, or institution if such agency, organization, or institution can make a significant contribution to attaining the objectives of this Act. Whenever the establishment or expansion of programs includes a for-profit agency, organization, or institution, as part of a consortium, a contract with such agency, organization, or institution, for the establishment or expansion of such programs shall be entered into by the public or private nonprofit agency, institution, or organization.

[(3)(A) Grants to States provided under this section shall also be used for competitive 2-year grants to public housing authorities for literacy programs and related activities. Any public housing authority that receives a grant under this subparagraph shall consult with local adult education providers in conducting programs and activities with assistance provided under the grant. Any grant provided under this subparagraph shall be referred to as a "Gateway Grant".

[(B) The Secretary shall, not less often than every 2 years, evaluate any grants made under this paragraph and report the results of such evaluation to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

[(4) Such application shall contain such information as the State educational agency considers necessary, including a description of current programs, activities, and services receiving assistance from Federal, State, and local sources; the projected goals of the applicant with respect to participant recruitment, retention, and educational achievement and how the applicant will measure and report progress in meeting its goals; cooperative arrangements (including arrangements with business, industry, and volunteer literacy organizations as appropriate) that have been made to deliver services to adults as well as assurances that adult educational programs, services, or activities provided under this title are coordinated with and not duplicative of services, programs, or activities made available to adults under other Federal, State, and local programs, including the Job Training Partnership Act, the Carl D. Perkins Vocational and Applied Technology Education Act, the Rehabilitation Act of 1973, the Individuals with Disabilities Education Act, title IX of the Elementary and Secondary Education Act of 1965, the Higher Education Act of 1965, and the Domestic Volunteer Service Act.

[(5) The State educational agency shall give preference to those applicants who have demonstrated or can demonstrate a capability to recruit and serve educationally disadvantaged adults, particularly in areas with a high proportion of adults

who do not have a certificate of graduation from a school providing secondary education or its equivalent.

[(b) LIMITATIONS ON USE OF FUNDS.—

[(1) Not less than 10 percent of the funds paid to a State under subsection (a) shall be used for corrections education and education for other institutionalized individuals in accordance with subpart 2.

[(2) Not more than 20 percent of a State's allotment shall be used for programs of equivalency for a certificate of graduation from a secondary school.

[SEC. 323. LOCAL ADMINISTRATIVE COST LIMITS.

[(a) Of the funds provided by the State agency to eligible recipients, at least 95 percent must be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

[(b) In cases where the administrative cost limits under subsection (a) would be insufficient for adequate planning, administration, evaluation, and coordination of programs supported under this Act, the State agency shall negotiate with the local grant recipient in order to determine an adequate level of funds to be used for noninstructional purposes.

[Subpart 2—Programs for Corrections Education and Education for Other Institutionalized Individuals

[SEC. 326. PROGRAM AUTHORIZED.

[Funds set aside under section 322(b)(1) by a State shall be used for the cost of educational programs for criminal offenders in corrections institutions and for other institutionalized individuals, including—

[(1) academic programs for—

[(A) basic education with special emphasis on reading, writing, vocabulary, and arithmetic;

[(B) special education programs as defined by State law;

[(C) bilingual or English as a second language programs; and

[(D) secondary school credit programs;

[(2) vocational training programs;

[(3) library development and library service programs;

[(4) corrections education programs, training for teacher personnel specializing in corrections education, particularly courses in social education, basic skills instruction, and abnormal psychology;

[(5) guidance and counseling programs;

[(6) supportive services for criminal offenders, with special emphasis on the coordination of educational services with agencies furnishing services to criminal offenders after their release; and

[(7) cooperative programs with educational institutions, community-based organizations of demonstrated effectiveness, and the private sector, designed to provide education and training.

[(b) As used in this section, the term—

[(1) "criminal offender" means any individual who is charged with or convicted of any criminal offense; and

[(2) "correctional institution" means any—

[(A) prison,

[(B) jail,

[(C) reformatory,

[(D) work farm,

[(E) detention center, or

[(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

[Subpart 3—State Administrative Responsibilities

[SEC. 331. STATE ADMINISTRATION.

[(a) STATE AGENCY RESPONSIBILITIES.—Any State desiring to participate in the programs authorized by this title shall designate the State educational agency to be the sole State agency responsible for the administration and supervision of such programs. The responsibilities of the State agency shall include—

[(1) the development, submission, and implementation of the State application and plan and any amendments thereto (pursuant to sections 342 and 351), and the State evaluation (pursuant to section 352);

[(2) within 2 years of the enactment of the National Literacy Act of 1991, the development and implementation, in consultation with a widely representative group of appropriate experts, educators, and administrators, of indicators of program quality to be used to evaluate programs assisted under this title, as required by section 352, to determine whether such programs are effective, including whether such programs are successfully recruiting, retaining, and improving the literacy skills of the individuals served in such programs;

[(3) consultation with the State advisory council established pursuant to section 332, and other appropriate agencies, groups, and individuals involved in the planning, administration, evaluation, and coordination of programs funded under this title; and

[(4) the assignment of such personnel as may be necessary for State administration of programs under this title.

[(b) STATE IMPOSED REQUIREMENTS.—Whenever any State imposes any rule or policy relating to the administration and operation of programs funded by this title (including any rule or policy based on State interpretation of any Federal law, regulation, or guideline) the rule or policy shall be identified as a State imposed requirement.

[(c) LIMITATION ON STATE ADMINISTRATIVE COSTS.—Effective for fiscal years beginning after September 30, 1990, a State educational agency may use no more than 5 percent of the State's grant or $50,000, whichever is greater, to pay the cost of its administration of the State's program.

[SEC. 332. STATE ADVISORY COUNCIL ON ADULT EDUCATION AND LITERACY.

[(a) REQUIREMENT.—(1) Any State may designate a body, or establish a new body if there is no suitable existing body, to act as a State advisory council on adult education and literacy, appointed by, and responsible to, the Governor. The membership of the State advisory council shall be broadly representative of citizens and groups within the State having an interest in adult education and literacy, and shall consist of—

[(i) representatives of public education;

[(ii) representatives of public and private sector employment;

[(iii) representatives of recognized State labor organizations;

[(iv) representatives of private literacy organizations, voluntary literacy organizations, and community-based literacy organizations;

[(v) the chief administrative officer of a State, or the designee of such officer;

[(vi) representatives of—

[(I) the State educational agency;

[(II) the State job training agency;

[(III) the State human services agency;

[(IV) the State public assistance agency;

[(V) the State library program; and

[(VI) the State economic development agency;

[(vii) officers of the State government whose agencies provide funding for literacy services or who may be designated by the Governor or the Chairperson of the council to serve whenever matters within the jurisdiction of the agency headed by such an officer are to be considered by the council; and

[(viii) classroom teachers who have demonstrated outstanding results in teaching children or adults to read.

[(2) A State which elects to designate or establish a State advisory council available for this subsection may use funds under this subpart for the purposes of this subsection.

[(b) REPRESENTATION ON COUNCIL.—The State shall ensure that there is appropriate representation on the State advisory council of urban as well as rural areas, of women, persons with handicaps, and racial and ethnic minorities.

[(c) CERTIFICATION.—The State shall certify the establishment and membership of the State advisory council to the Secretary prior to the beginning of any fiscal year in which the State desires to receive a grant under this title.

[(d) PROCEDURES.—(1) Subject to paragraphs (2) and (3), the State advisory council shall determine its own procedures, staffing needs (subject to funding levels authorized by the chief executive officer of the State), and the number, time, place, and conduct of meetings.

[(2) The State advisory council shall meet at least 4 times each year. At least 1 such meeting shall provide an opportunity for the general public to express views concerning adult education in the State.

[(3) One member more than one-half of the members on the council shall constitute a quorum for the purpose of transmitting recommendations and proposals to the chief executive officer of the State, but a lesser number of members may constitute a quorum for other purposes.

[(e) TERMS.—Members shall be appointed for fixed and staggered terms and may serve until their successors are appointed. Any vacancy in the membership of the council shall be filled in the same manner as the original appointment. Any member of the council may be removed for cause in accordance with procedures established by the council.

[(f) DUTIES.—Each State advisory council shall—

[(1) meet with the State agencies responsible for literacy training during the planning year to advise on the development of a State plan for literacy and for adult education that fulfills the literacy and adult education needs of the State, especially with respect to the needs of the labor market, economic development goals, and the needs of the individuals in the State;

[(2) advise the Governor, the State educational agency, and other State agencies concerning—

[(A) the development and implementation of measurable State literacy and adult education goals consistent with section 342(c)(2), especially with respect to—

[(i) improving levels of literacy in the State by ensuring that all appropriate State agencies have specific objectives and strategies for such goals in a comprehensive approach;

[(ii) improving literacy programs in the State; and

[(iii) fulfilling the long-term literacy goals of the State;

[(B) the coordination and monitoring of State literacy training programs in order to progress toward the long-term literacy goals of the State;

[(C) the improvement of the quality of literacy programs in the State by supporting the integration of services, staff training, and technology-based learning and the integration of resources of literacy programs conducted by various agencies of State government; and

[(D) private sector initiatives that would improve adult education programs and literacy programs, especially through public-private partnerships;

[(3) review and comment on the plan submitted pursuant to section 356(h) and submit such comments to the Secretary;

[(4) measure progress on meeting the goals and objectives established pursuant to paragraph (2)(A);

[(5) recommend model systems for implementing and coordinating State literacy programs for replication at the local level;

[(6) develop reporting requirements, standards for outcomes, performance measures, and program effectiveness in State programs, that are consistent with those proposed by the Interagency Task Force on Literacy; and

[(7)(A) approve the plan for evaluations required in section 352 and participate in the implementation and dissemination

of such evaluations, (B) advise the Governor, the State legislature, and the general public of the State of the findings of such evaluations, and (C) include in any report of such evaluations its comments and recommendations.

[Subpart 4—Planning and Applications

[SEC. 341. STATE PLAN AND APPLICATION.

[(a) REQUIREMENT.—Any State desiring to receive funds under this title shall submit to the Secretary, during the fiscal year 1989 and during each fourth fiscal year thereafter, a State plan and application for adult education (in one document) for the four fiscal years succeeding each fiscal year in which the State plan and application are submitted.

[(b) PROCEDURE FOR SUBMISSION AND CONSIDERATION.—Each State plan and application shall be submitted to the Secretary by July 1 preceding the beginning of the first fiscal year for which the plan is in effect. The Secretary shall approve, within 60 days, each such plan and application which is formulated in accordance with sections 342 and 343 and which meets the requirements of such sections, and shall not finally disapprove a State plan except after giving reasonable notice and an opportunity for a hearing to the State agency.

[(c) GEPA PROVISION.—Such document shall be considered to be the general application required to be submitted by the State for funds received under this Act for the purpose of the provisions of section 435 of the General Education Provisions Act.

[SEC. 342. FOUR-YEAR STATE PLAN.

[(a) PROCEDURES REQUIRED IN FORMULATING STATE PLAN.—(1) In formulating the State plan, the State agency shall meet with and utilize the State advisory council, if established pursuant to section 332 of this title.

[(2) The State agency shall conduct public hearings in the State, after appropriate and sufficient notice, for the purpose of affording all segments of the public, including groups serving educationally disadvantaged adults, and interested organizations and groups an opportunity to present their views and make recommendations regarding the State plan. A summary of such recommendations and the State agency's response shall be included with the State plan submitted to the Secretary.

[(3)(A) Not less than 60 days before submission of the State plan to the Secretary under section 341, the State agency shall simultaneously submit the proposed State plan to (i) the State Board or agency for vocational education, (ii) the State Job Training Coordinating Council under the Job Training Partnership Act, and (iii) the State Board responsible for postsecondary education for review and comment. Such comments (to the extent such comments are received in a timely fashion) and the State's response shall be included with the State plan submitted to the Secretary. The Secretary shall consider such comments in reviewing such plan.

[(B) Not less than 60 days before the submission of the State plan to the Secretary, such plan shall be submitted to the State advisory council (if such a council exists). Should the State advisory council find that it has substantial disagreement with the final

State plan, the Council may file timely objections with the State agency. The State agency shall respond to all substantial objections of the State advisory council in submitting such plan to the Secretary. The Secretary shall consider such comments in reviewing the State plan.

[(b) REQUIRED ASSESSMENTS.—In developing the 4-year State plan, each State shall (1) make a thorough assessment of (A) the needs of adults, including educationally disadvantaged adults, eligible to be served as well as adults proposed to be served and those served and (B) the capability of existing programs and institutions to meet those needs, and (2) state the changes and improvements required in adult education to fulfill the purposes of this title, and the options for implementing these changes and improvements.

[(c) COMPONENTS OF STATE PLAN.—Consistent with the assessments described in subsection (b) each such plan shall—

[(1) describe and provide for the fulfillment of the literacy needs of individuals in the State;

[(2) set forth measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State and describe a comprehensive approach for achieving such goals, including the development of indicators of program quality as required by section 331(a)(2);

[(3) describe the curriculum, equipment, and instruments that are being used by instruction personnel and indicate how current these elements are;

[(4) describe the means by which the delivery of adult education services will be significantly expanded (including efforts to reach typically underserved groups such as educationally disadvantaged adults, individuals with limited English proficiency and individuals with handicaps) through coordination by agencies, institutions, and organizations including the public school system, businesses, labor unions, libraries, institutions of higher education, public health authorities, employment or training programs, antipoverty programs, organizations providing assistance to the homeless, and community and voluntary organizations;

[(5) describe the means by which representatives of the public and private sector are involved in the development and implementation of the plan, especially in the expansion of the delivery of adult education services by cooperation and collaboration with those public and private agencies, institutions, and organizations;

[(6) describe specialized efforts to attract and assist meaningful participation in adult education programs through flexible course schedules, provision of auxiliary aids and services, convenient locations, adequate transportation, and meeting child care needs;

[(7) provide for the needs of persons with limited English proficiency (as defined in section 7004(a) of the Elementary and Secondary Education Act of 1965 or no English proficiency by providing adequate appropriate language assistance to the extent necessary to all such persons so they may progress effectively through adult education programs;

[(8) describe how the particular educational needs of adult immigrants, the incarcerated, persons with handicaps, the chronically unemployed, the homeless, the disadvantaged, and minorities will be addressed;

[(9) describe the progress the State has made in achieving the goals set forth in each State plan subsequent to the initial State plan;

[(10) set forth the criteria the State agency will use in approving applications by eligible recipients and allocating funds made available under this title to such recipients;

[(11) describe the methods proposed for the joint planning and coordination of programs carried out under this title with those conducted under applicable Federal and State programs, including the Carl D. Perkins Vocational Education Act of 1963, Even Start, the Job Training Partnership Act, the Rehabilitation Act of 1973, the Education of the Handicapped Act, the Immigration Reform and Control Act of 1986, the Higher Education Act of 1965, and the Domestic Volunteer Service Act, to assure maximum use of funds under these Acts and to avoid duplication of services;

[(12) describe the steps taken to utilize volunteers, particularly volunteers assigned to the Literacy Corps established under the Domestic Volunteer Service Act and volunteers trained in programs carried out by section 382 of this title, but only to the extent that such volunteers supplement and do not supplant salaried employees;

[(13) describe the measures to be taken to ensure that adult education programs, services, and activities assisted under this title will take into account the findings or program reviews and evaluations carried out pursuant to section 352;

[(14) report the amount of administrative funds spent on program improvements; and

[(15) contain assurances that financial assistance provided pursuant to this title shall be used to assist and expand existing programs and to develop new programs for adults whose lack of basic skills—

[(A) renders them unemployable;

[(B) keeps them, whether employed or unemployed, from functioning independently in society; and

[(C) severely reduces their ability to have a positive effect on the literacy of their children.

[(d) LIMITED ENGLISH PROFICIENCY RULE.—Programs conducted under subsection (c)(6) shall be designed to teach English to limited English proficient adults and, as appropriate, to allow such adults to progress effectively through the adult education program or to prepare them to enter the regular program of adult education as quickly as possible. Such programs may provide instruction in the native language, to the extent necessary, or may provide instruction exclusively in English, and shall be carried out in coordination with programs assisted under the Bilingual Education Act and with bilingual vocational education programs under the Carl D. Perkins Vocational Education Act.

[SEC. 343. STATE APPLICATIONS.

[The State application submitted pursuant to section 341 shall provide assurances—

[(1) that the State will provide such methods of administration as are necessary for the proper and efficient administration of this title;

[(2) that Federal funds made available under this title will be so used as to supplement the amount of State and local funds available for uses specified in this title, and in no case to supplant such State and local funds;

[(3) that the programs, services, and activities funded in accordance with the uses specified in section 322 are designed to expand or improve the quality of adult education programs including programs for educationally disadvantaged adults, to initiate new programs of high quality, or where necessary, to maintain programs;

[(4) that the State will provide such fiscal control and fundings accounting procedures as may be necessary to ensure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to eligible recipients under this title); and

[(5) that the State has instituted policies and procedures to ensure that copies of the State plan and all statements of general policy, rules, regulations, and procedures will be made available to the public.

[Subpart 5—Evaluation and State Plan Amendments

[SEC. 351. STATE PLAN AMENDMENTS.

[(a) TIMELY SUBMISSION.—When changes are necessary in a State plan, the State shall submit amendments to its plan by July 1 preceding the fiscal year of operation to which the amendments apply.

[(b) CONSIDERATION BY SECRETARY.—The Secretary shall approve, within 60 days of submission, State plan amendments which meet the requirements of this section, unless such amendments propose changes that are inconsistent with the requirements and purposes of this title. The Secretary shall not finally disapprove such amendments except after giving reasonable notice and an opportunity for hearing to the State agency.

[(c) TRANSITION RULE.—Upon a written request from a State, the Secretary shall approve an extension of 1 year, from June 30, 1988, to June 30, 1989, for the revision of any plan already approved under this section for the period July 1, 1985, through June 30, 1988.

[SEC. 352. EVALUATION.

[In order to assist grant recipients receiving funds under this title to plan and operate the best possible programs of adult education, each State agency during the 4-year period of the State plan shall—

[(1) annually submit to the Secretary and make public within the State data with respect to grant recipients, including—

[(A) the number and percentage of local educational agencies, community-based organizations, volunteer

groups, and other organizations that are grant recipients; and

[(B) results of the evaluations carried out as required by paragraph (2) in the year preceding the year for which the data is submitted;

[(2) evaluate 20 percent of the grant recipients each year so that at the end of such period 80 percent of all grant recipients shall have been evaluated once and such evaluations shall consider, at a minimum—

[(A) the projected goals of the grant recipient as described in its application pursuant to section 322(a)(3);

[(B) the planning and content of the program;

[(C) the curriculum, instructional materials, equipment, and qualifications of all personnel;

[(D) the success of the grant recipient in meeting the State's indicators of program quality after such indicators are developed as required by section 331(a)(2); and

[(E) other factors determined to affect program operation;

[(3) gather and analyze data (including standardized test data) to determine the extent to which the adult programs are achieving the goals set forth in the plan including the goal of serving educationally disadvantaged adults, and the extent to which grant recipients have improved their capacity to achieve the purposes of this title as set forth in section 311.

[Subpart 6—Demonstration Projects

[SEC. 353. SPECIAL EXPERIMENTAL DEMONSTRATION PROJECTS AND TEACHER TRAINING.

[(a) USE OF FUNDS.—Of the funds allotted to a State under section 313 for a fiscal year, not less than 15 percent shall be used for—

[(1) special projects which will be carried out in furtherance of the purposes of this title, which will be coordinated with other programs funded under this title and which—

[(A) involve the use of innovative methods (including methods for educating persons with handicaps, the homeless, and persons of limited English proficiency), systems, materials, or programs which may have national significance or will be of special value in promoting effective programs under this title, or

[(B) involve programs of adult education, including education for persons with handicaps, the homeless, and persons of limited English proficiency, which are part of community school programs, carried out in cooperation with other Federal, State, or local programs which have unusual promise in promoting a comprehensive or coordinated approach to the problems of persons with educational deficiencies;

[(2) training persons engaged, or preparing to engage, as personnel in programs designed to carry out the purposes of this title; and

[(3) training professional teachers, volunteers, and administrators, with particular emphasis on—

[(A) training—

[(i) full-time professional adult educators;

[(ii) minority adult educators;

[(iii) educators of adults with limited English proficiency; and

[(B) training teachers to recognize and more effectively serve illiterate individuals with learning disabilities and individuals who have a reading ability below the fifth grade level.

[(b) SPECIAL RULE.—At least ⅔ of the 15 percent reserved pursuant to subsection (a) shall be used to carry out the provisions of paragraphs (2) and (3) of subsection (a).

Subpart 7—State Literacy Resource Centers

[SEC. 356. STATE LITERACY RESOURCE CENTERS.

[(a) PURPOSE.—It is the purpose of this section to assist State and local public and private nonprofit efforts to eliminate illiteracy through a program of State literacy resource center grants to—

[(1) stimulate the coordination of literacy services,

[(2) enhance the capacity of State and local organizations to provide literacy services, and

[(3) serve as a reciprocal link between the National Institute for Literacy and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

[(b) ESTABLISHMENT.—From amounts appropriated pursuant to subsection (k), the Secretary is authorized to make grants for purposes of establishing a network of State or regional adult literacy resource centers.

[(c) ALLOTMENT.—(1) From sums available for purposes of making grants under this section for any fiscal year, the Secretary shall allot to each State having an approved application under subsection (h) an amount that bears the same ratio to such sums as the amount allotted to such State under section 313(b) for the purpose of making grants under section 321 bears to the aggregate amount allotted to all States under such section for such purpose.

[(2) 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, institution of higher education, or other nonprofit entity to operate a State 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 purchases 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) LIMITATION.—Not more than 10 percent of amounts received under any grant received under this section shall be used to purchase computer hardware or software.

[(g) SPECIAL RULE.—(1) Each State receiving funds pursuant to this section may not use more than 5 percent of such funds to establish a State advisory council on adult education and literacy (in this section referred to as the "State council") pursuant to section 332.

[(2) Each State receiving funds pursuant to this section may use such funds to support an established State council to the extent that such State council meets the requirements of section 332.

[(3) Each State receiving funds pursuant to this paragraph to establish or support a State council pursuant to section 332 shall provide matching funds on a dollar-for-dollar basis.

[(h) 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 Secretary an application that has been reviewed and commented on by the State council, where appropriate, and 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, service delivery areas under the Job Training Partnership Act, 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 342; 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.

[(i) PAYMENTS; FEDERAL SHARE.—(1) The Secretary shall pay to each State having an application approved pursuant to subsection (h) the Federal share of the cost of the activities described in the application.

[(2) 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) The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

[(j) REGIONAL CENTERS.—(1) 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) Any State that receives assistance under this section as part of a regional center shall only be required to provide under subsection (i) 50 percent of the funds such State would otherwise be required to provide under such subsection.

[(3) In any fiscal year in which the amount a State will receive under this section is less than $100,000, the Secretary may designate the State to receive assistance under this section only as part of a regional center.

[(4) The provisions of paragraph (3) shall not apply to any State that can demonstrate to the Secretary 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) In any fiscal year in which paragraph (2) applies, the Secretary 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.

[(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

[Subpart 8—Federal Share; Federal Administrative Responsibilities

[SEC. 361. PAYMENTS.

[(a) FEDERAL SHARE.—The Federal share of expenditures to carry out a State plan shall be paid from a State's allotment available for grants to that State. The Federal share shall be—

[(1) 90 percent of the cost of carrying out the State's programs for fiscal year 1988;

[(2) 85 percent of such cost for fiscal year 1990;

[(3) 80 percent of such cost for fiscal year 1991; and

[(4) 75 percent of such cost for fiscal year 1992 and for each fiscal year thereafter,

except that with respect to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau, the Federal share of such cost shall be 100 percent.

[(b) MAINTENANCE OF EFFORT.—(1) No payment may be made to any State from its allotment for any fiscal year unless the Secretary finds that the fiscal effort per student or the amount available for expenditure by such State for adult education from non-Federal sources for the second preceding fiscal year was not less than such fiscal effort per student or such amount available for expenditure for such purposes from such sources during the third preceding fiscal year.

[(2) The Secretary may waive the requirements of this subsection for 1 fiscal year only, upon 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.

[(c) FEDERAL RESPONSIBILITY.—Within 1 year after the enactment of the National Literacy Act of 1991, the Secretary, in consultation with appropriate experts, educators, and administrators, shall develop indicators of program quality that may be used by State and local programs receiving assistance under this title as models by which to judge the success of such programs, including

success in recruitment and retention of students and improvement in the literacy skills of students. Such indicators shall take into account different conditions under which programs operate and shall be modified as better means of assessing program quality are developed.

[PART C—WORKPLACE LITERACY AND ENGLISH LITERACY GRANTS

[SEC. 371. BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.

[(a) GRANTS FOR EXEMPLARY DEMONSTRATION PARTNERSHIPS FOR WORKPLACE LITERACY.—(1) Subject to subsection (b), the Secretary, in consultation with the Secretary of Labor and the Administrator of the Small Business Administration, shall make demonstration grants to exemplary education partnerships for workplace literacy to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

[(A) business, industry, labor organizations, or private industry councils; and

[(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

[(2) Grants under paragraph (1) may be used—

[(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (3); and

[(B) for administrative costs incurred by State educational agencies, local educational agencies, and other entities described in paragraph (1) that receive grants under this subsection in establishing programs funded under subparagraph (A).

[(3) Programs funded under paragraph (2)(A) shall be designed to improve the productivity of the workforce through improvement of literacy skills needed in the workplace by—

[(A) providing adult literacy and other basic skills services and activities;

[(B) providing adult secondary education services and activities which may lead to the completion of a high school diploma or its equivalent;

[(C) meeting the literacy needs of adults with limited English proficiency;

[(D) upgrading or updating basic skills of adult workers in accordance with changes in workplace requirements, technology, products, or processes;

[(E) improving the competency of adult workers in speaking, listening, reasoning, and problem solving; or

[(F) providing education counseling, transportation, and nonworking hours child care services to adult workers while they participate in a program funded under paragraph (2)(A).

[(4) An application to receive funding for a program out of a grant made to a partnership under this subsection shall—

[(A) be submitted jointly by—

[(i) a business, industry, or labor organization, or private industry council; and

[(ii) a State educational agency, local educational agency, institution of higher education, or school (including an area vocational school, an employment and training agency, or community-based organization);

[(B) set forth the respective roles of each member of the partnership;

[(C) contain such additional information as the Secretary may require, including evidence of the applicant's experience in providing literacy services to working adults;

[(D) describe the plan for carrying out the requirements of paragraph (3); and

[(E) provide assurances that the applicant will use the funds to supplement and not supplant funds otherwise available for the purpose of this section.

[(5) In awarding grants under this section, the Secretary shall give priority to applications from partnerships that include small businesses.

[(6) The Secretary is authorized to award grants under this section for a period not to exceed 3 years.

[(b) GRANTS TO STATES.—(1) Whenever in any fiscal year, appropriations under subsection (e) are equal to or exceed $50,000,000, the Secretary shall make grants to States which have State plans approved by the Secretary under section 342 to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

[(A) business, industry, or labor organizations, or private industry councils; and

[(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

[(2) Grants under paragraph (1) may be used—

[(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (4);

[(B) for administrative costs incurred by State educational agencies, local educational agencies, and other entities described in paragraph (1) that receive grants under this subsection in establishing programs funded under subparagraph (A); and

[(C) for costs incurred by State educational agencies in obtaining evaluations described in paragraph (3)(A)(iii).

[(3) A State shall be eligible to receive its allotment under paragraph (7)(B) if it—

[(A) includes in a State plan submitted to the Secretary under section 342 a description of—

[(i) the requirements for State approval of funding of a program;

[(ii) the procedures under which applications for such funding may be submitted; and

[(iii) the method by which the State shall obtain annual third-party evaluation of student achievement in, and overall effectiveness of services provided by, all programs

which receive funding out of a grant made to the State under this section; and

[(B) satisfies the requirements of section 306(a).

[(4) The program requirements set forth in subsection (a)(3) shall apply to the program authorized by this subsection.

[(5) An application to receive funding for a program from a grant made to a State under paragraph (1) shall contain the same information required in subparagraphs (A) through (E) of subsection (a)(4).

[(6) If a State is not eligible for a grant under paragraph (1) of this subsection, the Secretary shall use the State's allotment under paragraph (7) to make direct grants to applicants in that State who are qualified to teach literacy skills needed in the workplace.

[(7)(A) The Federal share of expenditures for programs in a State funded under this subsection shall be paid from a State's allotment under this paragraph.

[(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot to each State (as defined in section 312(7)) an amount proportionate to the amount such State receives under section 313.

[(C) At the end of each fiscal year, the portion of any State's allotment for that fiscal year which—

[(i) exceeds 10 percent of the total allotment for the State under paragraph (2) for the fiscal year; and

[(ii) remains unobligated;

shall be reallocated among the other States in the same proportion as each State's allocation for such fiscal year under paragraph (2).

[(c) GRANT FOR NATIONAL WORKFORCE LITERACY STRATEGIES.—(1) In any fiscal year in which amounts appropriated pursuant to the authorization contained in subsection (e) equal or exceed $25,000,000, the Secretary shall reserve not more than $5,000,000 to establish a program of grants to facilitate the design and implementation of national strategies to assist unions, unions in collaboration with programs eligible for assistance under this Act and businesses, and small- and medium-sized businesses to effectively provide literacy and basic skills training to workers.

[(2) Grants awarded under this subsection shall pay the Federal share of the cost of programs to establish large-scale national strategies in workforce literacy, which may include the following activities:

[(A) Basic skills training that is—

[(i) cost-effective;

[(ii) needed by employees; and

[(iii) required by employers to establish a trainable workforce that can take advantage of further job specific training and advance the productivity of the labor force on an individual, industry, or national level.

[(B) Specific program offerings, which may include—

[(i) English as a second language instruction;

[(ii) communications skill building;

[(iii) interpersonal skill building;

[(iv) reading and writing skill building; and

[(v) computation and problem solving.

[(C) Appropriate assessments of the literacy and basic skills needs of individual workers and the skill levels required by business.

[(D) Cooperative arrangements with other organizations involved in providing literacy and basic skills training, including adult education organizations, vocational education organizations, community and junior colleges, community-based organizations, State level agencies, and private industry councils.

[(E) The establishment as appropriate of technology-based learning environments, such as computer-based learning centers.

[(3) Any partnership described in subsection (a)(1) that desires to receive a grant under this subsection shall submit a proposal to the Secretary. The proposal shall contain a plan specifying a strategy for designing and implementing workforce literacy and basic skills training for workers, and justifying the national, statewide, or industry-wide importance of this strategy. The proposal shall include—

[(A) a demonstration of need for literacy and basic skills training;

[(B) a description of the business or industry for which the strategy is to be established;

[(C) a statement of specific, measurable goals and participant outcomes;

[(D) a strategy for achieving the goals, including a description of the process to identify literacy and basic skills required by employers and the skills of individual workers, and a description of the specific services to be provided; and

[(E) a description of the costs of the activities to be undertaken.

[(4) The Secretary shall develop a formal process for the submission of proposals and publish an announcement in the Federal Register with respect to that process and the availability of grants under this subsection.

[(5) The Federal share of the cost of a program assisted under this subsection shall not exceed 70 percent.

[(6) The Secretary shall give priority for grants under this subsection to proposals to carry out activities described in paragraph (2)(D).

[(7) In awarding grants under this subsection, the Secretary may consider geographic factors, such as rural and urban areas and national distribution.

[(8) Of the grants awarded under this subsection each year, not less than 5 shall each be for an amount that is not less than $500,000.

[(d) EVALUATION.—The Secretary shall reserve not more than 2 percent of any amount appropriated pursuant to the authorization contained in subsection (e) for the purpose of carrying out an independent evaluation of the effectiveness of programs assisted under this section in improving the literacy and basic skills of workers and the productivity of employees, including potential for the replicability or adaption of such programs.

[(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for purposes of carrying out this section

such sums as may be necessary for the fiscal year 1991, $60,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995.

[(2) No funds may be appropriated under paragraph (1) of this subsection for any fiscal year unless the appropriation for this Act (other than this part) for that year is equal to or greater than $110,000,000.

[(3) Amounts appropriated under this subsection shall remain available until expended.

[SEC. 372. ENGLISH LITERACY GRANTS.

[(a) GRANTS TO STATES.—(1) The Secretary may make grants to States which have State plans approved by the Secretary under section 342 for the establishment, operation, and improvement of English literacy programs for individuals of limited English proficiency. Such grants may provide for support services for program participants, including child care and transportation costs.

[(2) A State shall be eligible to receive a grant under paragraph (1) if the State includes in a State plan submitted to the Secretary under section 342 a description of—

[(A) the number of individuals of limited English proficiency in the State who need or could benefit from programs assisted under this chapter;

[(B) the activities which would be undertaken under the grant and the manner in which such activities will promote English literacy and enable individuals in the State to participate fully in national life;

[(C) how the activities described in subparagraph (B) will serve individuals of limited English proficiency, including the qualifications and training of personnel who will participate in the proposed activities;

[(D) the resources necessary to develop and operate the proposed activities and the resources to be provided by the State; and

[(E) the specific goals of the proposed activities and how achievement of these goals will be measured.

[(3) The Secretary may terminate a grant only if the Secretary determines that—

[(A) the State has not made substantial progress in achieving the specific educational goals set out in the application; or

[(B) there is no longer a need in the State for the activities funded by the grant.

[(b) SET-ASIDE FOR COMMUNITY-BASED ORGANIZATIONS.—A State that is awarded a grant under subsection (a) shall use not less than 50 percent of funds awarded under the grant to fund programs operated by community-based organizations with the demonstrated capability to administer English proficiency programs.

[(c) REPORT.—A State that is awarded a grant under subsection (a) shall submit to the Secretary a report describing the activities funded under the grant for each fiscal year covered by the grant.

[(d) DEMONSTRATION PROGRAM.—The Secretary, subject to the availability of funds appropriated pursuant to this section, shall directly, and through grants and contracts with public and private nonprofit agencies, institutions, and organizations, carry out a program—

[(1) through the Adult Education Division to develop innovative approaches and methods of literacy education for individuals of limited English proficiency utilizing new instructional methods and technologies; and

[(2) to designate the Center for Applied Linguistics of the Office of Educational Research and Improvement as a national clearinghouse on literacy education for individuals of limited English proficiency to collect and disseminate information concerning effective approaches or methods, including coordination with employment training and other education programs.

[(e) EVALUATION AND AUDIT.—The Secretary shall evaluate the effectiveness of programs conducted under this section. Programs funded under this section shall be audited in accordance with chapter 75 of title 31, United States Code.

[(f) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $25,000,000 for the fiscal year 1988, $26,300,000 for the fiscal year 1989, $27,600,000 for the fiscal year 1990, $29,000,000 for the fiscal year 1991, $30,500,000 for the fiscal year 1992, and $32,000,000 for the fiscal year 1993 to carry out this section.

[(2) Funds appropriated pursuant to this section shall remain available until expended.

[(3) Funds appropriated under this subsection may be combined with other funds made available for the State by the Federal Government for literacy training for individuals with limited English proficiency.

[(4) Not more than 10 percent of funds available under this section may be used to carry out the provisions of subsection (d).

[(5) Not more than 5 percent of funds available under this section may be used for State administration, technical assistance, and training.

[SEC. 373. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

[(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants on a competitive basis to pay the Federal share of the costs of establishing and operating adult education programs which increase the literacy skills of eligible commercial drivers so that such drivers may successfully complete the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

[(b) FEDERAL SHARE.—The Federal share of the costs of the adult education programs authorized under subsection (a) shall be 50 percent. Nothing in this subsection shall be construed to require States to meet the non-Federal share from State funds.

[(c) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under this section include—

[(1) private employers employing commercial drivers in partnership with agencies, colleges, or universities described in paragraph (2);

[(2) local educational agencies, State educational agencies, colleges, universities, or community colleges;

[(3) approved apprentice training programs; and

[(4) labor organizations, the memberships of which include commercial drivers.

[(d) REFERRAL PROGRAM.—Grantees shall refer to appropriate adult education programs as authorized under this Act individuals

who are identified as having literacy skill problems other than or beyond those which prevent them from successfully completing the knowledge test requirements under the Commercial Motor Vehicle Driver Safety Act of 1986.

[(e) DEFINITIONS.—For purposes of this section:

[(1) The term "approved apprentice training programs" has the meaning given such term in the National Apprenticeship Act of 1937.

[(2) The term "eligible commercial driver" means a driver licensed prior to the requirements of the Commercial Motor Vehicle Safety Act of 1986.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $3,000,000 for each of fiscal years 1991, 1992, and 1993.

[PART D—NATIONAL PROGRAMS

[SEC. 381. ADULT MIGRANT FARMWORKER AND IMMIGRANT EDUCATION.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to carry out a program of making grants to States and local eligible recipients to support planning, developing, and evaluating programs which are designed to provide adult education programs, services, and activities to meet the special needs of migrant farmworkers and immigrants. Programs operated from such grants shall be included in a State's plan and must conform to all requirements of programs provided for by the State's basic grant. In carrying out this section, the Secretary may enter into interagency agreements with the Secretary of Health and Human Services to conduct programs in conjunction with activities authorized under the Immigration Reform and Control Act of 1986.

[(b) PRIORITY.—In carrying out the provisions of this part, the Secretary shall from funds reserved under section 313(d) give first priority to the portion of the program described in subsection (a) for migrant farmworkers.

[SEC. 382. ADULT LITERACY VOLUNTEER TRAINING.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to carry out a program of making grants to States and local eligible recipients to support planning, implementation, and evaluation of programs designed to train adult volunteers, especially the elderly, who wish to participate as tutors in local adult education programs.

[(b) PRIORITY.—In carrying out the provisions of this part the Secretary shall from funds reserved under section 313(d) give second priority to the portion of the program described in subsection (a) for adult volunteers.

[SEC. 383. STATE PROGRAM ANALYSIS ASSISTANCE AND POLICY STUDIES.

[(a) FEDERAL ASSISTANCE.—(1) The Secretary is authorized to assist States in evaluating the status and progress of adult education in achieving the purposes of this title, and activities designed to provide such assistance shall include, but are not limited to—

[(A) an analysis of State plans and of the findings of evaluations conducted pursuant to section 352, with suggestions to

State agencies for improvements in planning or program operation; and

[(B) the provision of an information network (in conjunction with the National Diffusion Network) on the results of research in adult education, the operation of model or innovative programs (including efforts to continue activities and services, under the program after the Federal funding has been discontinued) successful experiences in the planning, administration, and conduct of adult education programs, advances in curriculum and instructional practices, and other information useful in the improvement of adult education.

[(2) PRIORITY.—In carrying out the provisions of this part the Secretary shall from funds reserved under section 313(d) give third priority to the portion of the program described in paragraph (1) for evaluation and research.

[(b) DETERMINATION OF LITERACY.—The Secretary, in consultation with the Congress shall, within the first 2 years after enactment of the Adult Education Amendments of 1988, make a determination of the criteria for defining literacy, taking into consideration reports prepared by the National Assessment of Educational Progress and others and shall identify concretely those skills that comprise the basic educational skills needed for literate functioning. The Secretary, once the definition of literacy has been determined, shall, in consultation with the Congress and using the appropriate statistical sampling methodology, determine an accurate estimate of the number of illiterate adults in the Nation.

[(c) REPORT ON STATUS OF LITERACY AND ADULT EDUCATION.—Subsequent to the determination of literacy and the number of illiterate individuals required in subsection (b), the Secretary shall submit a report every 4 years to the President and to the appropriate committees of the Congress on the status of literacy and adult education in the Nation.

[(d) EVALUATION REPORT.—Three years after the date of enactment of the Adult Education Amendments of 1988, and thereafter in conjunction with the report under subsection (c), the Secretary shall report to the appropriate committees of the Congress on the results of program evaluations required under this title and conclusions drawn therefrom regarding progress toward meeting the goals and purposes of this title, together with such recommendations as the Secretary may wish to make.

[SEC. 384. NATIONAL RESEARCH ACTIVITIES.

[(a) APPROVED ACTIVITIES.—The Secretary shall, through the Office of Educational Research and Improvement, support applied research, development, demonstration, dissemination, evaluation, and related activities which will contribute to the improvement and expansion of adult education in the Nation. Such activities shall include the operation of the Institute established by subsection (c) and the establishment of a national clearinghouse to compile information on literacy curriculum and resources for adults, including youth and adults of limited English proficiency and adults with handicaps. The Secretary may support such activities directly, or through grants to, or cooperative agreements with, public or private institutions, agencies, or organizations, or individuals.

[(b) RESEARCH CONCERNING SPECIAL NEEDS.—In addition to the responsibilities of the Assistant Secretary for Educational Research and Improvement under section 405 of the General Education Provisions Act, the Assistant Secretary may, with funds available under that section, with funds available under other Federal programs, or with funds set aside under section 313(d) of this title, support research on the special needs of persons requiring adult education including a study of the magnitude and nature of the needs of adults with learning disabilities who are eligible for participation in adult education programs. The Assistant Secretary may support such research directly or through grants to, or contracts or cooperative agreements with, public or private institutions, agencies, or organizations.

[(c) ESTABLISHMENT.—(1) There is established the National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The head of any other agency designated by the President may be involved in the operation of the Institute as fits the involvement of such agency in accomplishing the purposes of the Institute. The Secretary may include in the Institute any research and development center supported under section 405(d)(4)(A)(ii) of the General Education Provisions Act and any other center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

[(2) The Institute shall have offices separate from the offices of any agency or department involved in the operation of the Institute.

[(3) The Interagency Group shall consider the Board's recommendations 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. If the Board's recommendations are not followed, the Interagency Group shall provide a written explanation to the Board concerning actions the Interagency Group has taken that includes the Interagency Group's reasons for not following the Board's recommendations with respect to such actions. The Board may also request a meeting with the Interagency Group to discuss the Board's recommendations.

[(d) DUTIES.—(1) The Institute is authorized, in order to improve and expand the system for delivery of literacy services, to—

[(A) assist appropriate Federal agencies in setting specific objectives and strategies for meeting the goals of this title and in measuring the progress of such agencies in meeting such goals;

[(B) conduct basic and applied research and demonstrations on literacy, including—

[(i) how adults learn to read and write and acquire other skills;

[(ii) how the literacy skills of parents affect the ability of children to learn literacy skills;

[(iii) the assessment of literacy skills and the development of instructional techniques;

[(iv) the best methods for assisting adults and families to acquire literacy skills, including the use of technology;

[(v) the special literacy needs of individuals with learning disabilities and individuals with limited English proficiency;

[(vi) how to effectively reach and teach the most educationally disadvantaged individuals;

[(vii) the use of technology and other studies which will increase the literacy knowledge base, use but not duplicate the work of other research services, and build on the efforts of such other research services; and

[(viii) how to attract, train, and retrain professional and volunteer teachers of literacy;

[(C) assist Federal, State, and local agencies in the development, implementation, and evaluation of policy with respect to literacy by—

[(i) establishing a national data base with respect to—

[(I) literacy and basic skills programs, including programs in Federal departments, State agencies, and local agencies, and programs that are privately supported through nonprofit entities and for profit entities;

[(II) assessment tools and outcome measures;

[(III) the amount and quality of basic education provided in the workplace by businesses and industries; and

[(IV) progress made toward the national literacy goals; and

[(ii) providing technical and policy assistance to government entities for the improvement of policy and programs relating to literacy and the development of model systems for implementing and coordinating Federal literacy programs that can be replicated at the State and local level;

[(D) provide program assistance, training, and technical assistance for literacy programs throughout the United States in order to improve the effectiveness of such programs and to increase the number of such programs, which assistance and training shall—

[(i) be based on the best available research and knowledge; and

[(ii) be coordinated with activities conducted by—

[(I) regional educational laboratories supported under section 405(d)(4)(A)(i) of the General Education Provisions Act;

[(II) curriculum centers assisted under section 251(a)(8) of the Carl D. Perkins Vocational and Applied Technology Education Act; and

[(III) other educational and training entities that provide relevant technical assistance;

[(E) collect and disseminate information to Federal, State, and local entities with respect to literacy methods that show great promise (including effective methods of assessment, effec-

tive literacy programs, and other information obtained through research or practice relating to adult and family learning that would increase the capacity and quality of literacy programs in the United States), using a variety of methods to ensure that the best information is received by State and local providers of literacy services;

[(F) review and make recommendations regarding—

[(i) ways to achieve uniformity among reporting requirements;

[(ii) the development of performance measures; and

[(iii) the development of standards for program effectiveness of literacy-related Federal programs; and

[(G) provide a toll-free long-distance telephone line for literacy providers and volunteers.

[(2) 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.

[(e) LITERACY LEADERSHIP.—(1) The Institute is, in consultation with the Board, 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) 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) Individuals receiving fellowships pursuant to this subsection shall be known as "Literacy Leader Fellows".

[(f) NATIONAL INSTITUTE BOARD.—(1)(A) There is established the National Institute Board (in this section referred to as the "Board"). The Board 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 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) The Board 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 Interagency Group and the Director.

[(3) The Interagency Group may carry out the duties of the Board until the expiration of the 180-day period beginning on the date of the enactment of the National Literacy Act of 1991.

[(4) Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

[(5)(A) Each member of the Board shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

[(B) 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 members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

[(6) A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

[(7) The Chairperson and Vice Chairperson of the Board shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

[(8) The Board shall meet at the call of the Chairperson or a majority of its members.

[(g) GIFTS, BEQUESTS, AND DEVISES.—The Institute and the Board 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 Board, 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 Board, respectively.

[(h) MAILS.—The Board 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.

[(i) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

[(j) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director 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–18 of the General Schedule.

[(k) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

[(l) REPORT.—The Institute shall submit a report to the Congress in each of the first 2 years in which it receives assistance under this section, and shall submit a report biennially thereafter. 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 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 Board.

[(m) NONDUPLICATION.—The Institute shall not duplicate any functions carried out by the Secretary pursuant to subsection (a) or (b). This subsection shall not be construed to prohibit the Secretary from delegating such functions to the Institute.

[(n) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for purposes of operating the Institute established by subsection (c) $15,000,000 for each of the fiscal years 1992, 1993, 1994, 1995, and 1996.

[(2) Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

[SEC. 385. LIMITATION.

[No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.]

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

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TITLE I—HELPING DISADVANTAGED CHILDREN MEET HIGH STANDARDS

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PART B—EVEN START FAMILY LITERACY PROGRAMS

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SEC. 1202. PROGRAM AUTHORIZED.

(a) * * *

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(c) RESERVATION FOR GRANTS.—

(1) GRANTS AUTHORIZED.—In any fiscal year in which the amount appropriated to carry out this part exceeds the amount appropriated to carry out this part for the preceding fiscal year, the Secretary may reserve such funds in excess of the amount appropriated for such preceding fiscal years as do not exceed $1,000,000 to award grants, on a competitive basis, to States to enable such States to plan and implement, statewide family literacy initiatives to coordinate and integrate existing Federal, State, and local literacy resources consistent with the purposes of this part. Such coordination and integration shall include funds available under [the Adult Education Act,] *title IV of the CAREERS Act,* Head Start, Even Start, and the Family Support Act of 1988.

* * * * * * *

SEC. 1205. PROGRAM ELEMENTS.

Each program assisted under this part shall—

(1) * * *

* * * * * * *

(8) be coordinated with—

(A) programs assisted under other parts of this title and this Act;

(B) any relevant programs under [the Adult Education Act,] *title IV of the CAREERS Act,* the Individuals with Disabilities Education Act, and the Job Training Partnership Act; and

* * * * * * *

SEC. 1206. ELIGIBLE PARTICIPANTS.

(a) IN GENERAL.—Except as provided in subsection (b), eligible participants in an Even Start program are—

(1) a parent or parents—

(A) who are eligible for participation in an adult basic education program under [the Adult Education Act;] *title IV of the CAREERS Act;* or

* * * * * * *

TITLE III—TECHNOLOGY FOR EDUCATION

SEC. 3101. SHORT TITLE.

This title may be cited as the "Technology for Education Act of 1994".

PART A—TECHNOLOGY FOR EDUCATION OF ALL STUDENTS

* * * * * * *

SEC. 3113. DEFINITIONS.

For purposes of this title—

(1) the term "adult education" has the same meaning given such term by [section 312 of the Adult Education Act;] *section 5 of the CAREERS Act;*

* * * * * * *

(10) the term "State library administrative agency" has the same meaning given to such term in [section 3 of the Library Services and Construction Act;] *section 5 of the CAREERS Act;* and

* * * * * * *

[PART F—ELEMENTARY AND SECONDARY SCHOOL LIBRARY MEDIA RESOURCES PROGRAM

[SEC. 3601. PROGRAM AUTHORIZED.

[The Secretary shall award grants or make allocations in accordance with section 3602 for the acquisition of school library media resources for the use of students, library media specialists, and teachers in elementary and secondary schools in accordance with this part.

[SEC. 3602. ALLOCATION TO STATES.

[(a) From the amount appropriated pursuant to section 3605 in each fiscal year, the Secretary shall award funds to each State having an approved plan under section 3603 as follows:

[(1) AMOUNTS BELOW $50,000,000.—If the amount made available under subsection (a) for a fiscal year is less than $50,000,000, then the Secretary shall award grants to States, on a competitive basis, taking into account such factors as age and condition of existing school library media collections and the relative economic need of the students to be served.

[(2) AMOUNTS EQUAL TO OR EXCEEDING $50,000,000.—If the amount made available under subsection (a) for a fiscal year equals or exceeds $50,000,000, then the Secretary shall allocate to each State an amount which bears the same relationship to such amount as the amount such State received under title II for such year bears to the amount all States received under such title for such year.

[SEC. 3603. STATE PLANS.

[(a) IN GENERAL.—In order for a State to receive a grant or an allocation of funds under this part for any fiscal year, such State shall have in effect for such fiscal year a State plan. Such plan shall—

[(1) designate the State educational agency as the State agency responsible for the administration of the program assisted under this part;

[(2) set forth a program under which funds paid to the State in accordance with section 3602 will be expended solely for—

[(A) acquisition of school library media resources, including books and foreign language resources, for the use of students, school library media specialists, and teachers in elementary and secondary schools in the United States; and

[(B) administration of the State plan, including development and revision of standards, relating to school library media resources, except that the amount used for administration of the State plan in any fiscal year shall not exceed three percent of the amount available to such State under section 3602 for such fiscal year; and

[(3) set forth criteria to be used in allotting funds for school library media resources among the local educational agencies of the State, which allotment shall take into consideration the relative need of the students, school media specialists, and teachers to be served.

[(b) PLAN SUBMISSION.—The State plan may be submitted as part of a consolidated application under section 14302.

[SEC. 3604. DISTRIBUTION OF ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

[From the funds allocated to a State under section 3602(2) in each fiscal year, such State shall distribute not less than 97 percent of such funds in such year to local educational agencies within such State according to the relative enrollment of students in elementary and secondary schools within the school districts of such State, adjusted to provide higher per pupil allotments to local educational agencies that have the greatest number or percentages of students whose education imposes a higher than average cost per child, such as those students—

[(1) living in areas with high concentrations of low-income families;

[(2) from low-income families; and

[(3) living in sparsely populated areas.

[SEC. 3605. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this part $200,000,000 for fiscal year 1995 and such sums as may be necessary for each of the four succeeding fiscal years.]

* * * * * * *

TITLE IX—INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

* * * * * * *

PART A—INDIAN EDUCATION

* * * * * * *

Subpart 6—Definitions; Authorizations of Appropriations

SEC. 9161. DEFINITIONS.

As used in this part:

(1) * * *

(2) ADULT EDUCATION.—The term "adult education" has the meaning given such term in [section 312(2) of the Adult Education Act.] *section 5 of the CAREERS Act.*

* * * * * * *

NATIONAL LITERACY ACT OF 1991

AN ACT To enhance the literacy and basic skills of adults, to ensure that all adults in the United States acquire the basic skills necessary to function effectively and achieve the greatest possible opportunity in their work and in their lives, and to strengthen and coordinate adult literacy programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "National Literacy Act of 1991".

[SEC. 2. FINDINGS.

[The Congress finds that—

[(1) nearly 30,000,000 adults in the United States have serious problems with literacy;

[(2) literacy problems are intergenerational and closely associated with poverty and pose a major threat to the economic well-being of the United States;

[(3) present public and private literacy programs reach only a small portion of the population in need and often result in only minimal learning gains;

[(4) the prevention of illiteracy is essential to stem further growth in national illiteracy rates;

[(5) literacy programs generally lack adequate funding, adequate coordination with other literacy programs, and an adequate investment in teacher training and technology;

[(6) access to better information about the best practices in the literacy field and more research in order to provide better diagnostic and instructional tools are essential for the improvement of literacy and employability in the United States;

[(7) as many as 50,000,000 workers may have to be trained or retrained before the year 2000;

[(8) the supply of unskilled workers is increasing while the demand for unskilled labor is decreasing;

[(9) programs under the Adult Education Act, which are the largest Federal source of direct literacy services in the United States, serve only 10 percent of eligible participants; and

[(10) all public and private literacy programs serve only about 19 percent of those who need help.

[SEC. 3. DEFINITION.

[For purposes of this Act the term "literacy" means an individual's ability to read, write, and speak in English, and compute and solve problems at levels of proficiency necessary to function on the job and in society, to achieve one's goals, and develop one's knowledge and potential.

[TITLE I—LITERACY: STRATEGIC PLANNING, RESEARCH, AND COORDINATION]

SEC. 101. LITERACY RELATED PROGRAMS IN THE DEPARTMENT OF EDUCATION.

Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended by adding at the end the following:

"(h) The Assistant Secretary for Vocational and Adult Education, in addition to performing such functions as the Secretary may prescribe, shall have responsibility for coordination of all literacy related programs and policy initiatives in the Department. The Assistant Secretary for Vocational and Adult Education shall assist in coordinating the related activities and programs of other Federal departments and agencies.".

[SEC. 102. NATIONAL INSTITUTE FOR LITERACY.

[(a) PURPOSE.—It is the purpose of the amendment made by this section to enhance the national effort to eliminate the problem of illiteracy by the year 2000 by improving research, development and information dissemination through a national research center.

[(b) FINDINGS.—The Congress finds that—

[(1) much too little is known about how to improve access to, and enhance the effectiveness of, adult literacy programs, assessment tools, and evaluation efforts;

[(2) there is neither a reliable nor a central source of information about the knowledge base in the area of literacy;

[(3) a national institute for literacy would—

[(A) provide a national focal point for research, technical assistance and research dissemination, policy analysis, and program evaluation in the area of literacy; and

[(B) facilitate a pooling of ideas and expertise across fragmented programs and research efforts.

[(c) AMENDMENT TO THE ADULT EDUCATION ACT.—Section 384 of the Adult Education Act (20 U.S.C. 1213c) is amended—

[(1) in the second sentence of subsection (a), by inserting after "shall include" the following: "the operation of the Institute established by subsection (c) and"; and

[(2) by adding at the end the following:

["(c) ESTABLISHMENT.—(1) There is established the National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the 'Interagency Group'). The head of any other agency designated by the President may be involved in the operation of the Institute as fits the involvement of such agency in accomplishing the purposes of the Institute. The Secretary may include in the Institute any research and development center supported under section 405(d)(4)(A)(ii) of the General Education Provisions Act and any other center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

["(2) The Institute shall have offices separate from the offices of any agency or department involved in the operation of the Institute.

["(3) The Interagency Group shall consider the Board's recommendations 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. If the Board's recommendations are not followed, the Interagency Group shall provide a written explanation to the Board concerning actions the Interagency Group has taken that includes the Interagency Group's reasons for not following the Board's recommendations with respect to such actions. The Board may also request a meeting with the Interagency Group to discuss the Board's recommendations.

["(d) DUTIES.—(1) The Institute is authorized, in order to improve and expand the system for delivery of literacy services, to—

["(A) assist appropriate Federal agencies in setting specific objectives and strategies for meeting the goals of this title and in measuring the progress of such agencies in meeting such goals;

["(B) conduct basic and applied research and demonstrations on literacy, including—

["(i) how adults learn to read and write and acquire other skills;

["(ii) how the literacy skills of parents affect the ability of children to learn literacy skills;

["(iii) the assessment of literacy skills and the development of instructional techniques;

["(iv) the best methods for assisting adults and families to acquire literacy skills, including the use of technology;

["(v) the special literacy needs of individuals with learning disabilities and individuals with limited English proficiency;

["(vi) how to effectively reach and teach the most educationally disadvantaged individuals;

[“(vii) the use of technology and other studies which will increase the literacy knowledge base, use but not duplicate the work of other research services, and build on the efforts of such other research services; and

[“(viii) how to attract, train, and retrain professional and volunteer teachers of literacy;

[“(C) assist Federal, State, and local agencies in the development, implementation, and evaluation of policy with respect to literacy by—

[“(i) establishing a national data base with respect to—

[“(I) literacy and basic skills programs, including programs in Federal departments, State agencies, and local agencies, and programs that are privately supported through nonprofit entities and for profit entities;

[“(II) assessment tools and outcome measures;

[“(III) the amount and quality of basic education provided in the workplace by businesses and industries; and

[“(IV) progress made toward the national literacy goals; and

[“(ii) providing technical and policy assistance to government entities for the improvement of policy and programs relating to literacy and the development of model systems for implementing and coordinating Federal literacy programs that can be replicated at the State and local level;

[“(D) provide program assistance, training, and technical assistance for literacy programs throughout the United States in order to improve the effectiveness of such programs and to increase the number of such programs, which assistance and training shall—

[“(i) be based on the best available research and knowledge; and

[“(ii) be coordinated with activities conducted by—

[“(I) regional educational laboratories supported under section 405(d)(4)(A)(i) of the General Education Provisions Act;

[“(II) curriculum centers assisted under section 251(a)(8) of the Carl D. Perkins Vocational and Applied Technology Education Act; and

[“(III) other educational and training entities that provide relevant technical assistance;

[“(E) collect and disseminate information to Federal, State, and local entities with respect to literacy methods that show great promise (including effective methods of assessment, effective literacy programs, and other information obtained through research or practice relating to adult and family learning that would increase the capacity and quality of literacy programs in the United States), using a variety of methods to ensure that the best information is received by State and local providers of literacy services;

[“(F) review and make recommendations regarding—

[“(i) ways to achieve uniformity among reporting requirements;

[“(ii) the development of performance measures; and

[“(iii) the development of standards for program effectiveness of literacy-related Federal programs; and

[“(G) provide a toll-free long-distance telephone line for literacy providers and volunteers.

[“(2) 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.

[“(e) LITERACY LEADERSHIP.—(1) The Institute is, in consultation with the Board, 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) 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) Individuals receiving fellowships pursuant to this subsection shall be known as ‘Literacy Leader Fellows’.

[“(f) NATIONAL INSTITUTE BOARD.—(1)(A) There is established the National Institute Board (in this section referred to as the ‘Board’). The Board 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 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) The Board 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 Interagency Group and the Director.

[“(3) The Interagency Group may carry out the duties of the Board until the expiration of the 180-day period beginning on the date of the enactment of the National Literacy Act of 1991.

[“(4) Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

[“(5)(A) Each member of the Board shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

[“(B) 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 members’ term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

[“(6) A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

[“(7) The Chairperson and Vice Chairperson of the Board shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

[“(8) The Board shall meet at the call of the Chairperson or a majority of its members.

[“(g) GIFTS, BEQUESTS, AND DEVISES.—The Institute and the Board 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 Board, 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 Board, respectively.

[“(h) MAILS.—The Board 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.

[“(i) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

[“(j) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director 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–18 of the General Schedule.

[“(k) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

[“(l) REPORT.—The Institute shall submit a report to the Congress in each of the first 2 years in which it receives assistance

under this section, and shall submit a report biennially thereafter. 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 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 Board.

[“(m) NONDUPLICATION.—The Institute shall not duplicate any functions carried out by the Secretary pursuant to subsection (a) or (b). This subsection shall not be construed to prohibit the Secretary from delegating such functions to the Institute.

[“(n) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for purposes of operating the Institute established by subsection (c) $15,000,000 for each of the fiscal years 1992, 1993, 1994, and 1995.

[“(2) Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.”.

[SEC. 103. STATE LITERACY RESOURCE CENTERS.

[Part B of the Adult Education Act (20 U.S.C. 1203 et seq.) is amended—

[(1) by redesignating subpart 7 as subpart 8; and

[(2) by inserting after subpart 6 the following:

[“Subpart 7—State Literacy Resource Centers

[“SEC. 356. STATE LITERACY RESOURCE CENTERS.

[“(a) PURPOSE.—It is the purpose of this section to assist State and local public and private nonprofit efforts to eliminate illiteracy through a program of State literacy resource center grants to—

[“(1) stimulate the coordination of literacy services,

[“(2) enhance the capacity of State and local organizations to provide literacy services, and

[“(3) serve as a reciprocal link between the National Institute for Literacy and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

[“(b) ESTABLISHMENT.—From amounts appropriated pursuant to subsection (k), the Secretary is authorized to make grants for purposes of establishing a network of State or regional adult literacy resource centers.

[“(c) ALLOTMENT.—(1) From sums available for purposes of making grants under this section for any fiscal year, the Secretary shall allot to each State having an approved application under subsection (h) an amount that bears the same ratio to such sums as the amount allotted to such State under section 313(b) for the pur-

pose of making grants under section 321 bears to the aggregate amount allotted to all States under such section for such purpose.

[“(2) 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, institution of higher education, or other nonprofit entity to operate a State 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 purchases 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) LIMITATION.—Not more than 10 percent of amounts received under any grant received under this section shall be used to purchase computer hardware or software.

[“(g) SPECIAL RULE.—(1) Each State receiving funds pursuant to this section may not use more than 5 percent of such funds to establish a State advisory council on adult education and literacy (in this section referred to as the ‘State council’) pursuant to section 332.

[“(2) Each State receiving funds pursuant to this section may use such funds to support an established State council to the extent that such State council meets the requirements of section 332.

[“(3) Each State receiving funds pursuant to this paragraph to establish or support a State council pursuant to section 332 shall provide matching funds on a dollar-for-dollar basis.

[“(h) 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 Secretary an application that has been reviewed and commented on by the State council, where appropriate, and 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, service delivery areas under the Job Training Partnership Act, 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 342; 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.

[“(i) PAYMENTS; FEDERAL SHARE.—(1) The Secretary shall pay to each State having an application approved pursuant to subsection (h) the Federal share of the cost of the activities described in the application.

[“(2) 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) The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

[“(j) REGIONAL CENTERS.—(1) 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) Any State that receives assistance under this section as part of a regional center shall only be required to provide under subsection (i) 50 percent of the funds such State would otherwise be required to provide under such subsection.

[“(3) In any fiscal year in which the amount a State will receive under this section is less than $100,000, the Secretary may designate the State to receive assistance under this section only as part of a regional center.

[“(4) The provisions of paragraph (3) shall not apply to any State that can demonstrate to the Secretary 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) In any fiscal year in which paragraph (2) applies, the Secretary 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.

[“(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.”.

[TITLE II—WORKFORCE LITERACY

[SEC. 201. NATIONAL WORKFORCE LITERACY ASSISTANCE COLLABORATIVE.

[(a) ESTABLISHMENT.—There is established in the Department of Labor a National Workforce Literacy Assistance Collaborative (in this subsection referred to as the “Collaborative”) to improve the basic skills of individuals, especially those individuals who are marginally employed or unemployed with low basic skills and limited opportunity for long-term employment and advancement, by assisting small- and medium-sized businesses, business associations that represent small- and medium-sized businesses, and labor organizations to develop and implement literacy programs tailored to the needs of the workforce.

[(b) FUNCTIONS.—The Collaborative shall—

[(1) develop and implement a plan for providing small- and medium-sized businesses with the technical assistance required to address the literacy needs of their workforce;

[(2) monitor the development of workforce literacy training programs and identify best practices and successful small- and medium-sized business program models;

[(3) inform businesses and unions of research findings and best practices regarding exemplary curricula, instructional techniques, training models, and the use of technology as a training tool in the workplace;

[(4) provide technical assistance to help businesses assess individual worker literacy skill needs, implement workforce literacy training programs, and evaluate training program effectiveness;

[(5) promote cooperation and coordination among State and local agencies and the private sector to obtain maximum uses of existing literacy and basic skills training resources;

[(6) conduct regional and State small business workforce literacy meetings to increase program effectiveness and accountability;

[(7) establish cooperative arrangements with the National Institute for Literacy and other centers involved in literacy and basic skills research and development activities; and

[(8) prepare and produce written and video materials necessary to support technical assistance and information dissemination efforts.

[(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out this section $5,000,000 for each of the fiscal years 1992, 1993, 1994, and 1995.

[SEC. 202. GRANTS FOR NATIONAL WORKFORCE LITERACY STRATEGIES.

[Section 371 of the Adult Education Act (20 U.S.C. 1211) is amended—

[(1) in subsection (a)—

[(A) in paragraph (1), by inserting after "Secretary" the following: ", in consultation with the Secretary of Labor and the Administrator of the Small Business Administration,";

[(B) in subparagraph (B) of paragraph (2)—

[(i) by striking "and" and inserting a comma; and

[(ii) by inserting after "local educational agencies" the following: ", and other entities described in paragraph (1) that receive grants under this subsection"; and

[(C) by adding at the end the following:

["(5) In awarding grants under this section, the Secretary shall give priority to applications from partnerships that include small businesses.

["(6) The Secretary is authorized to award grants under this section for a period not to exceed 3 years.";

[(2) in subsection (b)—

[(A) in paragraph (1), by striking "subsection (c)" and inserting "subsection (e)";

[(B) in subparagraph (B) of paragraph (2)—

[(i) by striking "and" the first place it appears and inserting a comma; and

[(ii) by inserting after "local educational agencies" the following: ", and other entities described in paragraph (1) that receive grants under this subsection"; and

[(C) in paragraph (7), by amending subparagraph (B) to read as follows:

["(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot to each State (as defined in section 312(7)) an amount proportionate to the amount such State receives under section 313.";

[(3) by redesignating subsection (c) as subsection (e);

[(4) by inserting after subsection (b) the following:

["(c) GRANT FOR NATIONAL WORKFORCE LITERACY STRATEGIES.—(1) In any fiscal year in which amounts appropriated pursuant to the authorization contained in subsection (e) equal or exceed $25,000,000, the Secretary shall reserve not more than $5,000,000 to establish a program of grants to facilitate the design and implementation of national strategies to assist unions, unions in collaboration with programs eligible for assistance under this Act and businesses, and small- and medium-sized businesses to effectively provide literacy and basic skills training to workers.

["(2) Grants awarded under this subsection shall pay the Federal share of the cost of programs to establish large-scale national strategies in workforce literacy, which may include the following activities:

["(A) Basic skills training that is—

["(i) cost-effective;

["(ii) needed by employees; and

["(iii) required by employers to establish a trainable workforce that can take advantage of further job specific training and advance the productivity of the labor force on an individual, industry, or national level.

["(B) Specific program offerings, which may include—

["(i) English as a second language instruction;

["(ii) communications skill building;

["(iii) interpersonal skill building;

["(iv) reading and writing skill building; and

["(v) computation and problem solving.

["(C) Appropriate assessments of the literacy and basic skills needs of individual workers and the skill levels required by business.

["(D) Cooperative arrangements with other organizations involved in providing literacy and basic skills training, including adult education organizations, vocational education organizations, community and junior colleges, community-based organizations, State level agencies, and private industry councils.

["(E) The establishment as appropriate of technology-based learning environments, such as computer-based learning centers.

["(3) Any partnership described in subsection (a)(1) that desires to receive a grant under this subsection shall submit a proposal to the Secretary. The proposal shall contain a plan specifying a strategy for designing and implementing workforce literacy and basic

skills training for workers, and justifying the national, statewide, or industry-wide importance of this strategy. The proposal shall include—

[“(A) a demonstration of need for literacy and basic skills training;

[“(B) a description of the business or industry for which the strategy is to be established;

[“(C) a statement of specific, measurable goals and participant outcomes;

[“(D) a strategy for achieving the goals, including a description of the process to identify literacy and basic skills required by employers and the skills of individual workers, and a description of the specific services to be provided; and

[“(E) a description of the costs of the activities to be undertaken.

[“(4) The Secretary shall develop a formal process for the submission of proposals and publish an announcement in the Federal Register with respect to that process and the availability of grants under this subsection.

[“(5) The Federal share of the cost of a program assisted under this subsection shall not exceed 70 percent.

[“(6) The Secretary shall give priority for grants under this subsection to proposals to carry out activities described in paragraph (2)(D).

[“(7) In awarding grants under this subsection, the Secretary may consider geographic factors, such as rural and urban areas and national distribution.

[“(8) Of the grants awarded under this subsection each year, not less than 5 shall each be for an amount that is not less than $500,000.

[“(d) EVALUATION.—The Secretary shall reserve not more than 2 percent of any amount appropriated pursuant to the authorization contained in subsection (e) for the purpose of carrying out an independent evaluation of the effectiveness of programs assisted under this section in improving the literacy and basic skills of workers and the productivity of employees, including potential for the replicability or adaption of such programs.”; and

[(5) in subsection (e) (as redesignated by paragraph (3)) by striking paragraph (1) and inserting the following:

[“(1) There are authorized to be appropriated for purposes of carrying out this section such sums as may be necessary for the fiscal year 1991, $60,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995.”.

[TITLE III—INVESTMENT IN LITERACY

[SEC. 301. AMENDMENTS TO THE ADULT EDUCATION ACT.

[(a) AUTHORIZATION OF APPROPRIATIONS.—Section 313 of the Adult Education Act (20 U.S.C. 1201b) is amended in subsection (a) by striking “$200,000,000” and all that follows through “1993” and inserting the following: “such sums as may be necessary for the fiscal year 1991, $260,000,000 for the fiscal year 1992, and such sums

as may be necessary for each of the fiscal years 1993, 1994, and 1995".

[(b) USE OF FUNDS.—Subsection (a) of section 322 of the Adult Education Act (20 U.S.C. 1203b(a)) is amended—

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

["(1) Grants to States under this subpart shall be used in accordance with State plans (and amendments thereto) approved under sections 341 and 351, to pay the Federal share of the cost of the establishment or expansion of adult education programs to be carried out by local educational agencies, correctional education agencies, community-based organizations, public or private nonprofit agencies, postsecondary educational institutions, and other institutions that have the ability to provide literacy services to adults and families. Each State educational agency receiving financial assistance under this subpart shall provide assurance that local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, postsecondary educational institutions, and institutions which serve educationally disadvantaged adults will be provided direct and equitable access to all Federal funds provided under this subpart. Failure to provide the assurance required by the preceding sentence shall disqualify a State from receiving its allotment under this title. In determining which programs shall receive assistance under this paragraph, the State 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 the 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 that are most in need of literacy services.";

[(2) in paragraph (3)—

[(A) by striking the first sentence;

[(B) by inserting after "sources;" the following: "the projected goals of the applicant with respect to participant recruitment, retention, and educational achievement and how the applicant will measure and report progress in meeting its goals;";

[(C) by striking "the Carl D. Perkins Vocational Education Act" and inserting "the Carl D. Perkins Vocational and Applied Technology Education Act"; and

[(D) by striking "the Education of the Handicapped Act" and inserting "the Individuals with Disabilities Education Act";

[(3) in paragraph (4)—

[(A) by striking "(A)";

[(B) by inserting after "adults" the following: ", particularly in areas with a high proportion of adults who do not have a certificate of graduation from a school providing secondary education or its equivalent"; and

[(C) by striking subparagraph (B);

[(4) by redesignating paragraphs (3) and (4) (as amended by paragraphs (2) and (3) of this subsection) as paragraphs (4) and (5), respectively; and

[(5) by inserting after paragraph (2) the following:

["(3)(A) Grants to States provided under this section shall also be used for competitive 2-year grants to public housing authorities for literacy programs and related activities. Any public housing authority that receives a grant under this subparagraph shall consult with local adult education providers in conducting programs and activities with assistance provided under the grant. Any grant provided under this subparagraph shall be referred to as a 'Gateway Grant'.

["(B) The Secretary shall, not less often than every 2 years, evaluate any grants made under this paragraph and report the results of such evaluation to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.".

[(c) STATE ADMINISTRATION.—Section 331(a) of the Adult Education Act (20 U.S.C. 1205(a)) is amended—

[(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

[(2) by inserting after paragraph (1) the following:

["(2) within 2 years of the enactment of the National Literacy Act of 1991, the development and implementation, in consultation with a widely representative group of appropriate experts, educators, and administrators, of indicators of program quality to be used to evaluate programs assisted under this title, as required by section 352, to determine whether such programs are effective, including whether such programs are successfully recruiting, retaining, and improving the literacy skills of the individuals served in such programs;".

[(d) STATE ADVISORY COUNCIL.—(1) The heading for section 332 of the Adult Education Act is amended to read as follows:

["SEC. 332. STATE ADVISORY COUNCIL ON ADULT EDUCATION AND LITERACY.".

[(2) Section 332 of the Adult Education Act (20 U.S.C. 1205a) is amended—

[(A) in the first sentence of subsection (a)(1), by striking "adult education, appointed by the Governor" and inserting "adult education and literacy, appointed by, and responsible to, the Governor";

[(B) in the second sentence of subsection (a)(1)—

[(i) by inserting "and literacy" after "adult education"; and

[(ii) by striking "consist" and all that follows through the period at the end and inserting the following: "consist of—

["(i) representatives of public education;

["(ii) representatives of public and private sector employment;

["(iii) representatives of recognized State labor organizations;

[“(iv) representatives of private literacy organizations, voluntary literacy organizations, and community-based literacy organizations;

[“(v) the chief administrative officer of a State, or the designee of such officer;

[“(vi) representatives of—

[“(I) the State educational agency;

[“(II) the State job training agency;

[“(III) the State human services agency;

[“(IV) the State public assistance agency;

[“(V) the State library program; and

[“(VI) the State economic development agency;

[“(vii) officers of the State government whose agencies provide funding for literacy services or who may be designated by the Governor or the Chairperson of the council to serve whenever matters within the jurisdiction of the agency headed by such an officer are to be considered by the council; and

[“(viii) classroom teachers who have demonstrated outstanding results in teaching children or adults to read.”;

[(C) by amending subsection (d) to read as follows:

[“(d) PROCEDURES.—(1) Subject to paragraphs (2) and (3), the State advisory council shall determine its own procedures, staffing needs (subject to funding levels authorized by the chief executive officer of the State), and the number, time, place, and conduct of meetings.

[“(2) The State advisory council shall meet at least 4 times each year. At least 1 such meeting shall provide an opportunity for the general public to express views concerning adult education in the State.

[“(3) One member more than one-half of the members on the council shall constitute a quorum for the purpose of transmitting recommendations and proposals to the chief executive officer of the State, but a lesser number of members may constitute a quorum for other purposes.”;

[(D) in subsection (f)—

[(i) by amending paragraph (1) to read as follows:

[“(1) meet with the State agencies responsible for literacy training during the planning year to advise on the development of a State plan for literacy and for adult education that fulfills the literacy and adult education needs of the State, especially with respect to the needs of the labor market, economic development goals, and the needs of the individuals in the State;”;

[(ii) by amending paragraph (2) to read as follows:

[“(2) advise the Governor, the State educational agency, and other State agencies concerning—

[“(A) the development and implementation of measurable State literacy and adult education goals consistent with section 342(c)(2), especially with respect to—

[“(i) improving levels of literacy in the State by ensuring that all appropriate State agencies have specific objectives and strategies for such goals in a comprehensive approach;

[“(ii) improving literacy programs in the State; and

[“(iii) fulfilling the long-term literacy goals of the State;

[“(B) the coordination and monitoring of State literacy training programs in order to progress toward the long-term literacy goals of the State;

[“(C) the improvement of the quality of literacy programs in the State by supporting the integration of services, staff training, and technology-based learning and the integration of resources of literacy programs conducted by various agencies of State government; and

[“(D) private sector initiatives that would improve adult education programs and literacy programs, especially through public-private partnerships;”;

[(iii) by redesignating paragraph (3) as paragraph (7); and

[(iv) by inserting after paragraph (2) the following:

[“(3) review and comment on the plan submitted pursuant to section 356(h) and submit such comments to the Secretary;

[“(4) measure progress on meeting the goals and objectives established pursuant to paragraph (2)(A);

[“(5) recommend model systems for implementing and coordinating State literacy programs for replication at the local level;

[“(6) develop reporting requirements, standards for outcomes, performance measures, and program effectiveness in State programs, that are consistent with those proposed by the Interagency Task Force on Literacy; and”.

[(e) STATE PLAN.—Subsection (c) of section 342 of the Adult Education Act (20 U.S.C. 1206a) is amended—

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

[“(1) describe and provide for the fulfillment of the literacy needs of individuals in the State;”;

[(2) by striking paragraph (9);

[(3) by redesignating paragraphs (2) through (8) as paragraphs (3) through (9), respectively;

[(4) by inserting after paragraph (1) the following:

[“(2) set forth measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State and describe a comprehensive approach for achieving such goals, including the development of indicators of program quality as required by section 331(a)(2);”;

[(5) in paragraph (4) (as redesignated by paragraph (3) of this section)—

[(A) by striking “the use of” and inserting “coordination by”;

[(B) by striking “other than” and inserting “including”; and

[(C) by striking “such as” the second place such term appears;

[(6) by striking “and” at the end of paragraph (12);

[(7) by striking the period at the end of paragraph (13) and inserting a semicolon; and

[(8) by adding at the end the following:

[“(14) report the amount of administrative funds spent on program improvements; and

[“(15) contain assurances that financial assistance provided pursuant to this title shall be used to assist and expand existing programs and to develop new programs for adults whose lack of basic skills—

[“(A) renders them unemployable;

[“(B) keeps them, whether employed or unemployed, from functioning independently in society; and

[“(C) severely reduces their ability to have a positive effect on the literacy of their children.”.

[(f) EVALUATION.—Section 352 of the Adult Education Act (20 U.S.C. 1207a) is amended—

[(1) in paragraph 1—

[(A) by striking “data to the Secretary” and inserting the following: “to the Secretary and make public within the State data”;

[(B) by inserting before the semicolon the following: “, including—

[“(A) the number and percentage of local educational agencies, community-based organizations, volunteer groups, and other organizations that are grant recipients; and

[“(B) results of the evaluations carried out as required by paragraph (2) in the year preceding the year for which the data is submitted”;

[(2) in paragraph (2)—

[(A) by striking “before the end” and all that follows through “shall consider” and inserting the following: “evaluate 20 percent of the grant recipients each year so that at the end of such period 80 percent of all grant recipients shall have been evaluated once and such evaluations shall consider, at a minimum”;

[(B) by redesignating subparagraphs (A) through (D) as subparagraphs (B) through (E), respectively;

[(C) by inserting before subparagraph (B) (as redesignated by subparagraph (B) of this paragraph) the following:

[“(A) the projected goals of the grant recipient as described in its application pursuant to section 322(a)(3);”;

[(D) by amending subparagraph (D) (as redesignated by subparagraph (B) of this paragraph) to read as follows:

[“(D) the success of the grant recipient in meeting the State’s indicators of program quality after such indicators are developed as required by section 331(a)(2); and”; and

[(E) by striking “and” at the end.

[(g) TEACHER TRAINING.—(1) Subsection (a) of section 353 of the Adult Education Act (20 U.S.C. 1208(a)) is amended—

[(A) by striking “and” at the end of paragraph (1);

[(B) by striking the period at the end of paragraph (2) and inserting “; and”; and

[(C) by adding at the end the following:

[“(3) training professional teachers, volunteers, and administrators, with particular emphasis on—

[“(A) training—

[“(i) full-time professional adult educators;

[“(ii) minority adult educators;

[“(iii) educators of adults with limited English proficiency; and

[“(B) training teachers to recognize and more effectively serve illiterate individuals with learning disabilities and individuals who have a reading ability below the fifth grade level.”.

[(2) Section 353 of the Adult Education Act (as amended by paragraph (1) of this subsection) (20 U.S.C. 1208) is amended—

[(A) in subsection (a), by striking “10” and inserting “15”; and

[(B) by amending subsection (b) to read as follows:

[“(b) SPECIAL RULE.—At least ⅔ of the 15 percent reserved pursuant to subsection (a) shall be used to carry out the provisions of paragraphs (2) and (3) of subsection (a).”.

[(h) FEDERAL RESPONSIBILITY.—Section 361 of the Adult Education Act (20 U.S.C. 1209) is amended by adding at the end the following:

[“(c) FEDERAL RESPONSIBILITY.—Within 1 year after the enactment of the National Literacy Act of 1991, the Secretary, in consultation with appropriate experts, educators, and administrators, shall develop indicators of program quality that may be used by State and local programs receiving assistance under this title as models by which to judge the success of such programs, including success in recruitment and retention of students and improvement in the literacy skills of students. Such indicators shall take into account different conditions under which programs operate and shall be modified as better means of assessing program quality are developed.”.

[SEC. 302. TARGETED ASSISTANCE.

[Section 1531(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2941) is amended by—

[(1) redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

[(2) inserting the following new paragraph (5) after paragraph (4):

[“(5) programs of training to enhance the ability of teachers and school counselors to identify, particularly in the early grades, students with reading and reading-related problems that place such students at risk for illiteracy in their adult years;”.

[SEC. 303. AMENDMENTS TO THE EVEN START PROGRAM.

[(a) AMENDMENT TO PART HEADING.—The heading for part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.) is amended to read as follows:

[“PART B—EVEN START FAMILY LITERACY PROGRAMS”.

[(b) STATE GRANT PROGRAM.—Section 1052 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2742) is amended—

[(1) in subsection (a), by striking “local educational agencies or consortia of such agencies” and inserting “eligible entities”;

[(2) in subsection (b)—

[(A) by inserting “(1)” before “In”; and

[(B) by adding at the end the following:

[“(2) In any fiscal year in which this subsection applies, no State shall award a grant under this part for an amount less than $75,000.

[“(3) In any year in which this subsection applies, each State that receives a grant under this part may use not more than 5 percent of assistance provided under the grant for costs of—

[“(A) administration; and

[“(B) the provision, through grant or contract, of technical assistance for program improvement and replication to eligible entities that receive grants under this part.”;

[(3) by redesignating subsection (c) as subsection (d);

[(4) by inserting after subsection (b) the following new subsection:

[“(c) RESERVATION.—From amounts appropriated for purposes of carrying out this part, the Secretary may reserve an amount equal to not more than 2 percent of such amounts or the amount reserved for such purposes in the fiscal year 1991, whichever is greater, for purposes of—

[“(1) carrying out the evaluation required by section 1058; and

[“(2) providing, through grant or contract, technical assistance for program improvement and replication to eligible entities that receive grants under this part.”; and

[(5) by amending subsection (d) (as redesignated by paragraph (3)) to read as follows:

[“(d) DEFINITIONS.—For the purpose of this part:

[“(1) The term ‘eligible entity’ means—

[“(A) a local educational agency applying in collaboration with a community-based organization, public agency, institution of higher education, or other nonprofit organization; or

[“(B) a community-based organization, or other nonprofit organization of demonstrated quality applying in collaboration with a local educational agency.

[“(2) The terms ‘Indian tribe’ and ‘tribal organization’ have the respective meanings given such terms in section 4 of the Indian Self-Determination and Education Assistance Act.

[“(3) The term ‘State’ includes each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.”.

[(c) ALLOCATION.—Subsection (a) of section 1053 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2743) is amended to read as follows:

[“(a) RESERVATION FOR MIGRANT PROGRAMS AND TERRITORIES.—(1) In each fiscal year in which section 1052(a) applies, the Secretary shall first reserve for programs consistent with the purpose of this part—

[“(A) for programs for migrant children, which shall be conducted through the Office of Migrant Education, an amount equal to 3 percent of the amount appropriated for purposes of carrying out this part; and

[“(B) for allocations to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658), and to Indian tribes and tribal organizations, an amount comparable to their relative need.

[“(2) In each fiscal year in which section 1052(b) applies, the Secretary shall first reserve for programs consistent with the purpose of this part, an amount equal to 5 percent of the amount appropriated for purposes of carrying out this part, of which—

[“(A) amounts shall be allocated for programs for migrant children, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658), and Indian tribes and tribal organizations, according to their relative need; but

[“(B) in no case shall the amount reserved for programs for migrant children be less than the amount reserved for such programs in the preceding fiscal year.”.

[(d) FEDERAL SHARE LIMITATION.—Section 1054 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2744) is amended—

[(1) in subsection (a), by striking “local educational agencies” and all that follows through “nonprofit organizations,” and inserting “an eligible entity”;

[(2) in paragraph (2) of subsection (b), by inserting after “counseling,” the following: “other developmental and support services,”; and

[(3) in subsection (c)—

[(A) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

[(B) by inserting “(1)” before “The Federal share”;

[(C) in subparagraph (A) (as redesignated by subparagraph (A) of this paragraph), by striking “local educational agency” and inserting “eligible entity”;

[(D) by striking the last sentence and inserting the following: “The remaining cost may be provided in cash or in kind, fairly evaluated, and may be obtained from any source other than funds made available for programs under this chapter.”; and

[(E) by adding at the end the following:

[“(2) The Secretary (in any fiscal year in which section 1052(a) applies) or the State educational agency (in any fiscal year in which section 1052(b) applies) may waive, in whole or in part, the requirement that all or part of the remaining cost described in

paragraph (1) be obtained from sources other than funds made available under this chapter if an eligible entity—

[“(A) demonstrates that it otherwise would not be able to participate in the program under this part; and

[“(B) negotiates an agreement with the Secretary or the State educational agency, as appropriate, with respect to the amount of the remaining cost to which the waiver would be applicable.”.

[(e) ELIGIBLE PARTICIPANTS.—Section 1055 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2745) is amended—

[(1) by striking “Eligible” and inserting the following: “(a) IN GENERAL.—Except as provided in subsection (b), eligible”;

[(2) in paragraph (2) of subsection (a) (as designated by paragraph (1)), by striking “(aged 1 to 7,” and inserting “(from birth to age 7,”; and

[(3) by adding at the end the following:

[“(b) CONTINUATION OF ELIGIBILITY FOR CERTAIN PARTICIPANTS.—Any family participating in the program under this part that becomes ineligible for such participation as a result of 1 or more members of the family becoming ineligible for such participation, may continue to participate in the program until all members of the family become ineligible for participation, which—

[“(1) in the case of a family in which ineligibility was due to the child or children of such family attaining the age of 8, shall be when the parent or parents become ineligible due to educational advancement; and

[“(2) in the case of a family in which ineligibility was due to the educational advancement of the parent or parents of such family, shall be when all children in the family attain the age of 8.”.

[(f) APPLICATIONS.—Section 1056 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2746) is amended—

[(1) in subsection (a), by striking “a local educational agency” and inserting “an eligible entity”; and

[(2) in subsection (b), by striking “the local educational agency” and inserting “the eligible entity”.

[(g) SELECTION PROCESS.—Section 1057 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2747) is amended—

[(1) in subsection (a)—

[(A) by redesignating paragraphs (1) through (7) as subparagraphs (A) through (G), respectively;

[(B) by inserting “(1)” before “The”;

[(C) in paragraph (1) (as designated by subparagraph (B) of this paragraph)—

[(i) by amending subparagraph (B) (as redesignated by subparagraph (A) of this paragraph) to read as follows:

[“(B) demonstrate that the area to be served by such program has a high percentage or a large number of children and adults who are in need of such services as indicated by high levels of poverty, illiteracy, unemployment, limited English proficiency, or other need-related indicators;”;

[(ii) in subparagraph (E) (as redesignated by subparagraph (A) of this paragraph), by striking "the local educational agency's" and inserting "the eligible entity's"; and

[(iii) by adding at the end the following:

["(2) The review panel shall give priority for grants under this subsection to proposals which—

["(A) make the demonstration described in paragraph (1)(B); and

["(B) demonstrate an ability to operate an effective program.";

[(2) by amending subsection (c) to read as follows:

["(c) DISTRIBUTION OF ASSISTANCE.—(1) In approving grants under this part pursuant to section 1052(a), the Secretary shall ensure a representative distribution of assistance among the States and among urban and rural areas of the United States.

["(2) In approving grants under this part pursuant to section 1052(b), the review panel shall ensure a representative distribution of assistance between urban and rural areas of the State."; and

[(3) in paragraph (1) of subsection (d)—

[(A) by striking "a local educational agency" and inserting "an eligible entity"; and

[(B) by striking "such local educational agency" and inserting "such eligible entity".

[(h) AUTHORIZATION OF APPROPRIATIONS.—Section 1059 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2749) is amended to read as follows:

["SEC. 1059. AUTHORIZATION OF APPROPRIATIONS.

["There are authorized to be appropriated for purposes of carrying out this part such sums as may be necessary for the fiscal year 1991, $100,000,000 for the fiscal year 1992, and such sums as may be necessary for the fiscal year 1993.".

[SEC. 304. FAMILY LITERACY PUBLIC BROADCASTING PROGRAM.

[(a) PROGRAM AUTHORIZED.—(1) The Secretary is authorized, subject to the availability of appropriations, to enter into a contract with the Corporation for Public Broadcasting to arrange for the production and dissemination of family literacy programming and accompanying materials which would assist parents in improving family literacy skills and language development. In producing and developing such programming, the Corporation for Public Broadcasting shall work in cooperation with local public broadcasting stations to avoid duplication of efforts.

[(2) After the program described in paragraph (1) is produced, the Corporation for Public Broadcasting shall arrange to have audio and video instructional media materials for distribution at sites chosen from among—

[(A) State and local libraries operating literacy programs, and

[(B) nonprofit entities serving hard-to-serve populations as defined in section 304(b)(2), including community-based organizations, volunteer organizations and other nongovernmental entities.

[(3) The audio and video instructional media materials described in paragraph (2) shall be used at sites described in paragraph (2), and on a loan basis, distributed to families.

[(4) One year after distribution of the audio and video instructional media materials, the Corporation for Public Broadcasting shall report to the Congress on the distribution and use of the audio and video instructional media materials produced pursuant to this subsection and such audio and video instructional media materials' contribution in promoting literacy.

[(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for fiscal year 1992 to carry out the provisions of subsection (i), of which $100,000 shall be reserved for reproducing and distributing programming or audio and video instructional media materials.

[TITLE IV—BUSINESS LEADERSHIP FOR EMPLOYMENT SKILLS

[SEC. 401. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

[(a) IN GENERAL.—Part C of the Adult Education Act (20 U.S.C. 1211 et seq.) is amended by adding at the end the following:

["SEC. 373. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

["(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants on a competitive basis to pay the Federal share of the costs of establishing and operating adult education programs which increase the literacy skills of eligible commercial drivers so that such drivers may successfully complete the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

["(b) FEDERAL SHARE.—The Federal share of the costs of the adult education programs authorized under subsection (a) shall be 50 percent. Nothing in this subsection shall be construed to require States to meet the non-Federal share from State funds.

["(c) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under this section include—

["(1) private employers employing commercial drivers in partnership with agencies, colleges, or universities described in paragraph (2);

["(2) local educational agencies, State educational agencies, colleges, universities, or community colleges;

["(3) approved apprentice training programs; and

["(4) labor organizations, the memberships of which include commercial drivers.

["(d) REFERRAL PROGRAM.—Grantees shall refer to appropriate adult education programs as authorized under this title individuals who are identified as having literacy skill problems other than or beyond those which prevent them from successfully completing the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

["(e) DEFINITIONS.—For purposes of this section:

["(1) The term 'approved apprentice training programs' has the meaning given such term in the National Apprenticeship Act of 1937.

[“(2) The term ‘eligible commercial driver’ means a driver licensed prior to the requirements of the Commercial Motor Vehicle Safety Act of 1986.

[“(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out this section $3,000,000 for each of the fiscal years 1991, 1992, and 1993.”.

[(b) AVOIDANCE OF DUPLICATE ENACTMENT.—The amendment made by subsection (a) shall not take effect if the Higher Education Amendments of 1991 are enacted before the enactment of this Act.

[TITLE V—BOOKS FOR FAMILIES

[SEC. 501. INEXPENSIVE BOOK DISTRIBUTION PROGRAM.

[(a) PRIORITY.—Section 1563(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2963) is amended by—

[(1) striking “and” at the end of paragraph (2);

[(2) by redesignating paragraph (3) as paragraph (4); and

[(3) by inserting after paragraph (2) the following:

[“(3) in the fiscal year 1991 and each succeeding fiscal year, the contractor will give priority in the selection of additional local programs to programs and projects which serve children and students with special needs including, at a minimum—

[“(A) low-income children (particularly such children in high poverty areas);

[“(B) children at risk for school failure;

[“(C) children with disabilities;

[“(D) emotionally disturbed children;

[“(E) foster children;

[“(F) homeless children;

[“(G) migrant children;

[“(H) children without access to libraries;

[“(I) institutionalized or incarcerated children; and

[“(J) children whose parents are institutionalized or incarcerated; and”.

[(b) STUDY.—The contractor shall report to the Secretary of Education annually regarding the number and description of the additional programs funded under subsection 1563(a)(3) of the Elementary and Secondary Education Act of 1965.

[SEC. 502. LIBRARY LITERACY PROGRAMS.

[Section 601 of the Library Services and Construction Act (20 U.S.C. 375) is amended by inserting at the end thereof the following new subsection:

[“(f) In awarding grants under this section the Secretary shall give priority to programs and services which—

[“(1) will be delivered in areas of greatest need which have highest concentrations of adults who do not have a secondary education or its equivalent, and which—

[“(A) have few community or financial resources to establish the program described under this section without Federal assistance, or

[“(B) have low per capita income, unemployment or underemployment; and

[''(2) coordinate with literacy organizations and community based organizations providing literacy services.''.

[TITLE VI—LITERACY FOR INCARCERATED INDIVIDUALS

[SEC. 601. FUNCTIONAL LITERACY AND LIFE SKILLS PROGRAMS FOR STATE AND LOCAL PRISONERS.

[(a) ESTABLISHMENT.—The Secretary is authorized to make grants to eligible entities to assist such entities in establishing, improving, and expanding a demonstration or system-wide functional literacy program.

[(b) PROGRAM REQUIREMENTS.—(1) To qualify for funding under subsection (d), each functional literacy program shall—

[(A) to the extent possible, make use of advanced technologies, such as interactive video- and computer-based adult literacy learning; and

[(B) include—

[(i) a requirement that each person incarcerated in the system, prison, jail, or detention center who is not functionally literate, except a person described in paragraph (2), shall participate in the program until the person—

[(I) achieves functional literacy, or in the case of an individual with a disability, achieves a level of functional literacy commensurate with his or her ability;

[(II) is granted parole;

[(III) completes his or her sentence; or

[(IV) is released pursuant to court order; and

[(ii) a prohibition on granting parole to any person described in clause (i) who refuses to participate in the program, unless the State parole board determines that the prohibition should be waived in a particular case; and

[(iii) adequate opportunities for appropriate education services and the screening and testing of all inmates for functional literacy and disabilities affecting functional literacy, including learning disabilities, upon arrival in the system or at the prison, jail, or detention center.

[(2) The requirement of paragraph (1)(B)(i) may not apply to a person who—

[(A) is serving a life sentence without possibility of parole;

[(B) is terminally ill; or

[(C) is under a sentence of death.

[(c) ANNUAL REPORT.—(1) Within 90 days after the close of the first calendar year in which a literacy program authorized by subsection (a) is placed in operation, and annually for each of the 4 years thereafter, a grantee shall submit a report to the Secretary with respect to its literacy program.

[(2) A report under paragraph (1) shall disclose—

[(A) the number of persons who were tested for eligibility during the preceding year;

[(B) the number of persons who were eligible for the literacy program during the preceding year;

[(C) the number of persons who participated in the literacy program during the preceding year;

[(D) the names and types of tests that were used to determine functional literacy and the names and types of tests that were used to determine disabilities affecting functional literacy;

[(E) the average number of hours of instruction that were provided per week and the average number per student during the preceding year;

[(F) sample data on achievement of participants in the program, including the number of participants who achieved functional literacy;

[(G) data on all direct and indirect costs of the program; and

[(H) information on progress toward meeting the program's goals.

[(d) COMPLIANCE GRANTS.—(1) The Secretary shall make grants to eligible entities that elect to establish a program described in subsection (a) for the purpose of assisting in carrying out the programs, developing the plans, and submitting the reports required by this section.

[(2) An eligible entity may receive a grant under this subsection if the entity—

[(A) submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require;

[(B) agrees to provide the Secretary—

[(i) such data as the Secretary may request concerning the cost and feasibility of operating the functional literacy programs authorized by subsection (a), including the annual reports required by subsection (c); and

[(ii) a detailed plan outlining the methods by which the provisions of subsections (a) and (b) will be met, including specific goals and timetables.

[(e) LIFE SKILLS TRAINING GRANTS.—(1) The Secretary is authorized to make grants to eligible entities to assist them in establishing and operating programs designed to reduce recidivism through the development and improvement of life skills necessary for reintegration into society.

[(2) To receive a grant under this subsection, an eligible entity shall—

[(A) submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall require; and

[(B) agree to report annually to the Secretary on the participation rate, cost, and effectiveness of the program and any other aspect of the program on which the Secretary may request information.

[(3) In awarding grants under this subsection, the Secretary shall give priority to programs that have the greatest potential for innovation, effectiveness, and replication in other systems, jails, and detention centers.

[(4) Grants awarded under this subsection shall be for a period not to exceed 3 years, except that the Secretary may establish a procedure for renewal of the grants under paragraph (1).

[(f) DEFINITIONS.—For the purposes of this section—

[(1) the term "eligible entity" means a State correctional agency, a local correctional agency, a State correctional education agency, and a local correctional education agency;

[(2) the term "functional literacy" means at least an eighth grade equivalence or a functional criterion score on a nationally recognized literacy assessment; and

[(3) the term "life skills" includes self-development, communication skills, job and financial skills development, education, interpersonal and family relationship development, and stress and anger management.

[(g) PANEL.—The Secretary is authorized to consult with and convene a panel of experts in correctional education, including program administrators and field-based professionals in adult corrections, juvenile services, jails, and community corrections programs, to—

[(1) develop measures for evaluating the effectiveness of the programs funded under this section; and

[(2) evaluate the effectiveness of such programs.

[(h) USE OF FUNDS.—Notwithstanding any other provision of law, the Secretary may use not more than five percent of funds appropriated under subsection (i) in any fiscal year to carry out grant-related activities such as monitoring, technical assistance, and replication and dissemination.

[(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out this section $10,000,000 for fiscal year 1992, $15,000,000 for fiscal year 1993, $20,000,000 for fiscal year 1994, and $25,000,000 for fiscal year 1995.

[SEC. 602. BLUE RIBBON AWARDS FOR CORRECTIONAL EDUCATION PROGRAMS.

[(a) IN GENERAL.—Section 1566 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2966) is amended—

[(1) in subsection (a), by striking "The" and inserting "Subject to subsection (d), the"; and

[(2) by adding at the end the following:

["(d) BLUE RIBBON AWARDS FOR CORRECTIONAL EDUCATION PROGRAMS.—The Secretary, through nominations provided by the Office on Correctional Education after consultation with representatives of correctional education organizations and others active in literacy education, shall annually make 1 or more awards under this section to effective and innovative programs for inmate education and literacy.".

[(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1992.

[TITLE VII—VOLUNTEERS FOR LITERACY

[SEC. 701. LITERACY CHALLENGE GRANTS.

[(a) GENERAL AUTHORITY.—

[(1) PROGRAM AUTHORIZED.—Part C of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4991 et seq.) is amended by adding at the end the following:

["LITERACY CHALLENGE GRANTS

["SEC. 125. (a) The Director is authorized to award challenge grants to eligible public agencies and private organizations to pay the Federal share of the costs of establishing, operating or expanding community or employee literacy programs or projects that include the use of full-time or part-time volunteers as one method of addressing illiteracy.

["(b) Each eligible organization desiring a grant under this section shall submit to the ACTION Agency an application in such form and accompanied by such information as the Director may reasonably require. Each such application shall—

["(1) describe the activities for which assistance is sought,

["(2) contain assurances that the eligible organization will provide from non-Federal sources the non-Federal share of the cost of the program or project,

["(3) provide assurances, satisfactory to the Director, that the literacy project will be operated in cooperation with other public and private agencies and organizations interested in, and qualified to, combat illiteracy in the community where the project is to be conducted, and

["(4) contain such other information and assurances as the Director may reasonably require.

["(c)(1)(A) The Federal share of the cost of a program or project authorized by this section administered by a public agency, a nonprofit organization other than an organization described in paragraph (2), or a private, for-profit organization shall not exceed—

["(i) 80 percent in the first fiscal year;

["(ii) 70 percent in the second fiscal year; and

["(iii) 60 percent in the third fiscal year.

["(B) The non-Federal share paid by a private, for-profit organization shall be in cash.

["(2) The Federal share of the cost of a program or project administered by a nonprofit or community-based organization shall not exceed—

["(A) 90 percent in the first fiscal year;

["(B) 80 percent in the second fiscal year; and

["(C) 70 percent in the third fiscal year.

["(3) The non-Federal share provided by a public agency or a nonprofit or community-based organization may be provided in cash, or in kind, fairly evaluated, and may include the use of plant, equipment, and services.".

[(2) CONFORMING AMENDMENT.—The table of contents contained in the first section of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 note) is amended by inserting after the item relating to section 124 the following new item.

["Sec. 125. Literacy challenge grants.".

[(b) AUTHORIZATION OF APPROPRIATIONS.—Section 501(c) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(c)) is amended—

[(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

[(2) by inserting "(1)" after the subsection designation; and

[(3) by inserting at the end the following:

["(2) Except as provided in paragraph (3) and in addition to the amounts authorized to be appropriated pursuant to paragraph (1) there is authorized to be appropriated $2,500,000 for the fiscal year 1992 and such sums as may be necessary for 1993 for Literacy Challenge Grants under section 125.

["(3) No funds shall be appropriated pursuant to paragraph (2) in any fiscal year unless—

["(A) the funds available in such fiscal year for the VISTA Program under part A of title I are sufficient to provide the years of volunteer service specified for such fiscal year under section 501(d)(1) for the VISTA Program; and

["(B) the funds available in such fiscal year for the VISTA Literacy Corps under part A of title I are sufficient to provide at least the same years of volunteer service as were provided in the fiscal year preceding such fiscal year.".

[TITLE VIII—AMENDMENTS AFFECTING THE TERRITORIES AND THE FREELY ASSOCIATED STATES

[SEC. 801. ELIGIBILITY FOR EDUCATION PROGRAMS.

[(a) HIGHER EDUCATION.—Section 484 of the Act (20 U.S.C. 1091) is amended by adding at the end thereof the following new subsection:

["(k) STUDENTS ATTENDING INSTITUTIONS IN THE FREELY ASSOCIATED STATES AND ELIGIBILITY FOR TRIO PROGRAMS.—Notwithstanding any other provision of law, a student who meets the requirements of paragraph (a)(5) of this section or who is a resident of the freely associated states, and who attends a public or nonprofit institution of higher education located in any of the freely associated states rather than a State, shall be eligible, if otherwise qualified, for assistance under subpart 1, 2, or 4 of part A or part C of this title.".

[(b) TERRITORIAL TEACHER TRAINING ASSISTANCE PROGRAM.—Section 4502 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3142) is amended by striking "the Northern Mariana Islands, and the Trust Territory of the Pacific Islands" each place it appears and inserting in lieu thereof "the Commonwealth of the Northern Mariana Islands, Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.".

[(c) TREATMENT OF TERRITORIES AND TERRITORIAL STUDENT ASSISTANCE.—Section 1204 of the Act (20 U.S.C. 1144a) is amended by adding at the end thereof the following new subsection:

["(d) Notwithstanding any other provision of law, an institution of higher education that is located in any of the freely associated states, rather than a State, shall be eligible, if otherwise qualified, for assistance under subpart 4 of part A of title IV of this Act.".

[SEC. 802. TREATMENT OF TERRITORIES AND FREELY ASSOCIATED STATES.

[(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Subsection (a) of section 1005 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711) is amended—

[(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

[(2) by inserting after paragraph (2) the following:

["(3) COMPETITIVE GRANTS.—(A) From amounts appropriated for purposes of carrying out this section, the Secretary shall reserve an amount equal to the amount described in subparagraph (B) for purposes of making competitive grants to local educational agencies in Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. The Secretary shall make such grants according to the recommendations of the Pacific Regional Laboratory in Honolulu, Hawaii, which shall conduct a competition for such grants.

["(B) The amount described in this subparagraph is the portion of the aggregate amount reserved in the fiscal year 1989 under sections 1005(a), 1291, 1404, 1405(a)(2)(A), and 1405(a)(2)(B) for the Trust Territory of the Pacific Islands that was attributable to the Republic of the Marshall Islands and the Federated States of Micronesia.

["(C) Subject to subparagraph (D), grants awarded under this paragraph may only be used for—

["(i) activities consistent with the purposes of—

["(I) title I;

["(II) the Adult Education Act;

["(III) the Education of the Handicapped Act;

["(IV) the Library Services and Construction Act; or

["(V) the Dwight D. Eisenhower Mathematics and Science Education Act;

["(ii) teacher training;

["(iii) curriculum development;

["(iv) instructional materials; or

["(v) general school improvement and reform.

["(D) Grants awarded under this paragraph may only be used to provide direct educational services.

["(E) The Secretary shall provide 5 percent of amounts made available for grants under this paragraph to pay the administrative costs of the Pacific Regional Laboratory with respect to the program under this paragraph.".

[(b) ADULT EDUCATION ACT.—The Adult Education Act is amended—

[(1) in sections 312(7) and 371(b)(7)(B)(i) (20 U.S.C. 1201a(7) and 1211(b)(7)(B)(i)) by striking "the Trust Territory of the Pacific Islands" and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)"; and

[(2) in sections 313(b) and 361(a) (20 U.S.C. 1201b(b) and 1209a(a)) by striking "and the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau".

[(c) STAR SCHOOLS PROGRAM.—Section 907(8) of the Star Schools Program Assistance Act (20 U.S.C. 4086(7)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, Palau".

[(d) EDUCATION OF THE HANDICAPPED.—The Education of the Handicapped Act is amended in—

[(1) section 602(a)(6) (20 U.S.C. 1401(a)(6)) by striking "or the Trust Territory of the Pacific Islands" and inserting "or Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)";

[(2) section 611(a)(2) (20 U.S.C. 1411(a)(2)) by striking "and the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau"; and

[(3) section 611(e)(1) (20 U.S.C. 1411(e)(1)) by striking "and the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)".

[(e) LIBRARY SERVICES AND CONSTRUCTION ACT.—The Library Services and Construction Act is amended in—

[(1) section 3(g) (20 U.S.C. 351a(g)) by striking "or the Trust Territory of the Pacific Islands" and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)";

[(2) section 5(a)(3) (20 U.S.C. 351c(a)(3)) by striking "and the Trust Territory of the Pacific Islands" each place such term appears and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)";

[(3) section 7(a) (20 U.S.C. 351e(a)) by striking "the Trust Territory of the Pacific Islands" and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)"; and

[(4) section 7(b) (20 U.S.C. 351e(b)) by striking "and the Trust Territory of the Pacific Islands" each place such term appears and inserting "the Commonwealth of the Northern Mariana Islands and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)".]

LIBRARY SERVICES AND CONSTRUCTION ACT

AN ACT To promote the further development of public library services.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That this Act may be cited as the "Library Services and Construction Act".

[DECLARATION OF POLICY

[SEC. 2. (a) It is the purpose of this Act to assist the States in the extension and improvement of public library services to areas

and populations of the States which are without such services or to which such services are inadequate and to assist Indian tribes in planning and developing library services to meet their needs. It is the further purpose of this Act to assist with (1) public library construction and renovation; (2) improving State and local public library services for older Americans, and for handicapped, institutionalized, and other disadvantaged individuals; (3) strengthening State library administrative agencies; (4) promoting interlibrary cooperation and resource sharing among all types of libraries; (5) strengthening major urban resource libraries; and (6) increasing the capacity of libraries to keep up with rapidly changing information technology.

[(b) Nothing in this Act shall be construed to interfere with State and local initiative 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 Act, the determination of the best uses of the funds provided under this Act shall be reserved to the States and their local subdivisions and Indian tribes.

[DEFINITIONS

[SEC. 3. The following definitions shall apply to this Act:

[(1) "Secretary" means the Secretary of Education.

[(2) "Construction" includes construction of new buildings and acquisition, expansion, remodeling, and alteration of existing buildings, and for the purchase, lease, and installation of equipment of any such buildings, or any combination of such activities (including architects' fees and the cost of acquisition of land). Such term includes remodeling to meet standards under the Act of August 12, 1968, commonly known as the "Architectural Barriers Act of 1968", remodeling designed to ensure safe working environments and to conserve energy, renovation or remodeling to accommodate new technologies, and the purchase of existing historic buildings for conversion to public libraries. For the purposes of this paragraph, the term "equipment" includes information and building technologies, video and telecommunications equipment, machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them; and such term includes all other items necessary for the functioning of a particular facility as a facility for the provision of library services.

[(3) "Library service" means the performance of all activities of a library relating to the collection and organization of library materials and to making the materials and information of a library available to a clientele.

[(4) "Library services for the physically handicapped" means the providing of library services, through public or other nonprofit libraries, agencies, or organizations, to physically handicapped persons (including the blind and other visually handicapped) certified by competent authority as unable to read or to use conventional printed materials as a result of physical limitations.

[(5) "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, publication of significant research, and other activities; and

[(D) is not an integral part of an institution of higher education.

[(6) "Public library services" means library services furnished by a public library free of charge.

[(7) "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

[(8) "State Advisory Council on Libraries" means an advisory council for the purposes of clause (3) of section 6(a) of this Act which shall—

[(A) be broadly representative of the public, school, academic, special, and institutional libraries, and libraries serving the handicapped, in the State and of persons using such libraries, including disadvantaged persons within the State;

[(B) advise the State library administrative agency on the development of, and policy matters arising in the administration of, State plan; and

[(C) assist the State library administrative agency in the evaluation of activities assisted under this Act;

[(9) "State institutional library services" means the providing of books and other library materials, and of library services, to (A) inmates, patients, or residents of penal institutions, reformatories, residential training schools, orphanages, or general or special institutions or hospitals operated or substantially supported by the State, or (B) students in residential schools for the physically handicapped (including mentally retarded, hearing impaired, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired persons who by reason thereof require special education) operated or substantially supported by the State.

[(10) "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 State plans in accordance with the provisions of this Act.

[(11) "Basic 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 Act; provides assurances for establishing the State's policies, priorities, criteria, and procedures necessary to the implementation of all programs under provisions of this Act; and submits copies for approval as required by regulations promulgated by the Secretary.

[(12) "Long-range program" means the comprehensive program of not less than three nor more than five years which 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 Act. Such long-range programs shall be developed by the State library administrative agency and shall specify the State's policies, criteria, priorities, and procedures consistent with the Act as required by the regulations promulgated by the Secretary and shall be updated as library progress requires.

[(13) "Annual program" means the projects which are developed and submitted to describe the specific activities to be carried out annually toward achieving fulfillment of the long-range program. These annual programs shall be submitted in such detail as required by regulations promulgated by the Secretary.

[(14) "Major urban resource library" means any public library located in a city having a population of 100,000 or more individuals, as determined by the Secretary.

[(15) "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation as defined in or established pursuant to the Alaskan Native Claims Settlement Act, 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.

[(16) "Hawaiian native" means any individual any of whose ancestors were natives prior to 1778 in the area which now comprises the State of Hawaii.

[(17) The term "handicapped individual" means an individual who is physically or mentally impaired, visually impaired, or hearing impaired.

[(18) The term "network" means any local, statewide, regional, interstate, or international cooperative association of library entities which provide for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers for improved supplementary services for the clientele served by each type of library entity.

[(19) The term "technology enhancement" means the acquisition, installation, maintenance, or replacement, of substantial technological equipment (including library bibliographic automation equipment) necessary to provide access to information in electronic and other formats made possible by new information and communications technologies.

[(20) The term "educationally disadvantaged adult" has the meaning given that term in section 312(3)(A) of the Adult Education Act of 1988 (20 U.S.C. 2101a).

[(21) The term "adult with limited literacy skills" means an adult whose minimal skills in reading, writing, or computation or in performing basic arithmetical computations preclude the individual from functioning in society without assistance from others.

[AUTHORIZATIONS OF APPROPRIATIONS

[SEC. 4. (a) There are authorized to be appropriated—

[(1) for the purpose of making grants as provided in title I, $100,000,000 for fiscal year 1995;

[(2) for the purpose of making grants as provided in title II, $55,000,000 for fiscal year 1995;

[(3) for the purpose of making grants as provided in title III, $35,000,000 for fiscal year 1995;

[(4) for the purpose of making grants as provided in title V, $1,000,000 for fiscal year 1995;

[(5) for the purpose of making grants as provided in title VI, $10,000,000 for fiscal year 1995;

[(6) for the purpose of activities as provided in title VII, $500,000 for fiscal year 1995; and

[(7) for the purpose of making grants as provided in title VIII, $6,000,000 for fiscal year 1995, except that no amounts are authorized to be appropriated under this paragraph for any fiscal year unless the total amount appropriated pursuant to paragraphs (1), (2), and (3) for such fiscal year equals or exceeds sum of the total amount appropriated pursuant to such paragraphs for the preceding fiscal year, plus 4 percent of such total amount.

There shall be available for the purpose of making grants under title IV for fiscal year 1995, 1.5 percent of the amount appropriated pursuant to each of paragraphs (1), (2), and (3) for each such fiscal year. There shall be available for the purpose of making grants under section 5(d) for such fiscal years 0.5 percent of the amount appropriated pursuant to each of such paragraphs for each such fiscal year.

[(b) Notwithstanding any other provision of law, unless enacted in express limitation of the provisions of this subsection, any sums appropriated pursuant to subsection (a) shall (1), in the case of sums appropriated pursuant to paragraphs (1) and (3) thereof, be available for obligation and expenditure for the period of time specified in the Act making such appropriation, and (2), in the case of sums appropriated pursuant to paragraph (2) thereof, subject to regulations of the Secretary promulgated in carrying out the provisions of section 5(b), be available for obligation and expenditure for the year specified in the Appropriation Act and is authorized to remain available until expended.

[(c)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are first available for obligation.

[(2) In order to effect a transition to the advance funding method of timing appropriation action, the provisions of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

[ALLOTMENTS TO STATES AND INDIAN TRIBES

[SEC. 5. (a)(1) From the sums appropriated pursuant to clause (1), (2), or (3) of section 4(a) for any fiscal year, the Secretary shall allot the minimum allotment, as determined under paragraph (3)

of this subsection, to each State. Any sums remaining after minimum allotments have been made shall be allotted in the manner set forth in paragraph (2) of this subsection.

[(2) From the remainder of any sums appropriated pursuant to clause (1), (2), or (3) of section 4(a) for any fiscal year, the Secretary shall allot to each State such part of such remainder as the population of the State bears to the population of all the States.

[(3) For the purposes of this subsection, the "minimum allotment" shall be—

[(A) with respect to appropriations for the purposes of title I, $200,000 for each State, except that it shall be $40,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658);

[(B) with respect to appropriations for the purposes of title II, $100,000 for each State, except that it shall be $20,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658); and

[(C) with respect to appropriations for the purposes of title III, $40,000 for each State, except that it shall be $10,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658).

If the sums appropriated pursuant to clause (1), (2), or (3) of section 4(a) for any fiscal year are insufficient to fully satisfy the aggregate of the minimum allotments for that purpose, each of such minimum allotments shall be reduced ratably.

[(4) The population of each State and of all the States shall be determined by the Secretary on the basis of the most recent satisfactory data available to him.

[(b) The amount of any State's allotment under subsection (a) for any fiscal year from any appropriation made pursuant to clause (1), (2), or (3) of section 4(a) which the Secretary deems will not be required for the period and the purpose for which such allotment is available for carrying out the State's annual program shall be available for reallotment from time to time on such dates during such year as the Secretary shall fix. Such amount shall be available for reallotment to other States in proportion to the original allotments for such year to such States under subsection (a) but with such proportionate amount for any of such other State being reduced to the extent that if it exceeds the amount which the Secretary estimates the State needs and will be able to use for such period of time for which the original allotments were made and the total of such reductions shall be similarly reallotted among the States not suffering such a reduction. Any amount reallotted to a State under this subsection for any fiscal year shall be deemed to be a part of its allotment for such year pursuant to subsection (a).

[(c)(1) From one-half of the sums available pursuant to the second sentence of section 4(a) for any fiscal year, the Secretary shall

allot an equal amount to each Indian tribe that submits an approved application under section 403.

[(2) From the remaining one-half of the sums available pursuant to such second sentence, the Secretary shall make allocations to Indian tribes that (A) are receiving an allocation under paragraph (1) of this subsection for such fiscal year; and (B) have submitted approved applications under section 404.

[(3) In making allocations under paragraph (2)—

[(A) no funds shall be allocated to an Indian tribe unless such funds will be administered by a librarian; and

[(B) the Secretary shall take into account the needs of Indian tribes for such allocations to carry out the activities described in section 402(b).

[(4) In making allocations under this subsection, the Secretary shall take such actions as may be necessary to prevent an allocation from being received to serve the same population by any 2 or more of the following entities (as defined in or established pursuant to the Alaskan Native Claims Settlement Act): an Alaskan native village, a regional corporation, or a village corporation.

[(d)(1) From the sums available pursuant to the last sentence of section 4(a) for any fiscal year, the Secretary shall make grants to organizations primarily serving and representing Hawaiian natives that are recognized by the Governor of the State of Hawaii.

[(2) Grants under this subsection shall be made on the basis of applications and plans submitted by such organizations that are consistent with the requirements imposed pursuant to sections 402(b), 403 and 404. Funds made available by grants under this subsection may be used for the purposes specified in clauses (1) through (8) of section 402(a), to contract to provide public library services to Native Hawaiians, and to carry out any other activities authorized under this sentence by contract. Section 402(c) shall apply with respect to the cultural materials of Hawaiian natives. The Secretary shall issue criteria for the approval of applications and plans but the criteria may not include an allotment formula and may not contain a matching of funds requirement.

[PLANS AND PROGRAMS

[SEC. 6. (a) Any State desiring to receive its allotment for any purpose under this Act for any fiscal year shall (1) have in effect for such fiscal year a basic State plan as defined in section 3(11) and meeting the requirements set forth in subsection (b), (2) submit an annual program as defined in section 3(13) for the purposes for which allotments are desired, meeting the appropriate requirements set forth in titles I, II, and III and shall submit (no later than July 1, 1972) a long-range program as defined in section 3(12) for carrying out the purposes of this Act as specified in subsection (d), and (3) establish a State Advisory Council on Libraries which meets the requirements of section 3(8).

[(b) A basic State plan under this Act shall—

[(1) provide for the administration, or supervision of the administration, of the programs authorized by this Act by the State library administrative agency;

[(2) provide that any funds paid to the State in accordance with a long-range program and an annual program shall be ex-

pended solely for the purposes for which funds have been 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 agency) under this Act;

[(3) provide satisfactory assurance that the State agency administering the plan (A) will make such reports, in such form and containing such information, as the Secretary may reasonably require to carry out his functions under this Act and to determine the extent to which funds provided under this Act have been effective in carrying out its purposes, including reports of evaluations made under the State plans, and (B) will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports;

[(4) provide assurances that libraries within the State that receive funds under this Act shall not discriminate on the basis of race, religion, age, gender, national origin, or handicapping condition in providing space for public meetings; and

[(5) provide that priority will be given to programs and projects—

[(A) that improve access to public library resources and services for the least served populations in the State, including programs for individuals with limited English-speaking proficiency (as defined in section 703(a) of the Bilingual Education Act) or handicapping conditions, and programs and projects in urban and rural areas;

[(B) that serve the elderly;

[(C) that are designed to combat illiteracy; and

[(D) that increase services and access to services through effective use of technology.

[(c)(1) The Secretary shall not approve any basic State plan pursuant to this Act for any fiscal year unless—

[(A) the plan fulfills the conditions specified in section 3(11) and subsection (b) of this section and the appropriate titles of this Act;

[(B) he has made specific findings as to the compliance of such plan with requirements of this Act and he is satisfied that adequate procedures are subscribed to therein insure that any assurances and provisions of such plan will be carried out.

[(2) The State plan shall be made public as finally approved.

[(3) The Secretary shall not finally disapprove any basic State plan submitted pursuant to subsection (a)(1), or any modification thereof, without first affording the State reasonable notice and opportunity for hearing.

[(d) The long-range program of any State for carrying out the purposes of this Act shall be developed in consultation with the Secretary and shall—

[(1) set forth a program under which the funds received by the State under the programs authorized by this Act will be used to carry out a long-range program of library services, construction, and interlibrary cooperation and resource sharing

covering a period of not less than three nor more than five years;

[(2) be annually reviewed and revised in accordance with changing needs for assistance under this Act and the results of the evaluation and surveys of the State library administrative agency;

[(3) set forth policies and procedures (A) for the periodic evaluation of the effectiveness of programs and projects supported under this Act, and (B) for appropriate dissemination of the results of such evaluations and other information pertaining to such programs or projects; and

[(4) set forth effective policies and procedures for the coordination of programs and projects supported under this Act with library programs and projects operated by institutions of higher education or local elementary or secondary schools and with other public or private library services programs.

Such program shall be developed with advice of the State Advisory council and in consultation with the Secretary and shall be made public as it is finally adopted.

[(e) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering a program submitted under this Act, finds—

[(1) that the program has been so changed that it no longer complies with the provisions of this Act, or

[(2) that in the administration of the program there is a failure to comply substantially with any such provisions or with any assurance or other provision contained in the basic State plan,

then, until he is satisfied that there is no longer any such failure to comply, after appropriate notice to such State agency, he shall make no further payments to the State under this Act or shall limit payments to programs or projects under, or parts of, the programs not affected by the failure, or shall require that payments by such State agency under this Act shall be limited to local or other public library agencies not affected by the failure.

[(f)(1) If any State is dissatisfied with the Secretary's final action with respect to the approval of a plan submitted under this Act or with his final action under subsection (e) such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action as provided in section 2112 of title 28, United States Code.

[(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon take new or modified findings of fact and may modify his previous action, and shall certify to the court the record of further proceedings.

[(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the

United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

[(g)(1) Any Indian tribe desiring to receive its allotment under section 5(c)(1) shall submit an application to the Secretary in accordance with section 403.

[(2) Any Indian tribe desiring to receive an additional allocation under section 5(c)(2) in the same fiscal year in which it has received an allocation under section 5(c)(1) shall submit a plan in accordance with section 404.

[(h) The Secretary shall coordinate programs under titles V and VI of this Act with the programs assisted by titles I, II, and III of this Act, and shall provide to the head of the State library administrative agency the opportunity to comment on any application for a grant under title V or VI of this Act prior to the awarding of the grant, in order to assure that such grants from the Secretary are for purposes consistent with the long-range program required under subsection (d) of this section.

[PAYMENTS

[SEC. 7. (a) From the allotments available therefor under section 5 from appropriations pursuant to clause (1), (2), or (3) of section 4(a), the Secretary shall pay to each State which has a basic State plan approved under section 6(a)(1), an annual program and a long-range program as defined in sections 3 (12) and (13) an amount equal to the Federal share of the total sums expended by the State and its political subdivisions in carrying out such plan, except that no payments shall be made from appropriations pursuant to such paragraph (1) for the purposes of title I to any State (other than Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)) for any fiscal year unless the Secretary determines that—

[(1) there will be available from State and local sources for expenditure under the programs, during the fiscal year for which the allotment is made, an amount that equals or exceeds the amount required to provide the State percentage as required by subsection (b); and

[(2)(A) there will be available for expenditure for State aid to public libraries and library systems, during the fiscal year for which the allotment is made, an aggregate amount equal to 90 percent of the amount actually expended for such purposes in the second preceding fiscal year; and

[(B) there will be available for expenditure, during the fiscal year for which the allotment is made, for the State library administrative agency, or for the part thereof charged by State law with the extension and development of public library services throughout the State, an aggregate amount equal to 90 percent of the amount actually expended for such purpose in the second preceding fiscal year.

The Secretary may, in accordance with regulations, waive the requirements of paragraph (2) of this subsection, if the Secretary determines that the application of such paragraph would be unjust or unreasonable in the light of exceptional extenuating circumstances.

[(b)(1) For the purpose of this section, the "Federal share" for any State shall be, except as is provided otherwise in title III, 100

per centum less the State percentage, and the State percentage shall be that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of all the States (excluding Puerto Rico, Guam, American Samoa, and the Northern Mariana Islands the Virgin Islands, the Commonwealth of the Northern Mariana Islands and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)), except that (A) the Federal share shall in no case be more than 66 per centum, or less than 33 per centum, and (B) the Federal share for Puerto Rico, Guam, American Samoa, and the Northern Mariana Islands and the Virgin Islands shall be 66 per centum, and (C) the Federal share for the Trust Territory of the Pacific Islands shall be 100 per centum.

[(2) The "Federal share" for each State shall be promulgated by the Secretary within sixty days after the beginning of the fiscal year ending June 30, 1971, and of every second fiscal year thereafter, on the basis of the average per capita incomes of each of the States and of all the States (excluding Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Commonwealth of the Northern Mariana Islands and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)), for the three most recent consecutive years for which satisfactory data are available to him from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years beginning after the promulgation.

[(c) From the sums available pursuant to the second sentence of section 4(a), the Secretary shall pay to each Indian tribe which has an approved application under section 403 an amount equal to such tribe's allotment under section 5(c)(1) and shall pay to each Indian tribe which has an approved plan under section 404 an amount equal to such tribe's additional allocation under section 6(g)(2), except that such additional allocation shall not exceed 80 percent of the cost of carrying out such plan.

[ADMINISTRATIVE COSTS

[SEC. 8. A State may expend funds received under titles I and II for administrative costs in connection with programs and activities carried out under titles I, II, and III, but such administrative expenditures under such titles for any fiscal year may not exceed the greater of (1) 6 per centum of the sum of the amounts allotted to such State under such titles for such fiscal year, or (2) $60,000.

[EDUCATION RESEARCH LIBRARY

[SEC. 9. None of the activities or functions of the Department of Education Research Library which are utilized, directly or indirectly, by the Secretary in carrying out this Act and which were not performed by contractors as of July 26, 1989, shall be contracted out or otherwise transferred from the Federal Government before September 30, 1991, unless such transfer is expressly authorized by statute, or unless the value of all work performed under the contract and related contracts in each fiscal year does not exceed $50,000.

[TITLE I—PUBLIC LIBRARY SERVICES

[GRANTS TO STATES FOR PUBLIC LIBRARY SERVICES

[SEC. 101. The Secretary shall carry out a program of making grants from sums appropriated pursuant to section 4(a)(1) to States which have approved basic State plans under section 6 and have submitted annual programs under section 103—

[(1) for the extension of public library services to areas and populations without such services and the improvement of such services to areas and populations to ensure that such services are adequate to meet user needs and to make library services accessible to individuals who, by reason of distance, residence, handicap, age, literacy level, or other disadvantage, are unable to receive the benefits of public library services regularly made available to the public;

[(2) for adapting public library services to meet particular needs of individuals within the States;

[(3) for assisting libraries to serve as community information referral centers;

[(4) for assisting libraries in providing literacy programs for adults and school dropouts in cooperation with other agencies and organizations, if appropriate;

[(5) for assisting libraries in developing intergenerational library programs that will match older adult volunteers with libraries interested in developing after school literacy and reading skills programs for unsupervised school children during afterschool hours;

[(6) for assisting libraries in providing mobile library services and programs to child-care providers or child-care centers which are licensed or certified by the State, or otherwise meet the requirements of State law;

[(7) to establish and support model library literacy centers, coordinated by the State library administrative agency with other interested State agencies and nonprofit organizations to reduce the number of functionally illiterate individuals and to help them reach full employment;

[(8) for assisting libraries in providing and displaying educational materials, and conducting community-wide programs, aimed at preventing and eliminating drug abuse, in cooperation with local education agencies or other agencies or organizations, if appropriate;

[(9) for strengthening State library administrative agencies; and

[(10) for strengthening major urban resource libraries; and

[(11) for assisting public libraries in making effective use of technology to improve library and information services.

[USES OF FEDERAL FUNDS

[SEC. 102. (a) Funds appropriated pursuant to paragraph (1) of section 4(a) shall be available for grants to States from allotments under section 5(a) for the purpose of paying the Federal share of the cost of carrying out State plans submitted and approved under section 6 and section 103. Except as is provided in subsection (b), grants to States under this title may be used solely—

[(1) for planning for, and taking other steps leading to the development of, programs and projects designed to assist libraries to serve as community centers for information and referral and to extend and improve library services, as provided in clause (2);

[(2) for (A) extending public library services to geographical areas and groups of persons without such services and improving such services in such areas and for such groups as may have inadequate public library services; and (B) establishing, expanding, and operating programs and projects to provide (i) State institutional library services, (ii) library services to the physically handicapped, and (iii) library services for the disadvantaged in urban and rural areas; and (C) strengthening metropolitan public libraries which serve as national or regional resource centers; and

[(3) for supporting and expanding library services of major urban resource libraries which, because of the value of the collections of such libraries to individual users and to other libraries, need special assistance to furnish services at a level required to meet the demands made for such services.

No grant may be made under clause (3) of this subsection unless the major urban resource library provides services to users throughout the regional area in which such library is located. In carrying out its program to accomplish the purposes of this title, a State may make subgrants to library systems or networks which include libraries other than public libraries, if the purpose of the subgrant is to improve services for public library patrons.

[(b) Subject to the provisions of section 8 and such limitations and criteria as the Secretary shall establish by regulation, grants to States under this Act may be used (1) to pay the cost of administering the State plans submitted and approved under this Act (including obtaining the services of consultants), statewide planning for and evaluation of library services, dissemination of information concerning library services, and the activities of such advisory groups and panels as may be necessary to assist the State library administrative agency in carrying out its functions under this title, and (2) for strengthening the capacity of State library administrative agencies for meeting the needs of the people of the States.

[(c)(1) Subject to such criteria as the Secretary shall establish by regulation, in any fiscal year in which sums appropriated pursuant to paragraph (1) of section 4(a) (excluding the amount made available for Indian tribes and Hawaiian natives) exceed $60,000,000, each State which is subject to the provisions of this subsection shall reserve that portion of the allotment of each State attributable to the amount in excess of $60,000,000 in that fiscal year in the manner required in paragraph (2).

[(2)(A) In each State having one or more cities with a population of 100,000 or more individuals, as determined by the Secretary, and in which the aggregate population of such cities does not exceed 50 percent of the total population of the State, the portion of the excess amount specified in paragraph (1) shall be reserved for the purposes described in subsection (a)(3) of this section in accordance with clause (2) of section 103 in an amount which bears the

same ratio to the total of such excess amount as the aggregate population of such cities bears to the total population of such State.

[(B) In each State having one or more cities with a population of 100,000 or more individuals, as determined by the Secretary, and in which the aggregate population of such cities exceeds 50 percent of the total population of the State, 50 percent of the excess amount specified in paragraph (1) shall be reserved for the purposes described in subsection (a)(3) in accordance with clause (2) of section 103.

[(C) Any State which does not include any city with a population of 100,000 or more individuals, as determined by the Secretary, shall not be subject to the provisions of this subsection.

[(3) No State shall, in carrying out the provisions of paragraph (2) of this subsection, reduce the amount paid to any major urban resource library below the amount that such library received in the fiscal year preceding the fiscal year for which the determination is made under such paragraph (2), except that such amount may be ratably reduced to the extent that (A) the total Federal allocations to the State under section 5 for purposes of this title for the applicable fiscal year are reduced, or (B) the 1990 Census shows the population of the city served by such library has decreased.

[STATE ANNUAL PROGRAM FOR LIBRARY SERVICES

[SEC. 103. Any State desiring to receive a grant from its allotment for the purposes of this title for any fiscal year shall, in addition to having submitted, and having had approved, a basic State plan under section 6, submit for that fiscal year an annual program for library services. Such program shall be submitted at such time, in such form, and contain such information as the Secretary may require by regulation, and shall—

[(1) set forth a program, subject to clause (2) of this section, for the year submitted under which funds paid to the State from appropriations pursuant to paragraph (1) of section 4(a) for that year will be used, consistent with its long-range program, solely for the purposes set forth in section 102;

[(2) set forth a program for the year submitted under which the amount reserved by the State under section 102(c), if applicable, will be used for the purposes set forth in clause (3) of section 102(a);

[(3) set forth the criteria used in allocating such funds among such purposes, which criteria shall insure that the State will expend from Federal, State, and local sources an amount not less than the amount expended by the State from such sources for State institutional library services, and library services to the physically handicapped and institutionalized individuals during the second fiscal year preceding the fiscal year for which the determination is made;

[(4) describe the uses of funds for programs for the elderly;

[(5) describe the uses of funds to make library services and programs more accessible to handicapped individuals;

[(6) include such information, policies, and procedures as will assure that the activities to be carried out during that year are consistent with the long-range program; and

[(7) include an extension of the long-range program, taking into consideration the results of evaluations.

No State shall, in carrying out the provisions of clause (2) of this section, reduce the amount paid to an urban resource library below the amount that such library received in the year preceding the year for which the determination is made under such clause (2). The amount which a State is required to expend pursuant to clause (3) of this section shall be ratably reduced to the extent that Federal allocations to the State are reduced and to the extent that the Secretary determines that the populations served by such expenditures has declined.

[TITLE II—PUBLIC LIBRARY CONSTRUCTION AND TECHNOLOGY ENHANCEMENT

[GRANTS TO STATES FOR PUBLIC LIBRARY CONSTRUCTION AND LIBRARY AND INFORMATION TECHNOLOGY ENHANCEMENT

[SEC. 201. The Secretary shall carry out a program of making grants to States which have had approved a basic State plan under section 6 and have submitted a long-range program and submit annually appropriately updated programs under section 203 for the construction and technology enhancement of public libraries.

[USES OF FEDERAL FUNDS

[SEC. 202. (a) Funds appropriated pursuant to paragraph (2) of section 4(a) shall be available for grants to States from allotments under section 5(a) for the purpose of paying the Federal share of the cost of construction and technology enhancement projects carried under State plans. Such grants shall be used for the construction and technology enhancement (as defined in sections 3(2) and 3(19), respectively of public libraries.

[(b) For the purposes of subsection (a), the Federal share of the cost of construction and technology enhancement of any project assisted under this title shall not exceed one-half of the total cost of such project.

[(c) If, within 20 years after completion of construction of any library facility which has been constructed in part with funds made available under this title—

[(1) the recipient (or its successor in title or possession) ceases or fails to be a public or nonprofit institution, or

[(2) the facility ceases to be used as a library facility, unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such recipient (or successor) an amount which bears the same ratio to the value of the facility at that time (or part thereof constituting an approved project or projects) as the amount of the Federal grant bore to the cost of such facility (or part thereof). The value shall be determined by the parties or by action brought in the United States district court for the district in which the facility is located.

[STATE ANNUAL PROGRAM FOR THE CONSTRUCTION AND TECHNOLOGY ENHANCEMENT OF PUBLIC LIBRARIES

[SEC. 203. Any State desiring to receive a grant from its allotment for the purpose of this title for any fiscal year shall, in addition to having submitted, and having had approved, a basic State plan under section 6, submit such projects as the State may approve and are consistent with its long-range program.

[Such projects shall be submitted at such time and contain such information as the Secretary may require by regulation and shall—

[(1) for the year submitted under which funds are paid to the State from appropriations pursuant to paragraph (2) of section 4(a) for that year, be used, consistent with the State's long-range program, for the construction and technology enhancement of public libraries in areas of the State which are without the library facilities necessary to provide adequate library services;

[(2) follow the criteria, policies, and procedures for the approval of applications for the construction and technology enhancement of public library facilities under the long-range program;

[(3) follow policies and procedures which will insure that every local or other public agency whose application for funds under the plan with respect to a project for construction and technology enhancement of public library facilities is denied will be given an opportunity for a hearing before the State library administrative agency;

[(4) include an extension of the long-range program taking into consideration the results of evaluations; and

[(5) follow policies and procedures in the construction of public libraries that will promote the preservation of library and information resources to be utilized in the facilities.

[TITLE III—INTERLIBRARY COOPERATION AND RESOURCE SHARING

[GRANTS TO STATES FOR INTERLIBRARY COOPERATION PROGRAMS

[SEC. 301. The Secretary shall carry out a program of making grants to States which have an approved basic State plan under section 6, have submitted a long-range program and an annual program under section 303 for interlibrary cooperation programs, and have submitted long-range and annual programs which are directed toward attaining compliance with the requirements of section 304.

[USES OF FEDERAL FUNDS

[SEC. 302. (a) Funds appropriated pursuant to paragraph (3) of section 4(a) shall be available for grants to States from allotments under paragraphs (1) and (3) of section 5(a) for the purpose of carrying out the Federal share of the cost of carrying out State plans submitted and approved under section 303. Such grants shall be used (1) for planning for, and taking other steps leading to the development of, cooperative library networks; (2) establishing, expanding, and operating local, regional, and interstate cooperative

networks of libraries, which provide for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers for improved supplementary services for the special clientele served by each type of library or center; and (3) developing the technological capacity of libraries for interlibrary cooperation and resource sharing.

[(b) For the purposes of this title, the Federal share shall be 100 per centum of the cost of carrying out the State plan.

[STATE ANNUAL PROGRAM FOR INTERLIBRARY COOPERATION

[SEC. 303. Any State desiring to receive a grant from its allotment for the purposes of this title for any fiscal year shall, in addition to having submitted, and having had approved, a basic State plan under section 6, submit for that fiscal year an annual program for interlibrary cooperation. Such program shall be submitted at such time, in such form, and contain such information as the Secretary may require by regulation and shall comply with the requirements of section 304, shall—

[(1) set forth a program for the year submitted under which funds paid to the State from appropriations pursuant to paragraph (3) of section 4(a) will be used, consistent with its long-range program for the purposes set forth in section 302,

[(2) include an extension of the long-range program taking into consideration the results of evaluations.

[RESOURCE SHARING

[SEC. 304. (a) The long-range program and annual program of each State shall include a statewide resource sharing plan which is directed toward attaining compliance with the provisions of this section.

[(b) In developing the State basic and long-range programs, the State library agency with the assistance of the State advisory council on libraries shall consider recommendations from current and potential participating institutions in the interlibrary and resource sharing programs authorized by this title.

[(c) The State's long-range program shall identify interlibrary and resource sharing objectives to be achieved during the period covered by the basic and long-range plans required by section 6. The long-range program may include—

[(1) criteria for participation in statewide resource sharing to ensure equitable participation by libraries of all types that agree to meet requirements for resource sharing;

[(2) an analysis of the needs for development and maintenance of bibliographic access, including data bases for monographs, serials, and audiovisual materials;

[(3) an analysis of the needs for development and maintenance of communications systems for information exchange among participating libraries;

[(4) an analysis of the needs for development and maintenance of delivery systems for exchanging library materials among participating libraries;

[(5) a projection of the computer and other technological needs for resource sharing;

[(6) an identification of means which will be required to provide users access to library resources, including collection development and maintenance in major public, academic, school, and private libraries serving as resource centers;

[(7) a proposal, where appropriate, for the development, establishment, demonstration, and maintenance of intrastate multitype library systems;

[(8) an analysis of the State's needs for development and maintenance of links with State and national resource sharing systems; and

[(9) a description of how the evaluations required by section 6(d) will be conducted.

[(d) Libraries participating in resource sharing activities under this section may be reimbursed for their expenses in loaning materials to public libraries.

[(e) Public and school libraries which cooperate to make school library resources available to the public during periods when school is not in session may be reimbursed for such expenses.

[PRESERVATION PROGRAMS

[SEC. 305. (a) The long-range program and annual program of each State under this title may—

[(1) include a statewide preservation cooperation plan that complies with this section; and

[(2) identify the preservation objectives to be achieved during the period covered by the long-range plans required by section 6.

[(b) A statewide preservation cooperation plan complies with this section if—

[(1) such plan specifies the methods by which the State library administrative agency will work with libraries, archives, historical societies, scholarly organizations, and other agencies, within or outside the State, in planning, education and training, coordinating, outreach and public information, and service programs to ensure that endangered library and information resources are preserved systematically; and

[(2) such preservation plan is developed in consultation with such parties and agencies as the State archives, historical societies, libraries, scholarly organizations, and other interested parties.

[(c) A State which has a statewide preservation cooperation plan that complies with this section may use funds under this title to carry out such plan.

[(d) The State library administrative agency may contract part or all of the preservation program under this section to other agencies or institutions.

[TITLE IV—LIBRARY SERVICES FOR INDIAN TRIBES

[FINDINGS AND PURPOSE; AUTHORIZATION OF GRANTS

[SEC. 401. (a) The Congress finds that—

[(1) most Indian tribes receive little or no funds under titles I, II, and III of this Act;

[(2) Indian tribes and reservations are generally considered to be separate nations and seldom are eligible for direct library allocations from States;

[(3) the vast majority of Indians living on or near reservations do not have access to adequate libraries or have access to no libraries at all; and

[(4) this title is therefor required specifically to promote special efforts to provide Indian tribes with library services.

[(b) It is therefor the purpose of this title (1) to promote the extension of public library services to Indian people living on or near reservations; (2) to provide incentives for the establishment and expansion of tribal library programs; and (3) to improve the administration and implementation of library services for Indians by providing funds to establish and support ongoing library programs.

[(c) The Secretary shall carry out a program of making grants from allotments under section 5(c)(1) to Indian tribes that have submitted an approved application under section 403 for library services to Indians living on or near reservations.

[(d) The Secretary shall carry out a program of making special project grants from funds available under section 5(c)(2) to Indian tribes that have submitted approved plans for the provision of library services as described in section 404.

[USE OF FUNDS

[SEC. 402. (a) Funds made available by grant under subsection (c) or (d) of section 401 may be used for—

[(1) inservice or preservice training of Indians as library personnel;

[(2) purchase of library materials;

[(3) conduct of special library programs for Indians;

[(4) salaries of library personnel;

[(5) construction, purchase, renovation, or remodeling of library buildings and facilities;

[(6) transportation to enable Indians to have access to library services;

[(7) dissemination of information about library services;

[(8) assessment of tribal library needs; and

[(9) contracts to provide public library services to Indians living on or near reservations or to accomplish any of the activities described in clauses (1) through (8).

[(b) Any tribe that supports a public library system shall continue to expend from Federal, State, and local sources an amount not less than the amount expended by the tribe from such sources for public library services during the second fiscal year preceding the fiscal year for which the determination is made.

[(c) Nothing in this Act shall be construed to prohibit restricted collections of tribal cultural materials with funds made available under this Act.

[APPLICATIONS FOR LIBRARY SERVICES TO INDIANS

[SEC. 403. Any Indian tribe which desires to receive its allotment under section 5(c)(1) shall submit an application which contains such information as the Secretary may require by regulation.

[PLANS FOR LIBRARY SERVICES TO INDIANS

[SEC. 404. Any Indian tribe which desires to receive a special project grant from funds available under section 5(c)(2) shall submit a plan for library services on or near an Indian reservation. Such plans shall be submitted at such time, in such form, and contain such information as the Secretary may require by regulation and shall set forth a program for the year under which funds paid to the Indian tribe will be used, consistent with—

[(1) a long-range program, and

[(2) the purposes set forth in section 402(a).

[COORDINATION WITH PROGRAMS FOR INDIANS

[SEC. 405. The Secretary, with the Secretary of the Interior, shall coordinate programs under this title with the programs assisted under the various Acts and programs administered by the Department of the Interior that pertain to Indians.

[SERVICES IN STATES WITH INDIAN TRIBES NOT RESIDING ON OR NEAR RESERVATIONS

[SEC. 406. The provisions of this title requiring that services be provided on or near Indian reservations, or to only those Indians who live on or near Indian reservations, shall not apply in the case of Indian tribes and Indians in California, Oklahoma, and Alaska.

[TITLE V—FOREIGN LANGUAGE MATERIALS ACQUISITION

[GRANTS FOR FOREIGN LANGUAGE MATERIAL ACQUISITION

[SEC. 501. (a) The Secretary shall carry out a program of making grants from sums appropriated pursuant to section 4(a)(4) to State and local public libraries for the acquisition of foreign language materials.

[(b) Recipients of grants under this title shall be selected on a competitive basis.

[(c) No grant under this title for any fiscal year shall exceed $35,000, except that—

[(1) not more than 30 percent of the funds available for grants under this title in any fiscal year may be used to make grants in amounts between $35,000 and $125,000; and

[(2) no recipient may receive more than one grant under this title for any fiscal year.

[TITLE VI—LIBRARY LITERACY PROGRAMS

[STATE AND LOCAL LIBRARY GRANTS

[SEC. 601. (a) The Secretary shall carry out a program of making grants from sums appropriated pursuant to section 4(a)(5) to State and local public libraries for the purposes of supporting literacy programs.

[(b) Grants to State public libraries under this title shall be for the purposes of—

[(1) coordinating and planning library literacy programs; and

[(2) making arrangements for training librarians and volunteers to carry out such programs.

[(c) Grants to local public libraries shall be for the purposes of—

[(1) promoting the use of the voluntary services of individuals, agencies, and organizations in providing literacy programs;

[(2) acquisition of materials for literacy programs; and

[(3) using library facilities for such programs.

[(d) Recipients of grants under this title shall be selected on a competitive basis.

[(e) No grant under this title for any fiscal year shall exceed $35,000.

[(f) In awarding grants under this section the Secretary shall give priority to programs and services which—

[(1) will be delivered in areas of greatest need which have highest concentrations of adults who do not have a secondary education or its equivalent, and which—

[(A) have few community or financial resources to establish the program described under this section without Federal assistance, or

[(B) have low per capita income, unemployment or underemployment; and

[(2) coordinate with literacy organizations and community based organizations providing literacy services.

[TITLE VII—EVALUATION AND ASSESSMENT

[PROGRAM AUTHORITY

[SEC. 701. The Secretary is authorized to carry out a program for the purpose of evaluation and assessment (directly or by grants or contracts) of programs authorized under this Act.

[TITLE VIII—LIBRARY LEARNING CENTER PROGRAMS

[PART A—FAMILY LEARNING CENTERS

[STATEMENT OF PURPOSE

[SEC. 801. It is the purpose of this part to expand and improve opportunities for lifetime learning and the involvement of the Nation's families as partners in their children's education by providing comprehensive, family-oriented library services through Family Learning Centers.

[GRANTS FOR FAMILY LEARNING CENTERS

[SEC. 802. The Secretary shall carry out a program of making grants from sums appropriated pursuant to paragraph (7) of section 4(a) to local public libraries for the purposes of supporting family learning centers.

[USE OF FUNDS

[SEC. 803. (a) Funds made available to a grantee under this part shall be used to initiate, expand, or improve public library services to families.

[(b) Not less than 25 percent of the funds made available under this part shall be used for the acquisition of resources and materials in print and electronic formats—

[(1) which are intended for use by and with adults, including materials in such areas as child care, child development, nutrition, parenting skills, and job and career information; and

[(2) which are intended for use by and with children and adolescents.

[(c) Not less than 10 percent of the funds made available to a grantee under this part shall be used for—

[(1) the acquisition or leasing of computer hardware for use by library patrons, including services necessary for the operation, installation, and maintenance of such equipment; and

[(2) the acquisition of computer software and complementary explanatory material for use by library patrons.

[APPLICATION

[SEC. 804. (a) Any local public library which wishes to receive a grant under this part shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary determines is necessary to evaluate the quality of the applicant's proposal and the applicant's ability to carry it out.

[(b) Each such application shall—

[(1) describe the manner in which the funds will be used to initiate, expand, or improve library services to families;

[(2) provide assurances that the library will be open on weekday evenings, Saturdays, and some Sundays and legal public holidays to enable families in which both parents work outside the home to utilize the library's services;

[(3) demonstrate that the library has or will have sufficient qualified staff with specialized training in providing library services to children, adolescents, and adults;

[(4) provide for the establishment of an advisory committee consisting of parents, teachers, local school administrators, librarians, library administrators, library trustees, local elected officials, and business leaders, at least one-third of whom are parents who regularly use the services of the library;

[(5) provide for the establishment of a family library loan program through which families may borrow sets of books for extended periods, and other innovative programs and policies designed to encourage greater use of the library by families;

[(6) provide for a job and career information program to provide information and assistance to parents and others who are unemployed or seeking a new job;

[(7) describe, if appropriate, any special services and outreach activities which will be offered to meet the needs of—

[(A) adolescent parents;

[(B) single-parent families;

[(C) families in which both parents are employed outside the home;

[(D) parents and children with limited English language proficiency; and

[(E) educationally disadvantaged adults and their children;

[(8) describe the methods by which the library will publicize and promote the services of the Center in cooperation with the local media, schools, businesses, social service agencies, and other appropriate entities; and

[(9) provide assurances that the funds provided will be used to supplement and not supplant funds otherwise available for the purposes of this part.

[SELECTION OF FAMILY LEARNING CENTERS

[SEC. 805. (a) The Secretary shall select family learning centers on a competitive basis from among the local public libraries submitting applications under section 804. In making such selection, the Secretary shall give priority to applications which—

[(1) promise to serve a significant number of families on a regular basis; and

[(2) offer innovative approaches to improving library services for families and approaches which show promise for replication and dissemination.

[(b) In making grants under this title, the Secretary shall assure that there is an equitable distribution of grants among the States and between urban and rural communities.

[(c) No grant made under this title for any fiscal year shall exceed $200,000.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 806. There are authorized to be appropriated such sums as may be necessary for fiscal year 1995 to carry out this part.

[PART B—LIBRARY LITERACY CENTERS

[STATEMENT OF PURPOSE

[SEC. 811. The purposes of this part are to—

[(1) establish model library literacy centers throughout the country to serve as resource centers for the dissemination of literacy materials and equipment to local public libraries in order to help overcome the high incidence of adults with limited literacy skills in the United States;

[(2) help adults with limited literacy skills reach full employment through nonthreatening learning experiences in their local public library or in their own home; and

[(3) offer innovative approaches to improving library literacy services to adults and approaches which show promise for replication and dissemination.

[GRANTS TO STATES FOR LIBRARY LITERACY CENTERS

[SEC. 812. (a) The Secretary shall carry out a program of making grants on a competitive basis to States which have an approved basic State plan under section 6 of this Act and an approved application under section 813 of this Act.

[(b)(1) The total grant amount awarded to each State shall not exceed—

[(A) $350,000 in the first fiscal year in which a State receives a grant under this part; and

[(B) $100,000 in the second and third fiscal years in which a State receives a grant under this part.

[(2) Funds received in the first fiscal year in which a State receives a grant under this part shall remain available until expended. Funds received in the second and third fiscal year in which a State receives a grant under this part shall be available only for the fiscal year for which funds are received.

[(3) Funds received in the second and third fiscal years in which a State receives a grant under this part shall be matched, on a dollar for dollar basis, from non-Federal sources.

[STATE APPLICATION

[SEC. 813. (a) Funds appropriated pursuant to section 818 shall be available for grants to States for the purpose of supporting not more than 1 library literacy center in each State to coordinate the state-wide distribution of library literacy materials and equipment on a loan basis to local public libraries within the State.

[(b) Any State wishing to receive a grant shall, through its State library administrative agency, in conjunction with the advisory committee established under section 816, submit an application to the Secretary at such time, in such form, and containing such information and assurances as the Secretary may reasonably require. No application may be approved by the Secretary unless it contains assurances that the State will—

[(1) designate the State library administrative agency, or select a local public library through a competitive process, to serve as a library literacy center in accordance with the provisions of this part;

[(2) provide assurances that the library literacy center will—

[(A) select local public libraries to participate in a literacy materials and equipment loan program;

[(B) select at least 25 percent of the local libraries that participate in the literacy materials and equipment loan program from rural areas;

[(C) give priority in the selection of local public libraries to participate in the literacy materials and equipment loan program to public libraries within the State which serve those in greatest need;

[(D) coordinate the distribution of equipment and materials;

[(E) provide training to local public library personnel;

[(3) describe how the results of the grant program will be evaluated and disseminated;

[(4) set forth the potential of the grant program for achieving replicability and for serving as a model program; and

[(5) distribute 100 percent of the amounts received pursuant to this part to the library literacy center as designated or selected under section 817.

[(c) The Secretary shall give priority to applicants whose applications comply with the provisions of this part and describe programs and services to be delivered in States which have—

[(1) the highest concentrations of adults who do not have a secondary education or its equivalent,

[(2)(A) few community or financial resources to establish the program described under this part without Federal assistance, or

[(B) low per capita income, or high concentrations of unemployment or underemployment.

[USE OF FUNDS

[SEC. 814. (a) Funds made available under this part shall be used by the library literacy centers to establish coordination centers to make literacy materials and equipment available to local public libraries on a loan basis to initiate, expand, or improve public library literacy services and programs. Such services and programs may include—

[(1) the acquisition of literacy education equipment including, but not limited to, video recorders and television monitors;

[(2) the acquisition of print materials, audio tapes and video tapes designed to train adults with limited literacy skills, including materials and tapes prepared by public television;

[(3) the acquisition of library resource materials for literacy instruction purposes;

[(4) the acquisition of literacy training materials including but not limited to General Education Development (GED) print materials and video tapes; and

[(5) staffing for coordination and training of local library personnel on literacy services.

[(b) Each library literacy center receiving a grant under this part may use no more than 25 percent of such funds for the acquisition of literacy education computers and computer software.

[LOCAL APPLICATION

[SEC. 815. (a) Any local public library desiring to participate in programs and services conducted pursuant to this part shall submit an application to the State or the library literacy center as selected by the State under section 817 at such time, in such form, and containing such information as the State or the library literacy center determines is necessary to evaluate the quality of the local public library's proposal and the local public library's ability to carry out such proposal.

[(b) Each such application shall—

[(1) describe the manner in which the equipment and materials will be used to initiate, expand, or improve local library literacy services;

[(2) demonstrate that the library has or will have sufficient qualified staff and volunteers with specialized training in providing library literacy services to adults;

[(3) provide for the establishment of—

[(A) a library literacy loan program through which adults with limited literacy skills or individuals helping illiterate adults to learn to read may borrow books, video tapes, and other learning materials;

[(B) other innovative programs and policies designed to encourage greater use of the library by adults with limited literacy skills or individuals helping illiterate adults learn to read;

[(4) provide assurances that coordination will take place with literacy organizations and community-based organizations providing literacy services;

[(5) provide job and career information to adults with limited literacy skills who are unemployed or seeking a new job;

[(6) provide information or referrals to other adult education opportunities in the community;

[(7) describe, if appropriate, any special services and outreach activities which will be offered to meet the needs of adults with limited literacy skills;

[(8) describe the methods by which the library will publicize and promote the services of the library in cooperation with the local media, schools, businesses, social service agencies, and other appropriate entities; and

[(9) provide assurances that the materials, equipment and training provided will be used to supplement and not supplant materials, equipment and training otherwise available for the purposes of this part.

[ADVISORY COMMITTEE

[SEC. 816. Each State receiving a grant under this part shall establish an advisory committee to assist in coordinating the services and programs assisted under this part. Such committee shall consist of, but not be limited to, representatives of—

[(1) the Governor's office;

[(2) the State library administrative agency;

[(3) the State Advisory Council on Libraries;

[(4) the State department of education;

[(5) the State employment office;

[(6) public television; and

[(7) adult literacy community organizations.

[SELECTION OF LITERACY LEARNING CENTERS

[SEC. 817. Each State receiving a grant under this part shall designate the State library administrative agency as the library literacy center or shall select a library literacy center on a competitive basis from among the local public libraries submitting applications under section 815. In making such selection, the State shall give priority to applications which—

[(1) demonstrate the greatest ability to carry out the requirements of section 813 and to serve other local libraries; and

[(2) offer innovative approaches to improving library literacy services to adults and approaches which show promise for replication and dissemination.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 818. There are authorized to be appropriated such sums as may be necessary for fiscal year 1995 to carry out this part.]

JOB TRAINING PARTNERSHIP ACT

AN ACT To provide for a job training program and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE[; TABLE OF CONTENTS]

SECTION 1. This Act may be cited as the "Job Training Partnership Act".

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[STATEMENT OF PURPOSE

[SEC. 2. It is the purpose of this Act to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing job training and other services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby improving the quality of the work force and enhancing the productivity and competitiveness of the Nation.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 3. (a)(1) There are authorized to be appropriated to carry out parts A and C of title II such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year. Of the sums appropriated to carry out parts A and C of title II for each such fiscal year, an amount not less than 40 percent of such sums shall be made available to carry out part A of such title and an amount not less than 40 percent of such sums shall be made available to carry out part C of such title.

[(2) There are authorized to be appropriated to carry out part B of title II such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year.

[(b) There are authorized to be appropriated to carry out title III (other than section 326 thereof)—

[(1) $980,000,000 for fiscal year 1989; and

[(2) such sums as may be necessary for each succeeding fiscal year.

[(c)(1) There are authorized to be appropriated to carry out parts A, C, D, E, F, and G of title IV for fiscal year 1993 and each succeeding fiscal year an amount equal to not more than 7 percent of the total amount appropriated to carry out this Act for each such fiscal year.

[(2) From the amount appropriated under paragraph (1) for any fiscal year, the Secretary—

[(A) shall first reserve—

[(i) an amount of not less than 3.3 percent of the amount available for parts A and C of title II for such fiscal year to carry out section 401; and

[(ii) an amount of not less than 3.2 percent of the amount available for parts A and C of title II for such fiscal year to carry out section 402; and

[(B) after making such reservations, shall reserve—

[(i) an amount equal to 7 percent of the amount appropriated under paragraph (1) to carry out part C of title IV;

[(ii) $15,000,000 to carry out section 453, of which—

[(I) not less than 20 percent shall be used to carry out section 453(b);

[(II) not less than 20 percent shall be used to carry out section 453(c); and

[(III) $1,000,000 shall be used to carry out section 453(d);

[(iii) $6,000,000 to carry out subsections (e) and (f) of section 462; and

[(iv) $2,000,000 to carry out part F of title IV.

[(3) There are authorized to be appropriated to carry out part H of title IV $100,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 through 1997.

[(4) There are authorized to be appropriated to carry out part I of title IV $5,000,000 for each of the fiscal years 1993 through 1997.

[(5) There are authorized to be appropriated to carry out part J of title IV, $15,000,000 for fiscal year 1993 and such sums as may be necessary for each succeeding fiscal year.

[(d) There are authorized to be appropriated $618,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year, to carry out part B of title IV of this Act.

[(e) There are authorized to be appropriated for each of fiscal years 1990 through 1996 such sums as may be necessary to carry out title V.

[(f) The authorizations of appropriations contained in this section are subject to the program year provisions of section 161.

[DEFINITIONS

[SEC. 4. For the purposes of this Act, the following definitions apply:

[(1) The term "academic credit" means credit for education, training, or work experience applicable toward a secondary school diploma, a postsecondary degree, or an accredited certificate of completion, consistent with applicable State law and regulation and the requirements of an accredited educational agency or institution in a State.

[(2) The term "administrative entity" means the entity designated to administer a job training plan under section 103(b)(1)(B).

[(3) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain programs under parts A and C of title II of this Act and which has an average rate of unemployment of at least 6.5 percent for the most recent twelve months as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.

[(4) The term "chief elected official" includes—

[(A) in the case of a State, the Governor;

[(B) in the District of Columbia, the mayor; and

[(C) in the case of a service delivery area designated under section 101(a)(4)(A)(iii), the governing body.

[(5) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide job training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, National Council of La Raza, 70,001, Jobs for Youth, the Association of Farmworker Opportunity Programs, the Center for Employment Training, literacy organizations, agencies or organizations serving older individuals, organizations that provide service opportunities, youth corps programs, organizations operating career intern programs, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, agencies serving individuals with disabilities, including disabled veterans, agencies serving displaced homemakers, union-related organizations, and employer-related nonprofit organizations), and organizations serving nonreservation Indians, as well as tribal governments and Native Alaskan groups.

[(6) Except as otherwise provided therein, the term "council" means the private industry council established under section 102.

[(7) The term "economic development agencies" includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

[(8) The term "economically disadvantaged" means an individual who (A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program; (B) has, or is a member of a family which has, received a total family income for the six-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), or (ii) 70 percent of the lower living standard income level; (C) is receiving (or has been determined within the 6-month period prior to the application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977; (D) qualifies as a homeless individual under subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act; (E) is a foster child on behalf of whom State or local government payments are made; or (F) in cases permitted by regulations of the Secretary, is an individual with a disability whose

own income meets the requirements of clause (A) or (B), but who is a member of a family whose income does not meet such requirements.

[(9) The term "Governor" means the chief executive of any State.

[(10)(A) The term "individual with a disability" means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

[(B) The term "individuals with disabilities" means more than one individual with a disability.

[(11) The term "Hawaiian native" means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

[(12) The term "institution of higher education" means any institution of higher education as that term is defined in section 1201(a) of the Higher Education Act of 1965.

[(13) The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

[(14) The term "local educational agency" means such an agency as defined in section 521(22) of the Carl D. Perkins Vocational Education Act.

[(15) The term "low-income level" means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

[(16) The term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent "lower living family budget" issued by the Secretary.

[(17) The term "offender" means any adult or juvenile who is or has been subject to any stage of the criminal justice process for whom services under this Act may be beneficial or who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

[(18) The term "postsecondary institution" means an institution of higher education as that term is defined in section 481(a)(1) of the Higher Education Act of 1965.

[(19) The term "private sector" means, for purposes of the State job training councils and private industry councils, persons who are owners, chief executives or chief operating officers of private for-profit employers and major nongovernmental employers, such as health and educational institutions or other executives of such employers who have substantial management or policy responsibility.

[(20) The term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

[(21) The term "Secretary" means the Secretary of Labor.

[(22) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[(23) The term "State educational agency" means such an agency as defined in section 14101 of the Elementary and Secondary Education Act of 1965.

[(24) The term "supportive services" means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training program funded under this Act. Such supportive services may include transportation, health care, financial assistance (except as a post-termination service), drug and alcohol abuse counseling and referral, individual and family counseling, special services, and materials for individuals with disabilities, job coaches, child care and dependent care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in-kind or through cash assistance.

[(25) The term "unemployed individuals" means individuals who are without jobs and who want and are available for work. The determination of whether individuals are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

[(26) The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

[(27)(A) The term "veteran" means an individual who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

[(B) The term "disabled veteran" means (i) a veteran who is entitled to compensation under laws administered by the Secretary of Veterans Affairs, or (ii) an individual who was discharged or released from active duty because of service-connected disability.

[(C) The term "recently separated veteran" means any veteran who applies for participation under any title of this Act within 48 months of the discharge or release from active military, naval, or air service.

[(D) The term "Vietnam era veteran" means a veteran any part of whose active military service occurred between August 5, 1964, and May 7, 1975.

[(28) The term "vocational education" has the meaning provided in section 521(41) of the Carl D. Perkins Vocational Education Act.

[(29) The term "displaced homemaker" means an individual who has been providing unpaid services to family members in the home and who—

[(A) has been dependent either—

[(i) on public assistance and whose youngest child is within 2 years of losing eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

[(ii) on the income of another family member but is no longer supported by that income; and

[(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

[(30) The term "nontraditional employment" as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

[(31) The term "basic skills deficient" means, with respect to an individual, that the individual has English reading or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion-referenced test.

[(32) The term "case management" means the provision of a client-centered approach in the delivery of services, designed to—

[(A) prepare and coordinate comprehensive employment plans, such as service strategies, for participants to ensure access to the necessary training and supportive services, using, where feasible, computer-based technologies; and

[(B) provide job and career counseling during program participation and after job placement.

[(33) The term "citizenship skills" means skills and qualities, such as teamwork, problem-solving ability, self-esteem, initiative, leadership, commitment to life-long learning, and an ethic of civic responsibility, that are characteristic of productive workers and good citizens.

[(34) The term "family" means two or more persons related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories:

[(A) A husband, wife, and dependent children.

[(B) A parent or guardian and dependent children.

[(C) A husband and wife.

[(35) The term "hard-to-serve individual" means an individual who is included in one or more of the categories described in section 203(b) or subsection (b) or (d) of section 263.

[(36) The term "JOBS" means the Job Opportunities and Basic Skills Training Program authorized under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.).

[(37) The term "participant" means an individual who has been determined to be eligible to participate in and who is receiving services (except post-termination services authorized under sections 204(c)(4) and 264(d)(5) and followup services authorized under section 253(d)) under a program authorized by this Act. Participation shall be deemed to commence on the

first day, following determination of eligibility, on which the participant began receiving subsidized employment, training, or other services provided under this Act.

[(38) The term "school dropout" means an individual who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

[(39) The term "termination" means the separation of a participant who is no longer receiving services (except post-termination services authorized under sections 204(c)(4) and 264(d)(5) and followup services authorized under section 253(d)) under a program authorized by this Act.

[(40) The term "youth corps program" means a program, such as a conservation corps or youth service program, that offers productive work with visible community benefits in a natural resource or human service setting and that gives participants a mix of work experience, basic and life skills, education, training, and supportive services.

[TITLE I—JOB TRAINING PARTNERSHIP

[PART A—SERVICE DELIVERY SYSTEM

[ESTABLISHMENT OF SERVICE DELIVERY AREAS

[SEC. 101. (a)(1) The Governor shall, after receiving the proposal of the State job training coordinating council, publish a proposed designation of service delivery areas for the State each of which—

[(A) is comprised of the State or one or more units of general local government;

[(B) will promote effective delivery of job training services; and

[(C)(i) is consistent with labor market areas or standard metropolitan statistical areas, but this clause shall not be construed to require designation of an entire labor market area; or

[(ii) is consistent with areas in which related services are provided under other State or Federal programs.

[(2) The Council shall include in its proposal a written explanation of the reasons for designating each service delivery area.

[(3) Units of general local government (and combinations thereof), business organizations, and other affected persons or organizations shall be given an opportunity to comment on the proposed designation of service delivery areas and to request revisions thereof.

[(4)(A) The Governor shall approve any request to be a service delivery area from—

[(i) any unit of general local government with a population of 200,000 or more;

[(ii) any consortium of contiguous units of general local government with an aggregate population of 200,000 or more which serves a substantial part of one or more labor market areas; and

[(iii) any concentrated employment program grantee for a rural area which served as a prime sponsor under the Comprehensive Employment and Training Act.

[(B) The Governor may approve a request to be a service delivery area from any unit of general local government or consortium of contiguous units of general local government, without regard to population, which serves a substantial portion of a labor market area.

[(C) If the Governor denies a request submitted under subparagraph (A) and the entity making such request alleges that the decision of the Governor is contrary to the provisions of this section, such entity may appeal the decision to the Secretary, who shall make a final decision within 30 days after such appeal is received.

[(b) The Governor shall make a final designation of service delivery areas within the State. Before making a final designation of service delivery areas for the State, the Governor shall review the comments submitted under subsection (a)(3) and requests submitted under subsection (a)(4).

[(c)(1) In accordance with subsection (a), the Governor may redesignate service delivery areas no more frequently than every two years, except as provided for in sections 106(j)(4)(B) and 164(b)(1)(B). Such redesignations shall be made not later than 4 months before the beginning of a program year.

[(2) Subject to paragraph (1), the Governor shall make such a redesignation if a petition to do so is filed by an entity specified in subsection (a)(4)(A).

[(3) The provisions of this subsection are subject to section 105(c).

[ESTABLISHMENT OF PRIVATE INDUSTRY COUNCIL

[SEC. 102. (a) There shall be a private industry council for every service delivery area established under section 101, to be selected in accordance with this subsection. Each council shall consist of—

[(1) representatives of the private sector, who shall constitute a majority of the membership of the council and who shall be owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector executives who have substantial management or policy responsibility;

[(2) representatives of organized labor and community-based organizations, who shall constitute not less than 15 percent of the membership of the council; and

[(3) representatives of each of the following:

[(A) Educational agencies (which agencies shall be representative of all educational agencies in the service delivery area).

[(B) Vocational rehabilitation agencies.

[(C) Public assistance agencies.

[(D) Economic development agencies.

[(E) The public employment service.

[(b) The Chairman of the council shall be selected from among members of the council who are representatives of the private sector.

[(c)(1)(A) Private sector representatives on the council shall be selected from among individuals nominated by general purpose business organizations after consulting with, and receiving recommendations from, other business organizations in the service delivery area. The number of such nominations shall be at least 150 percent of the number of individuals to be appointed under subsection (a)(1). Such nominations, and the individuals selected from such nominations, shall reasonably represent the industrial and demographic composition of the business community. Whenever possible, at least one-half of such business and industry representatives shall be representatives of small business, including minority business.

[(B) For the purpose of this paragraph, the term—

[(i) "general purpose business organizations" means organizations which admit to membership any for-profit business operating within the service delivery area; and

[(ii) "small business" means private for-profit enterprises employing 500 or fewer employees.

[(2) The education representatives on the council shall be selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of higher education (including entities offering adult education) or general organizations of such institutions, within the service delivery area.

[(3) The labor representatives on the council shall be selected from individuals recommended by recognized State and local labor federations. If the State or local labor federation fails to nominate a sufficient number of individuals to meet the labor representation requirements of subsection (a)(2), individual workers may be included on the council to complete the labor representation.

[(4) The remaining members of the council shall be selected from individuals recommended by interested organizations.

[(d)(1) In any case in which there is only one unit of general local government with experience in administering job training programs within the service delivery area, the chief elected official of that unit shall appoint members to the council from the individuals nominated or recommended under subsection (c).

[(2) In any case in which there are two or more such units of general local government in the service delivery area, the chief elected officials of such units shall appoint members to the council from the individuals so nominated or recommended in accordance with an agreement entered into by such units of general local government. In the absence of such an agreement, the appointments shall be made by the Governor from the individuals so nominated or recommended.

[(e) The initial number of members of the council shall be determined—

[(1) by the chief elected official in the case described in subsection (d)(1),

[(2) by the chief elected officials in accordance with the agreement in the case described in subsection (d)(2), or

[(3) by the Governor in the absence of such agreement.

[Thereafter, the number of members of the council shall be determined by the council.

[(f) Members shall be appointed for fixed and staggered terms and may serve until their successors are appointed. Any vacancy in the membership of the council shall be filled in the same manner as the original appointment. Any member of the council may be removed for cause in accordance with procedures established by the council.

[(g) The Governor shall certify a private industry council if the Governor determines that its composition and appointments are consistent with the provisions of this subsection. Such certification shall be made or denied within 30 days after the date on which a list of members and necessary supporting documentation are submitted to the Governor. When the Governor certifies the council, it shall be convened within 30 days by the official or officials who made the appointments to such council under subsection (d).

[(h) In any case in which the service delivery area is a State, the State job training coordinating council or a portion of such council may be reconstituted to meet the requirements of this section.

[FUNCTIONS OF PRIVATE INDUSTRY COUNCIL

[SEC. 103. (a) It shall be the responsibility of the private industry council to provide policy guidance for, and exercise oversight with respect to, activities under the job training plan for its service delivery area in partnership with the unit or units of general local government within its service delivery area.

[(b)(1) The council, in accordance with an agreement or agreements with the appropriate chief elected official or officials specified in subsection (c), shall—

[(A) determine procedures for the development of the job training plan, which may provide for the preparation of all or any part of the plan (i) by the council, (ii) by any unit of general local government in the service delivery area, or by an agency thereof, or (iii) by such other methods or institutions as may be provided in such agreement; and

[(B) select as a grant recipient and entity to administer the job training plan (which may be separate entities), (i) the council, (ii) a unit of general local government in its service delivery area, or an agency thereof, (iii) a nonprofit private organization or corporation, or (iv) any other agreed upon entity or entities.

[(2) The council is authorized to provide oversight of the programs conducted under the job training plan in accordance with procedures established by the council. In order to carry out this paragraph, the council shall have access to such information concerning the operations of such programs as is necessary.

[(c) For purposes of subsection (b), the appropriate chief elected official or officials means—

[(1) the chief elected official of the sole unit of general local government in the service delivery area,

[(2) the individual or individuals selected by the chief elected officials of all units of general local government in such area as their authorized representative, or

[(3) in the case of a service delivery area designated under section 101(a)(4)(A)(iii), the representative of the chief elected official for such area (as defined in section 4(4)(C)).

[(d) No job training plan prepared under section 104 may be submitted to the Governor unless (1) the plan has been approved by the council and by the appropriate chief elected official or officials specified in subsection (c), and (2) the plan is submitted jointly by the council and such official or officials.

[(e) In order to carry out its functions under this Act, the council—

[(1) shall, in accordance with the job training plan, prepare and approve a budget for itself, and

[(2) may hire staff, incorporate, and solicit and accept contributions and grant funds (from other public and private sources).

[(f) As used in this section, the term "oversight" means reviewing, monitoring, and evaluating.

[JOB TRAINING PLAN

[SEC. 104. (a) No funds appropriated under title II for any fiscal year may be provided to any service delivery area under this Act except pursuant to a job training plan for two program years which is prepared in accordance with section 103 and which meets the requirements of this section.

[(b) Each job training plan for the programs conducted under title II shall contain—

[(1) an identification of the entity that will administer the program and be the grant recipient of funds from the State;

[(2) if there is more than one service delivery area in a single labor market area, provisions for coordinating particular aspects of the service delivery area program with other programs and service providers in the labor market area, including provisions for—

[(A) assessing needs and problems in the labor market that form the basis for program planning;

[(B) ensuring access by program participants in each service delivery area to skills training and employment opportunities throughout the entire labor market;

[(C) coordinating or jointly implementing job development, placement, and other employer outreach activities; and

[(D) entering into agreements and contracts, established pursuant to section 141(e)(2), between service delivery areas to pay or share the cost of services;

[(3) a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan;

[(4) a description of linkages established with appropriate agencies, pursuant to sections 205 and 265, designed to enhance the provision of services and avoid duplication, including—

[(A) agreements with appropriate educational agencies;

[(B) arrangements with other education, training, and employment programs authorized by Federal law;

[(C) if appropriate, joint programs in which activities supported with assistance under this Act are coordinated with activities (such as service opportunities and youth

corps programs) supported with assistance made available under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); and

[(D) efforts to ensure the effective delivery of services to participants in coordination with local welfare agencies and other local agencies, community-based organizations, volunteer groups, business and labor organizations, and other training, education, employment, and social service programs;

[(5) goals and objectives for the programs, including—

[(A) a description of the manner in which the program will contribute to the economic self-sufficiency of participants, and the productivity of the local area and the Nation; and

[(B) performance standards established in accordance with standards prescribed under section 106;

[(6) procedures for identifying and selecting participants, including—

[(A) goals for the training and placement of hard-to-serve individuals, and a description of efforts to be undertaken to accomplish such goals;

[(B) outreach efforts to recruit and expand awareness of training and placement opportunities for such individuals; and

[(C) types of services to be provided to address the special needs of such individuals;

[(7)(A) goals for—

[(i) the training of women in nontraditional employment; and

[(ii) the training-related placement of women in nontraditional employment and apprenticeships; and

[(B) a description of efforts to be undertaken to accomplish the goals described in subparagraph (A), including efforts to increase awareness of such training and placement opportunities;

[(8) adult and youth program budgets for 2 program years and any proposed expenditures for the succeeding 2 program years;

[(9) a description of—

[(A) the assessment process that will identify participant skill levels;

[(B) the process for providing information and referrals for applicants and participants relating to appropriate programs and service providers;

[(C) the services to be provided, including the means for involving labor organizations and community-based organizations in the provision of services, the estimated duration of service, and the estimated training cost per participant;

[(D) the competency levels to be achieved by participants as a result of program participation; and

[(E) the procedures for evaluating the progress of participants in achieving competencies;

[(10) a description of the procedures and methods of carrying out title V, where applicable, relating to incentive bonus payments for the placement of individuals eligible under such title;

[(11) procedures, consistent with sections 107 and 164, for selecting service providers, which procedures shall take into account—

[(A) past performance of the providers regarding—

[(i) job training, basic skills training, or related activities;

[(ii) fiscal accountability; and

[(iii) ability to meet performance standards; and

[(B) the ability of the providers to provide services that can lead to achievement of competency standards for participants with identified deficiencies;

[(12) fiscal control (including procurement, monitoring, and management information system requirements), accounting, audit, and debt collection procedures, consistent with section 164, to assure the proper disbursal of, and accounting for, funds received under title II; and

[(13) procedures for the preparation and submission of an annual report to the Governor, which report shall include—

[(A) a description of activities conducted during the program year;

[(B) characteristics of participants;

[(C) information on the extent to which applicable performance standards were met;

[(D) information on the extent to which the service delivery area has met the goals of the area for the training and training-related placement of women in nontraditional employment and apprenticeships; and

[(E) a statistical breakdown of women trained and placed in nontraditional occupations, including information regarding—

[(i) the type of training received, by occupation;

[(ii) whether the participant was placed in a job or apprenticeship, and, if so, the occupation and wage at placement;

[(iii) the age of the participant;

[(iv) the race of the participant; and

[(v) retention of the participant in nontraditional employment.

[(c) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved job training plan, the private industry council and the appropriate chief elected official or officials (as described in section 103(c)) shall submit a modification of such plan (including modification of the budget under subsection (b)(6)), which shall be subject to review in accordance with section 105.

[REVIEW AND APPROVAL OF PLAN

[SEC. 105. (a)(1) Not less than 120 days before the beginning of the first of the two program years covered by the job training plan—

[(A) the proposed plan or summary thereof shall be published; and

[(B) such plan shall be made available for review and comment to—

[(i) each house of the State legislature for appropriate referral;

[(ii) appropriate community-based organizations and local educational and other public agencies in the service delivery area; and

[(iii) labor organizations in the area which represent employees having the skills in which training is proposed; and

[(C) such plan shall be reasonably available to the general public through such means as public hearings and local news facilities.

[(2) The final plan, or a summary thereof, shall be published not later than 80 days before the first of the two program years and shall be submitted to the Governor in accordance with section 103(d)(2). Any modification shall be published not later than 80 days before it is effective and shall be submitted to the Governor in accordance with such section.

[(b)(1) The Governor shall approve the job training plan or modification thereof unless he finds that—

[(A) corrective measures for deficiencies found in audits or in meeting performance standards from previous years have not been taken or are not acceptably underway;

[(B) the entity proposed to administer the program does not have the capacity to administer the funds;

[(C) there are inadequate safeguards for the protection of funds received;

[(D) the plan (or modification) does not comply with a particular provision or provisions of this Act or of regulations of the Secretary under this Act; or

[(E) the plan (or modification) does not comply with the criteria under sections 121(b), 205, and 265 for coordinating activities under this Act with related program activities.

[(2) The Governor shall approve or disapprove a job training plan (or modification) within 30 days after the date that the plan (or modification) is submitted, except that if a petition is filed under paragraph (3) such period shall be extended to 45 days. Any disapproval by the Governor may be appealed to the Secretary, who shall make a final decision of whether the Governor's disapproval complies with paragraph (1) of this subsection within 45 days after receipt of the appeal.

[(3)(A) Interested parties may petition the Governor within 15 days of the date of submission for disapproval of the plan or modification thereof if—

[(i) the party can demonstrate that it represents a substantial client interest,

[(ii) the party took appropriate steps to present its views and seek resolution of disputed issues prior to submission of the plan to the Governor, and

[(iii) the request for disapproval is based on a violation of statutory requirements.

[(B) If the Governor approves the plan (or modification), the Governor shall notify the petitioner in writing of such decision and the reasons therefor.

[(c)(1) If a private industry council and the appropriate chief elected official or officials fail to reach the agreement required under section 103 (b) or (d) and, as a consequence, funds for a service delivery area may not be made available under section 104, then the Governor shall redesignate, without regard to sections 101 (a)(4) and (c)(1), the service delivery areas in the State to merge the affected area into one or more other service delivery areas, in order to promote the reaching of agreement.

[(2) In any State in which service delivery areas are redesignated under paragraph (1), private industry councils shall, to the extent necessary for the redesignation, be reconstituted and job training plans modified as required to comply with sections 102 and 103. Services under an approved plan shall not be suspended while the council is reconstituted and the plan is modified.

[(d) In any case in which the service delivery area is a State, the plan (or modification) shall be submitted to the Secretary for approval. For the purpose of this subsection, the Secretary shall have the same authority as the Governor has under this section.

[PERFORMANCE STANDARDS

[SEC. 106. (a) FINDINGS.—The Congress recognizes that job training is an investment in human capital and not an expense. In order to determine whether that investment has been productive, the Congress finds that—

[(1) it is essential that criteria for measuring the return on this investment be developed; and

[(2) the basic return on the investment is to be measured by long-term economic self-sufficiency, increased employment and earnings, reductions in welfare dependency, and increased educational attainment and occupational skills.

[(b) TITLE II PERFORMANCE STANDARDS.—

[(1) GENERAL OBJECTIVE.—In prescribing performance standards for programs under parts A and C of title II, the Secretary shall ensure that States and service delivery areas will make efforts to increase services and positive outcomes for hard-to-serve individuals.

[(2) ACHIEVEMENT OF BASIC MEASURES.—In order to determine whether the basic measures described in subsection (a) are achieved for programs under parts A and C of title II, the Secretary, in consultation with the Secretary of Education and the Secretary of Health and Human Services, shall prescribe performance standards.

[(3) FACTORS FOR ADULT STANDARDS.—The Secretary shall base the performance standards for adult programs under part A of title II on appropriate factors, which may include—

[(A) placement in unsubsidized employment;

[(B) retention for not less than 6 months in unsubsidized employment;

[(C) an increase in earnings, including hourly wages;

[(D) a reduction in welfare dependency; and

[(E) acquisition of skills, including basic skills, required to promote continued employability in the local labor market (including attainment of the competency levels described in paragraph (5)), or acquisition of a high school diploma or the equivalent of the diploma, if the acquisition of such skills or diploma is in addition to obtaining one or more of the outcomes described in subparagraphs (A) through (D).

[(4) FACTORS FOR YOUTH STANDARDS.—

[(A) IN GENERAL.—The Secretary shall base the performance standards for youth programs under part C of title II on appropriate factors described in paragraph (3), and on factors including—

[(i) attainment of employment competencies (including attainment of the competency levels described in paragraph (5));

[(ii) dropout prevention and recovery;

[(iii) secondary and postsecondary school completion or the equivalent of such completion; and

[(iv) enrollment in other training programs, apprenticeships, or postsecondary education, or enlistment in the Armed Forces.

[(B) VARIATIONS.—The Secretary may prescribe variations in the standards described in subparagraph (A) to reflect the differences between in-school and out-of-school programs.

[(5) COMPETENCY LEVELS.—The private industry councils, in consultation with appropriate educational agencies, and, where appropriate, the private sector, labor organizations, and community-based organizations, shall establish youth and adult competency levels, based on such factors as entry level skills and other hiring requirements.

[(6) REQUIREMENTS.—The performance standards described in paragraphs (3) and (4) shall include provisions governing—

[(A) the base period prior to program participation that will be used for measurement of the factors in such paragraphs, as appropriate;

[(B) a representative period after termination from the program that is a reasonable indicator of postprogram employment, earnings, and cash welfare payment reductions; and

[(C) cost-effective methods for obtaining such data as are necessary to carry out this section and section 452(d) which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, records collected under the Federal Insurance Contributions Act (chapter 21 of the Internal Revenue Code of 1986), State aid to families with dependent children records, statistical sampling techniques, and similar records or measures, with appropriate safeguards to protect the confidentiality of the information obtained.

[(7) INCENTIVE GRANTS.—From funds available under section 202(c)(1)(B), and under section 262(c)(1)(B), for providing incentive grants under this paragraph, each Governor shall

award incentive grants for programs under parts A and C of title II, other than programs under section 204(d), to service delivery areas that—

[(A) exceed the performance standards established by the Secretary under this subsection (except for the standards established under paragraph (8)) with respect to services to all participants;

[(B) exceed the performance standards established by the Secretary under this subsection (except for the standards established under paragraph (8)) with respect to services to populations of hard-to-serve individuals;

[(C) serve more than the minimum percentage of out-of-school youth required by section 263(f);

[(D) place participants in employment that—

[(i) provides post-program earnings exceeding the applicable performance criteria; and

[(ii) includes employer-assisted employment benefits, including health benefits, consistent with the requirements of section 143(a)(4) relating to subsidized employment; and

[(E) exceed the performance standards established by the Governor under subsection (e) for programs under title II, except that not more than 25 percent of the incentive grants shall be awarded on performance standards established under subsection (e).

[(8) PROGRAM EXPENDITURES.—The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures under this subsection, excluding any cost per participant measure. The Governors shall not take performance standards prescribed under this paragraph into consideration in awarding incentive grants under paragraph (7).

[(c) TITLE III PERFORMANCE STANDARDS.—

[(1) IN GENERAL.—The Secretary shall prescribe performance standards for programs under title III based on placement and retention in unsubsidized employment.

[(2) NEEDS-RELATED PAYMENTS.—In prescribing performance standards under paragraph (1), the Secretary shall make appropriate allowance for the difference in cost resulting from serving workers receiving needs-related payments under section 314(e).

[(d) STATE VARIATION OF PERFORMANCE STANDARDS.—

[(1) AUTHORITY OF GOVERNOR.—Each Governor shall prescribe, and report in the Governor's coordination and special services plan, within parameters established by the Secretary, variations in the standards issued under subsections (b) and (c) based upon—

[(A) specific economic, geographic, and demographic factors in the State and in service delivery areas and substate areas within the State;

[(B) the characteristics of the population to be served;

[(C) the demonstrated difficulties in serving the population; and

[(D) the type of services to be provided.

[(2) RESPONSIBILITIES OF SECRETARY.—The Secretary shall—

[(A) provide information and technical assistance on performance standards adjustments;

[(B) collect data that identifies hard-to-serve individuals;

[(C) provide guidance on setting performance standards at the service provider level that encourages increased service to such individuals; and

[(D) review performance standards to ensure that such standards provide maximum incentive in serving such individuals.

[(e) ADDITIONAL STATE STANDARDS PERMITTED.—The Governor may prescribe performance standards for programs under title II and title III in addition to those standards established by the Secretary under subsections (b) and (c). Such additional standards may include criteria relating to establishment of effective linkages with other programs to avoid duplication and enhance the delivery of services, the provision of high quality services, and successful service to hard-to-serve individuals. The additional performance standards established for title II shall be reported in the Governor's coordination and special services plan.

[(f) TITLE IV STANDARDS.—The Secretary shall prescribe performance standards for programs under parts A and B of title IV.

[(g) ADJUSTMENT FOR SPECIAL POPULATIONS.—The Secretary shall prescribe a system for variations in performance standards for special populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between August 5, 1964 and May 7, 1975, older individuals, including those served under section 204(d), and offenders, taking into account their special circumstances.

[(h) MODIFICATIONS.—

[(1) IN GENERAL.—The Secretary may modify the performance standards under this section not more often than once every 2 program years. Such modifications shall not be retroactive.

[(2) JOB CORPS.—Notwithstanding paragraph (1), the Secretary may modify standards relating to programs under part B of title IV each program year.

[(i) FUNCTIONS OF NCEP.—The National Commission for Employment Policy shall—

[(1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of parameters for variations of such standards referred to in subsection (d);

[(2) evaluate the usefulness of such standards as measures of desired performance; and

[(3) evaluate the impact of such standards (intended or otherwise) on the choice of who is served, what services are provided, and the cost of such services in service delivery areas.

[(j) FAILURE TO MEET STANDARDS.—

[(1) UNIFORM CRITERIA.—The Secretary shall establish uniform criteria for determining whether—

[(A) a service delivery area fails to meet performance standards under this section; and

[(B) the circumstances under which remedial action authorized under this subsection shall be taken.

[(2) TECHNICAL ASSISTANCE.—Each Governor shall provide technical assistance to service delivery areas failing to meet performance standards under the uniform criteria established under paragraph (1)(A).

[(3) PROCESS FOR CORRECTION.—Not later than 90 days after the end of each program year, each Governor shall report to the Secretary the final performance standards and performance for each service delivery area within the State, along with the plans of the Governor for providing the technical assistance required under paragraph (2).

[(4) REORGANIZATION PLAN.—

[(A) PLAN REQUIRED FOR CONTINUED FAILURE.—If a service delivery area continues to fail to meet such performance standards for 2 consecutive program years, the Governor shall notify the Secretary and the service delivery area of the continued failure, and shall develop and impose a reorganization plan.

[(B) ELEMENTS.—Such plan may restructure the private industry council, prohibit the use of designated service providers, merge the service delivery area into one or more other existing service delivery areas, or make other changes as the Governor determines to be necessary to improve performance, including the selection of an alternative administrative entity to administer the program for the service delivery area.

[(C) ALTERNATIVE ADMINISTRATIVE ENTITY SELECTION.—The alternative administrative entity described in subparagraph (B) may be a newly formed private industry council or any agency jointly selected by the Governor and the chief elected official of the largest unit of general local government in the service delivery area or substate area.

[(5) SECRETARIAL ACTION.—

[(A) PLAN.—If the Governor has not imposed a reorganization plan as required by paragraph (4) within 90 days of the end of the second program year in which a service delivery area has failed to meet its performance standards, the Secretary shall develop and impose such a plan.

[(B) RECAPTURE OR WITHHOLDING.—The Secretary shall recapture or withhold an amount not to exceed one-fifth of the State administration set-aside allocated under section 202(c)(1)(A) and under section 262(c)(1)(A), for the purposes of providing technical assistance under a reorganization plan imposed pursuant to subparagraph (A).

[(6) APPEAL BY SERVICE DELIVERY AREA.—

[(A) TIMING.—A service delivery area that is the subject of a reorganization plan under paragraph (4) may, within 30 days after receiving notice thereof, appeal to the Secretary to rescind or revise such plan.

[(B) RECAPTURE OR WITHHOLDING.—

[(i) DETERMINATION.—If the Secretary determines, upon appeal under subparagraph (A), that the Governor has not provided appropriate technical assistance as required under paragraph (2), the Secretary shall recapture or withhold an amount not to exceed one-fifth of the State administration set-aside allotted under section 202(c)(1)(A) and under section 262(c)(1)(A). The Secretary shall use funds recaptured or withheld under this subparagraph to provide appropriate technical assistance.

[(ii) BASIS.—If the Secretary approved the technical assistance plan provided by the Governor under paragraph (2), a determination under this subparagraph shall only be based on failure to effectively implement such plan and shall not be based on the plan itself.

[(7) APPEAL BY GOVERNOR.—A Governor of a State that is subject to recapture or withholding under paragraph (5) or (6)(B) may, within 30 days of receiving notice thereof, appeal such withholding to the Secretary.

[(k) CLARIFICATION OR REFERENCE.—For the purposes of this section, the term "employment" means employment for 20 or more hours per week.

[SELECTION OF SERVICE PROVIDERS

[SEC. 107. (a) The primary consideration in selecting agencies or organizations to deliver services within a service delivery area shall be the effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance, (in accordance with guidelines established by the Secretary), in terms of the likelihood of meeting performance goals, cost, quality of training, and characteristics of participants. In addition, consideration shall be given to demonstrated performance in making available appropriate supportive services, including child care. In complying with this subsection, proper consideration shall be given to community-based organizations as service providers.

[(b) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless it is demonstrated that alternative services or facilities would be more effective or more likely to achieve the service delivery area's performance goals.

[(c) Appropriate education agencies in the service delivery area shall be provided the opportunity to provide educational services, unless the administrative entity demonstrates that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

[(d) The administrative entity shall not fund any occupational skills training program unless the level of skills provided in the program are in accordance with guidelines established by the private industry council.

[(e) The selection of service providers shall be made on a competitive basis to the extent practicable, and shall include—

[(1) a determination of the ability of the service provider to meet program design specifications established by the administrative entity that take into account the purposes of the Act and the goals established in the Governor's coordination and special services plan; and

[(2) documentation of compliance with procurement standards established by the Governor under section 164, including the reasons for selection.

[LIMITATION ON CERTAIN COSTS

[SEC. 108. (a) Except as provided in subparagraph (A) or (B) of section 141(d)(3), funds expended under this Act shall be charged to the appropriate cost categories.

[(b)(1) The cost limitations contained in this subsection shall apply separately to the funds allocated for programs under part A of title II, and to the funds allocated for programs under part C of such title.

[(2) Funds expended under parts A and C of title II shall be charged to one of the following categories:

[(A) Administration.

[(B) Training-related and supportive services.

[(C) Direct training services.

[(3) The Secretary shall, consistent with sections 204(b) and 264(c), define by regulation the cost categories specified in paragraph (2).

[(4) Of the funds allocated to a service delivery area for any program year under parts A or C of title II—

[(A) not more than 20 percent shall be expended for administration; and

[(B) not less than 50 percent shall be expended for direct training services.

[(5) Each service delivery area shall ensure that for all services provided to participants through contracts, grants, or other agreements with a service provider, such contract, grant, or agreement shall include appropriate amounts necessary for administration and supportive services.

[(6) For purposes of paragraph (4), the term "allocated" means allocated for a program year, as adjusted for reallocations and reallotments under section 109 and for transfers of funds under sections 206, 256, and 266.

[(c) Funds available under title III shall be expended in accordance with the limitations specified in section 315.

[(d) The provisions of this section do not apply to any service delivery area designated pursuant to section 101(a)(4)(A)(iii).

[(e) This section shall not be construed to exempt programs under an approved plan from the performance standards established under section 106.

[RECAPTURE AND REALLOTMENT OF UNOBLIGATED FUNDS

[SEC. 109. (a) WITHIN STATE REALLOCATIONS.—

[(1) IN GENERAL.—For program years beginning on or after July 1, 1993, the Governor shall, in accordance with the requirements of this subsection, reallocate to eligible service de-

livery areas within the State funds appropriated for such program year that are available for reallocation.

[(2) AMOUNT.—The amount available for reallocation is equal to the amount by which the unobligated balance of the service delivery area allocation under part A or C of title II for all service delivery areas within the State at the end of the program year prior to the program year for which the determination under this subsection is made exceeds 15 percent of such allocation for the prior program year.

[(3) REALLOCATION.—The Governor shall reallocate the amounts available pursuant to paragraph (2) to eligible service delivery areas within the State that have the highest rates of unemployment for an extended period of time and to those with the highest poverty rates.

[(4) ELIGIBILITY.—For purposes of this subsection, an eligible service delivery area means a service delivery area that has obligated at least 85 percent of its allocation under part A or C of title II, respectively, for the program year prior to the program year for which the determination under this subsection is made.

[(b) REALLOTMENT AMONG STATES.—

[(1) IN GENERAL.—For program years beginning on or after July 1, 1993, the Secretary shall, in accordance with the requirements of this subsection, reallot to eligible States funds appropriated for such program year that are available for reallotment.

[(2) AMOUNT.—The amount available for reallotment is equal to the amount by which the unobligated balance of the State allotment under part A or C of title II, respectively, for all States at the end of the program year prior to the program year for which the determination under this subsection is made exceeds 15 percent of such allotment for that prior program year.

[(3) REALLOTMENT.—The Secretary shall reallot the amounts available pursuant to paragraph (2) to each eligible State an amount based on the relative amount allotted to such eligible State under part A or C of title II, respectively, for the program year the determination under this subsection is made compared to the total amount allotted to all eligible States under part A or C of title II, respectively, for such program year.

[(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that has obligated at least 85 percent of its allocation under part A or C of title II, respectively, for the program year prior to the program year for which the determination under this subsection is made.

[(5) PROCEDURES.—The Governor of each State shall prescribe uniform procedures for the obligation of funds by service delivery areas within the State in order to avoid the requirement that funds be made available for reallotment under this subsection. The Governor shall further prescribe equitable procedures for making funds available from the State and service delivery areas in the event that a State is required to make funds available for reallotment under this subsection.

[(d) CALCULATION.—Funds obligated to carry out programs under section 204(d) shall not be counted in determining the amount available for reallocation under subsection (a)(2) or the amount available for reallotment under subsection (b)(2).

[PART B—ADDITIONAL STATE RESPONSIBILITIES

[GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

[SEC. 121. (a)(1) The Governor shall annually prepare a statement of goals and objectives for job training and placement programs within the State to assist in the preparation of the plans required under section 104 of this Act and section 8 of the Act of June 6, 1933 (known as the Wagner-Peyser Act).

[(2) Any State seeking financial assistance under this Act shall submit a Governor's coordination and special services plan for two program years to the Secretary describing the use of all resources provided to the State and its service delivery areas under this Act and evaluating the experience over the preceding two years.

[(b)(1) The plan shall establish criteria for coordinating activities under this Act (including title III) with programs and services provided by State and local education and training agencies (including vocational education agencies), public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development agencies, programs for the homeless and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State. Such criteria shall not affect local discretion concerning the selection of eligible participants or service providers in accordance with the provisions of sections 107, 203, or 263.

[(2) The plan shall describe the measures taken by the State to ensure coordination and avoid duplication between the State agencies administering the JOBS program and programs under title II in the planning and delivery of services. The plan shall describe the procedures developed by the State to ensure that the State JOBS plan is consistent with the coordination criteria specified in this plan and identify the procedures developed to provide for the review of the JOBS plan by the State Job Training Coordinating Council.

[(3) The plan shall describe the projected use of resources, including oversight of program performance, program administration, and program financial management, capacity building, priorities and criteria for State incentive grants, and performance goals for State-supported programs. The description of capacity building shall include the Governor's plans for technical assistance to service delivery areas and service providers, interstate technical assistance and training arrangements, other coordinated technical assistance arrangements undertaken pursuant to the direction of the Secretary, and, where applicable, research and demonstration projects.

[(4) The plan shall include goals for—

[(A) the training of women in nontraditional employment through funds available under the Job Training Partnership Act, the Carl D. Perkins Vocational and Ap-

plied Technology Education Act, and other sources of Federal and State support;

[(B) the training-related placement of women in nontraditional employment and apprenticeships;

[(C) a description of efforts to be undertaken to accomplish such goals, including efforts to increase awareness of such training and placement opportunities; and

[(D) a description of efforts to coordinate activities provided pursuant to the Job Training Partnership Act and the Carl D. Perkins Vocational and Applied Technology Education Act to train and place women in nontraditional employment.

[(5) The State plan shall include a description of the manner in which the State will encourage the successful carrying out of—

[(A) training activities for eligible individuals whose placement is the basis for the payment to the State of the incentive bonus authorized by title V; and

[(B) the training services, outreach activities, and preemployment supportive services furnished to such individuals.

[(6) The Governor shall report to the Secretary the adjustments made in the performance standards and the factors that are used in making the adjustments.

[(7) If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the State shall submit a modification to the Secretary describing these changes.

[(c) Governor's coordination and special services activities may include—

[(1) making available to service delivery areas, with or without reimbursement and upon request, appropriate information and technical assistance to assist in developing and implementing plans and programs;

[(2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);

[(3) providing programs and related services for offenders, homeless individuals and other individuals whom the Governor determines require special assistance;

[(4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

[(5) providing training opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;

[(6) industry-wide training;

[(7) coordination of activities relating to part A of title II with activities under title III of this Act;

[(8) developing and providing to service delivery areas information on a State and local area basis regarding economic, industrial, and labor market conditions;

[(9) providing programs and related services to encourage the recruitment of women for training, placement, and retention in nontraditional employment;

[(10) providing preservice and inservice training for planning, management, and delivery staffs of administrative entities and private industry councils, as well as contractors for State supported programs;

[(11) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs, including programs of the Department of Veterans Affairs; and

[(12) making available to service delivery areas appropriate information and technical assistance to assist in developing and implementing joint programs, including youth corps programs, in which activities supported under this Act are coordinated with activities supported under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

[(d) A Governor's coordination and special services plan shall be approved by the Secretary unless the Secretary determines that the plan does not comply with specific provisions of this Act.

[STATE JOB TRAINING COORDINATING COUNCIL

[SEC. 122. (a)(1) Except as provided in subsection (d), any State which desires to receive financial assistance under this Act shall establish a State job training coordinating council (hereinafter in this section referred to as the "State council"). Funding for the council shall be provided pursuant to sections 202(c)(1)(A) and 262(c)(1)(A).

[(2) The State council shall be appointed by the Governor, who shall designate one nongovernmental member thereof to be chairperson. In making appointments to the State council, the Governor shall ensure that the membership of the State council reasonably represents the population of the State.

[(3) The State job training coordinating council shall be composed as follows:

[(A) Thirty percent of the membership of the State council shall be representatives of business and industry (including agriculture, where appropriate) including individuals who are representatives of business and industry on private industry councils within the State.

[(B) Thirty percent of the membership of the State council shall be—

[(i) representatives of the State legislature and State agencies and organizations, such as the State educational agency, the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct in-

terest in employment and training and human resource utilization within the State; and

[(ii) representatives of the units or consortia of general local government in the State who shall be nominated by the chief elected officials of the units or consortia of units of general local government, and the representatives of local educational agencies who shall be nominated by local educational agencies.

[(C) Thirty percent of the membership of the State council shall be representatives of organized labor and representatives of community-based organizations in the State.

[(D) Ten percent of the membership of the State council shall be appointed from the general public by the Governor of the State.

[(4) The State council shall meet at such times and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

[(5) The State council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

[(6) In order to assure objective management and oversight, the State council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

[(7) The plans and decisions of the State council shall be subject to approval by the Governor.

[(b) The State council shall—

[(1) recommend a Governor's coordination and special services plan;

[(2) recommend to the Governor substate service delivery areas, plan resource allocations not subject to section 202(b) or 262(b), provide management guidance and review for all programs in the State, develop appropriate linkages with other programs, coordinate activities with private industry councils, and develop the Governor's coordination and special services plan and recommend variations in performance standards;

[(3) advise the Governor and local entities on job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State, and local employment-related programs, including programs operated in designated enterprise zones;

[(4) review the operation of programs conducted in each service delivery area, and the availability, responsiveness, and adequacy of State services, and make recommendations to the Governor, appropriate chief elected officials, and private industry councils, service providers, the State legislature, and the general public with respect to ways to improve the effectiveness of such programs or services;

[(5) review the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) and make recommendations for technical assistance and corrective action, based on the results of such reports;

[(6) prepare a summary of the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) detailing promising service delivery approaches developed in each service delivery area for the training and placement of women in nontraditional occupations, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

[(7) review the activities of the Governor to train, place, and retain women in nontraditional employment, including activities under section 123, prepare a summary of activities and an analysis of results, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

[(8) consult with the sex equity coordinator established under section 111(b) of the Carl D. Perkins Vocational and Applied Technology Education Act, obtain from the sex equity coordinator a summary of activities and an analysis of results in training women in nontraditional employment under the Carl D. Perkins Vocational and Applied Technology Education Act, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

[(9) review and comment on the State plan developed for the State employment service agency;

[(10) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist service delivery areas in carrying out the purposes of this Act;

[(11)(A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State, and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

[(B) comment at least once annually on the measures taken pursuant to section 113(b)(14) of the Carl D. Perkins Vocational Education Act; and

[(12) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

[(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from any State coordinating committee for the work incentive program under title IV of the Social Security Act or any advisory council established under the Wagner-Peyser Act.

[(d)(1) In lieu of establishing the State council required under subsection (a), each State may satisfy the requirements of this sec-

tion by designating the State human resource investment council established in accordance with title VII (in this subsection referred to as the "State Council") to carry out the duties described in subsection (b).

[(2) Funding provided to carry out this section may be allotted to the State Council to carry out such functions and the other functions of the State Council if the Governor and the head of the State agency responsible for administration of programs under this Act agree to such an allotment.

[STATE EDUCATION COORDINATION AND GRANTS

[SEC. 123. (a) ALLOTMENT.—

[(1) IN GENERAL.—The Secretary shall allot to the Governor for allocation to any State education agency the sums made available to carry out this section under sections 202(c)(1)(C) and 262(c)(1)(C) to pay for the Federal share of carrying out the projects described in paragraph (2). In allocating such funds to the State education agency, the Governor shall not establish requirements governing the geographic distribution of funds under this section.

[(2) PROJECTS.—Funds allocated under paragraph (1) may be used to pay for the Federal share of carrying out projects (in accordance with agreements under subsection (b)) that—

[(A) provide school-to-work transition services of demonstrated effectiveness that increase the rate of graduation from high school, or completion of the recognized equivalent thereof, including services that increase the rate at which school dropouts return to regular or alternative schooling and obtain a high school degree or its equivalent, and, which may include, services to support multiyear dropout prevention programs of demonstrated effectiveness;

[(B) provide literacy and lifelong learning opportunities and services of demonstrated effectiveness that—

[(i) enhance the knowledge and skills of educationally and economically disadvantaged individuals; and

[(ii) result in increasing the employment and earnings of such individuals;

[(C) provide statewide coordinated approaches, including model programs, to train, place, and retain women in nontraditional employment; and

[(D)(i) facilitate coordination of education and training services for eligible participants in projects described in subparagraphs (A), (B), and (C); or

[(ii)(I) support activities pertaining to a State human resources investment council that meets the requirements of title VII and includes each of the programs described in clauses (i) through (vii) of section 701(b)(2)(A); or

[(II) support activities pertaining to a State council, which carries out functions similar to the functions of the State human resource investment council described in title VII, if such State council was established prior to July 1, 1992.

[(3) FEDERAL SHARE.—The Federal share of the cost of carrying out the projects described in paragraph (2) shall be 50 percent.

[(b) AGREEMENTS REQUIRED.—

[(1) PARTIES TO AGREEMENTS.—The projects described in subsection (a)(2) shall be conducted within a State in accordance with agreements that—

[(A) reflect the goals and services described in paragraphs (1), (2), and (3) of subsection (c); and

[(B) are developed between the State education agency, administrative entities in service delivery areas in the State, and other entities, such as other State agencies, local educational agencies, and alternative service providers (such as community-based and other nonprofit or for-profit organizations).

[(2) CONTENTS OF AGREEMENTS.—

[(A) CONTRIBUTION.—The agreements described in paragraph (1) shall provide for the contribution by the State, from funds other than the funds made available under this Act, of a total amount equal to the funds allotted under this section.

[(B) DIRECT COST OF SERVICES.—Such amount may include the direct cost of employment or training services—

[(i) provided by State or local programs or agencies; or

[(ii) provided by other Federal programs or agencies in accordance with applicable Federal law.

[(c) GOVERNOR'S PLAN REQUIREMENTS.—The State education agency shall submit for inclusion in the Governor's coordination and special services plan a description developed jointly by the State education agency and the Governor of—

[(1) the goals to be achieved and services to be provided by the school-to-work transition programs specified in subsection (a)(2)(A) that will receive the assistance, which description shall, at a minimum, include information regarding—

[(A) the activities and services that will result in increasing the number of youth staying in or returning to school and graduating from high school or the equivalent;

[(B) the work-based curriculum that will link classroom learning to work site experience and address the practical and theoretical aspects of work;

[(C) the opportunities that will be made available to participants to obtain career-path employment and post-secondary education;

[(D) the integration to be achieved, in appropriate circumstances, in the delivery of services between State and local educational agencies and alternative service providers, such as community-based and nonprofit organizations; and

[(E) the linkages that will be established, where feasible, to avoid duplication and enhance the delivery of services, with programs under—

[(i) title II and part B of title IV;

[(ii) the Elementary and Secondary Education Act (20 U.S.C. 2701 et seq.);

[(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(iv) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

[(v) the Adult Education Act (20 U.S.C. 1201 et seq.);

[(vi) the JOBS program;

[(vii) the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77; 101 Stat. 482); and

[(viii) the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

[(2) the goals to be achieved and services to be provided by literacy and lifelong learning programs specified in subsection (a)(2)(B) that will receive the assistance, which description shall, at a minimum, include information regarding—

[(A) the activities and services that will increase the knowledge and skills of educationally and economically disadvantaged individuals, and result in increased employment and earnings for such individuals;

[(B) the integration to be achieved between projects assisted under this section and the 4-year State plan (and related needs assessment carried out for the plan) developed in accordance with section 342 of the Adult Education Act (20 U.S.C. 1206a);

[(C) the variety of settings, including workplace settings, in which literacy training and learning opportunities will be provided; and

[(D) the linkages that will be established, where feasible, to avoid duplication and enhance the delivery of services, with programs under—

[(i) titles II and III;

[(ii) the Adult Education Act;

[(iii) the Carl D. Perkins Vocational and Applied Technology Education Act;

[(iv) the Stewart B. McKinney Homeless Assistance Act;

[(v) the JOBS program;

[(vi) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

[(vii) the National Literacy Act of 1991 (Public Law 102–73);

[(viii) the Emergency Immigrant Education Act of 1984 (20 U.S.C. 3121 et seq.); and

[(ix) the National and Community Service Act of 1990;

[(3) the goals to be achieved and services to be provided by the nontraditional employment for women programs specified in subsection (a)(2)(C) that will receive the assistance; and

[(4) the proportion of funds received under this section that will be used to achieve the goals, and provide the services, described in paragraphs (1), (2), and (3).

[(d) SERVICE REQUIREMENTS.—

[(1) PERMITTED SERVICES.—Services funded under this section to carry out the projects described in subsection (a)(2) may include education and training, vocational education services, and related services, provided to participants under title II. In addition, services funded under this section may include services for offenders, veterans, and other individuals who the Governor determines require special assistance.

[(2) LIMITATIONS ON EXPENDITURES.—

[(A) COORDINATION OF SERVICES.—Not more than 20 percent of the funds allocated under this section may be expended to pay for the Federal share of projects described in subsection (a)(2)(D) at the State and local levels.

[(B) SCHOOL-TO-WORK SERVICES; LITERACY AND LIFELONG LEARNING SERVICES.—Not less than 80 percent of the funds allocated under this section shall be expended to pay for the Federal share of projects conducted in accordance with subparagraphs (A), (B), and (C) of subsection (a)(2).

[(C) ECONOMICALLY DISADVANTAGED INDIVIDUALS.—Not less than 75 percent of the funds allocated for projects under subparagraphs (A), (B), and (C) of subsection (a)(2) shall be expended for projects for economically disadvantaged individuals who experience barriers to employment. Priority for funds not expended for the economically disadvantaged shall be given to title III participants and persons with barriers to employment.

[(e) DISTRIBUTION OF FUNDS IN ABSENCE OF AGREEMENT.—If no agreement is reached in accordance with subsection (b) on the use of funds under this section, the funds shall be available to the Governor to achieve the goals and provide the services described in paragraph (1), (2), or (3) of subsection (c).

[(f) REPORTS AND RECORDS.—

[(1) REPORTS BY GOVERNORS.—The Governor shall prepare reports on the projects funded under this section, including such information as the Secretary may require to determine the extent to which the projects supported under this section result in achieving the goals specified in paragraphs (1), (2), and (3) of subsection (c). The Governor shall submit the reports to the Secretary at such intervals as shall be determined by the Secretary.

[(2) RECORDS AND REPORTS OF RECIPIENTS.—Each direct or indirect recipient of funds under this section shall keep records that are sufficient to permit the preparation of reports. Each recipient shall submit such reports to the Secretary, at such intervals as shall be determined by the Secretary.

[IDENTIFICATION OF ADDITIONAL IMPOSED REQUIREMENTS

[SEC. 124. If a State or service delivery area imposes a requirement, including a rule, regulation, policy, or performance standard, relating to the administration and operation of programs funded by this Act (including requirements based on State or service delivery area interpretation of any Federal law, regulation, or guideline) the State or area shall identify the requirement as a State- or service delivery area-imposed requirement.

[STATE LABOR MARKET INFORMATION PROGRAMS

[SEC. 125. (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under section 461(b), the Governor shall designate the State occupational information coordinating committee or other organizational unit to be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system, which shall—

[(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

[(A) is responsive to the economic demand and education and training supply support needs of the State and areas within the State, and

[(B) meets the Federal standards under chapter 35 of title 44, United States Code, and other appropriate Federal standards established by the Bureau of Labor Statistics;

[(2) standardize available Federal and State multi-agency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designated areas within the State which, at the minimum, includes—

[(A) identification of geographic and occupational areas of potential growth or decline; and

[(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

[(3) assure, to the extent feasible, that—

[(A) automated technology will be used by the State;

[(B) administrative records have been designed to reduce paperwork; and

[(C) multiple survey burdens on the employers of the State have been reduced;

[(4) publish and disseminate labor market and occupational supply and demand information and individualized career information to State agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices;

[(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system; and

[(6) provide training and technical assistance to support comprehensive career guidance and participant activities for local programs assisted under this Act.

[(b)(1) The analysis required under clause (2) of subsection (a) shall be used to contribute in carrying out the provisions of this Act, the Carl D. Perkins Vocational Education Act, and the Act of June 6, 1933, known as the Wagner-Peyser Act.

[(2) The assurance required by clause (3) of subsection (a) shall also include that the State will, to the maximum extent possible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping of State and local agencies, including secondary and postsecondary educational institutions.

[(3) If any Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results will remain in the public domain.

[(c) The Secretary through the National Occupational Information Coordinating Committee shall reimburse the States the costs of carrying out the provisions of this section but the aggregate reimbursements in any fiscal year shall not exceed the amount available under part E of title IV for this section.

[(d) No provision of this part or any other provision of Federal law shall be construed to prohibit any State from combining or consolidating Federal administrative management information reporting requirements relating to employment, productivity, or training, if notice is transmitted by the Governor to the head of each appropriate Federal and State agency responsible for the laws governing the Federal reporting requirements. The notice shall specify the intent to combine or consolidate such requirements. The head of each appropriate Federal agency shall approve the combination or consolidation unless, within sixty days after receiving the notice, the Federal agency can demonstrate that the combination or consolidation will not meet the essential purposes of the affected Federal law.

[AUTHORITY OF STATE LEGISLATURE

[SEC. 126. Nothing in this Act shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this Act, of the programs assisted under this Act.

[INTERSTATE AGREEMENTS

[SEC. 127. In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

[PART C—PROGRAM REQUIREMENTS FOR SERVICE DELIVERY SYSTEM

[GENERAL PROGRAM REQUIREMENTS

[SEC. 141. Except as otherwise provided, the following conditions are applicable to all programs under this Act:

[(a) Each job training plan shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities and shall make efforts to provide equitable services among substantial segments of the eligible population.

[(b) Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.

[(c)(1) No funds provided under this Act shall be used or proposed for use to encourage or induce the relocation, of an establishment or part thereof, that results in a loss of employment for any employee of such establishment at the original location.

[(2) No funds provided under this Act shall be used for customized or skill training, on-the-job training, or company specific

assessments of job applicants or employees, for any establishment or part thereof, that has relocated, until 120 days after the date on which such establishment commences operations at the new location, if the relocation of such establishment or part thereof, results in a loss of employment for any employee of such establishment at the original location.

[(3) If a violation of paragraph (1) or (2) is alleged, the Secretary shall conduct an investigation to determine whether a violation has occurred.

[(4) If the Secretary determines that a violation of paragraph (1) or (2) has occurred, the Secretary shall require the State, service delivery area, or substate grantee that has violated paragraph (1) or (2) to—

[(A) repay to the United States an amount equal to the amount expended in violation of paragraph (1) or (2), in accordance with subsection (d) or (e) of section 164; and

[(B) pay an additional amount equal to the amount required to be repaid under subparagraph (A), unless the State, service delivery area, or substate grantee demonstrates to the Secretary that it neither knew nor reasonably could have known (after an inquiry undertaken with due diligence) that it provided funds in violation of paragraph (1) or (2).

[(5) Amounts received under paragraph (4)(B) shall be deposited in a special account in the Treasury for use by the Secretary for carrying out title III.

[(d)(1) Training provided with funds made available under this Act shall be only for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate, and consideration in the selection of training programs may be given to training in occupations determined to be in sectors of the economy which have a high potential for sustained demand or growth.

[(2) Efforts shall be made to develop programs which contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex.

[(3)(A) Commercially available training packages, including advanced learning technology, may be purchased for off-the-shelf prices and without requiring a breakdown of the cost components of the package if such packages are purchased competitively and include performance criteria.

[(B) Tuition charges for training or education provided by an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) or a proprietary institution of higher education (as defined in section 481(b) of such Act (20 U.S.C. 1088(b))), that are not more than the charges for such training or education made available to the general public, do not require a breakdown of cost components.

[(C) With respect to funds provided from the allocation to a service delivery area for any program year that are expended by any community-based organization or nonprofit organization for the cost of administration under part A or C of title II, the service delivery area shall not be subject to the limitation contained in section 108(b)(4)(A) if—

[(i) such funds are expended pursuant to an agreement under which not less than 90 percent of the funds provided to the community-based organization or nonprofit organization are to be expended for the costs of direct training and training-related and supportive services;

[(ii) the expenditures of such funds are charged by the service delivery area to the appropriate cost category;

[(iii) the expenditure of such funds does not result in the service delivery area exceeding the limitation contained in section 108(b)(4)(A) by more than 25 percent of such limitation; and

[(iv) the service delivery area is in compliance with the limitation contained in section 108(b)(4)(B) for such program year, except that such limitation shall be reduced by a percentage equal to one-half of the percentage by which the expenditures of the service delivery area under this subparagraph exceed the limitation under section 108(b)(4)(A).

[(4) Placements made in unsubsidized employment shall be, to the extent practicable, in occupational areas related to the training provided to the participant.

[(e)(1) Only eligible individuals residing in the service delivery area may be served by employment and training activities funded under title II, except that the job training plan may provide for limited exceptions to this requirement, including exceptions necessary to permit services to homeless individuals who cannot prove residence within the service delivery area.

[(2) Any service delivery area may enter into an agreement or contract with another service delivery area (including a service delivery area that is a city or county within the same labor market) to pay or share the cost of educating, training, or placing individuals participating in programs assisted under this Act, including the provision of supportive services. Such agreement or contract shall be approved by each private industry council providing guidance to the service delivery area and shall be described in the job training plan under section 104.

[(f) No member of any council under this Act shall cast a vote on the provision of services by that member (or any organization which that member directly represents) or vote on any matter which would provide direct financial benefit to that member.

[(g)(1) Payments to employers for on-the-job training shall not, during the period of such training, average more than 50 percent of the wages paid by the employer to such participants, and payments in such amount shall be deemed to be in compensation for the extraordinary costs associated with training participants under this Act and in compensation for the costs associated with the lower productivity of such participants.

[(2) On-the-job training authorized under the Act for a participant shall be limited in duration to a period not in excess of that generally required for acquisition of skills needed for the position within a particular occupation, but in no event shall exceed 6 months, unless the total number of hours of such training is less than 500 hours. In determining the period generally required for acquisition of the skills, consideration shall be given to recognized reference material (such as the Dictionary of Occupational Titles),

the content of the training of the participant, the prior work experience of the participant, and the service strategy of the participant.

[(3)(A) Each on-the-job training contract shall—

[(i) specify the types and duration of on-the-job training and the other services to be provided in sufficient detail to allow for a fair analysis of the reasonableness of proposed costs; and

[(ii) comply with the applicable requirements of section 164.

[(B) Each on-the-job training contract that is not directly contracted by a service delivery area with an employer (but instead is contracted through an intermediary brokering contractor) shall, in addition to meeting the requirements of subparagraph (A), specify the outreach, recruitment, participant training, counseling, placement, monitoring, followup, and other services to be provided directly by the brokering contractor within its own organization, the services to be provided by the employers conducting the on-the-job training, and the services to be provided, with or without cost, by other agencies and subcontractors.

[(C) If a brokering contractor enters into a contract with a subcontractor to provide training or other services, the brokering contractor shall ensure, through on-site monitoring, compliance with subcontract terms prior to making payment to the subcontractor.

[(4) In accordance with regulations issued by the Secretary, on-the-job training contracts under this Act shall not be entered into with employers who have received payments under previous contracts and have exhibited a pattern of failing to provide on-the-job training participants with continued long-term employment as regular employees with wages and employment benefits (including health 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.

[(h) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless the plan establishes that alternative services or facilities would be more effective or more likely to achieve performance goals.

[(i) Each administrative entity shall be responsible for the allocation of funds and the eligibility of those enrolled in its programs and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuses in the programs they are carrying out, and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Administrative entities may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations made with insufficient care, if such an arrangement is included in an approved job training plan.

[(j) No person or organization may charge an individual a fee for the placement or referral of such individual in or to a training program under this Act.

[(k) No funds may be provided under this Act for any subsidized employment with any private for-profit employer unless the individual employed is a youth aged 16 to 21, inclusive, who is economically disadvantaged and the employment is provided in accordance with subparagraphs (F) and (H) of section 264(c)(1).

[(l) The Secretary shall not provide financial assistance for any program under this Act which involves political activities.

[(m)(1) Income under any program administered by a public or private nonprofit entity may be retained by such entity only if used to continue to carry out the program.

[(2) Income subject to the requirements of paragraph (1) shall include—

[(A) receipts from goods or services (including conferences) provided as a result of activities funded under the Act;

[(B) funds provided to a service provider under the Act that are in excess of the costs associated with the services provided; and

[(C) interest income earned on funds received under this Act.

[(3) For the purposes of this subsection, each entity receiving financial assistance under this Act shall maintain records sufficient to determine the amount of income received and the purposes for which such income is expended.

[(n) The Secretary shall notify the Governor and the appropriate private industry councils and chief elected officials of, and consult with the Governor and such councils and officials concerning, any activity to be funded by the Secretary under this Act within the State or service delivery area; and the Governor shall notify the appropriate private industry councils and chief elected officials of, and consult with such concerning, any activity to be funded by the Governor under this Act within the service delivery area.

[(o)(1) All education programs for youth supported with funds provided under title II shall be consistent with applicable State and local educational standards.

[(2) Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in programs conducted under such title shall be consistent with the requirements of applicable State and local law and regulation.

[(p) No funds available under part B of this title or part A or C of title II may be used for public service employment.

[(q) No funds available under this Act shall be used for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities. No funds under title II or III of this Act shall be used for foreign travel.

[(r) The Federal requirements governing the title, use, and disposition of real property, equipment, and supplies purchased with funds provided under this Act shall be the Federal requirements generally applicable to Federal grants to States and local governments.

[(s)(1) Notwithstanding title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) and any other provision of law, the Secretary and the Secretary of Education shall receive priority by the Secretary of Defense for the direct transfer, on a nonreimbursable basis, of the property described in paragraph (2) for use in carrying out programs under this Act or under any other Act.

[(2) The property described in this paragraph is both real and personal property under the control of the Department of Defense that is not used by such Department, including property that the Secretary of Defense determines is in excess of current and projected requirements of such Department.

[BENEFITS

[SEC. 142. (a) Except as otherwise provided in this Act, the following provisions shall apply to all activities financed under this Act:

[(1) A trainee shall receive no payments for training activities in which the trainee fails to participate without good cause.

[(2) Individuals in on-the-job training shall be compensated by the employer at the same rates, including periodic increases, as similarly situated employees or trainees and in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

[(3) Individuals employed in activities authorized under this Act shall be paid wages which shall not be less than the highest of (A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

[(4) References in paragraphs (2) and (3) to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))—

[(A) shall be deemed to be references to section 6(c) of that Act for individuals in the Commonwealth of Puerto Rico;

[(B) shall be deemed to be references to section 6(a)(3) of that Act for individuals in American Samoa; and

[(C) shall not be applicable for individuals in other territorial jurisdictions in which section 6 of the Fair Labor Standards Act of 1938 does not apply.

[(b) Allowances, earnings and payments to individuals participating in programs under this Act shall not be considered as 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.

[LABOR STANDARDS

[SEC. 143. (a)(1) Conditions of employment and training shall be appropriate and reasonable in light of such factors as the type of work, geographical region, and proficiency of the participant.

[(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a program conducted under this Act who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation,

such standards as may be necessary to protect the health and safety of such participants.

[(3) To the extent that a State workers' compensation law is applicable, workers' compensation benefits in accordance with such law shall be available with respect to injuries suffered by participants. To the extent that such law is not applicable, each recipient of funds under this Act shall secure insurance coverage for injuries suffered by such participants, in accordance with regulations prescribed by the Secretary.

[(4) All individuals employed in subsidized jobs 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.

[(5) No funds available under this Act may be used for contributions on behalf of any participant to retirement systems or plans.

[(b)(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

[(2) No program under this Act shall impair—

[(A) existing contracts for services; or

[(B) existing collective bargaining agreements, unless the employer and the labor organization concur in writing with respect to any elements of the proposed activities which affect such agreement, or either such party fails to respond to written notification requesting its concurrence within 30 days of receipt thereof.

[(3) No participant shall be employed or job opening filled (A) when any other individual is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act.

[(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.

[(c)(1) Each recipient of funds under this Act shall provide to the Secretary assurances that none of such funds will be used to assist, promote, or deter union organizing.

[(2) Where a labor organization represents a substantial number of employees who are engaged in similar work or training in the same area as that proposed to be funded under this Act, an opportunity shall be provided for such organization to submit comments with respect to such proposal.

[(d) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Act of March 3, 1931 (40 U.S.C. 276a–276a–5), popularly known as the Davis-Bacon Act. The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948,

as amended; 40 U.S.C. 276(c)). The provisions of this subsection shall not apply to a bona fide trainee in a training program under this Act. The provisions of section 167(a)(4) shall apply to such trainees.

[GRIEVANCE PROCEDURE

[SEC. 144. (a) Each administrative entity, contractor, and grantee under this Act shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.

[(b) Each recipient of financial assistance under this Act which is an employer of participants under this Act shall continue to operate or establish and maintain a grievance procedure relating to the terms and conditions of employment.

[(c) Upon exhaustion of a recipient's grievance procedure without decision, or where the Secretary has reason to believe that the recipient is failing to comply with the requirements of this Act or the terms of the job training plan, the Secretary shall investigate the allegation or belief and determine within 120 days after receiving the complaint whether such allegation or complaint is true.

[(d)(1) If a person alleges a violation of section 143 and such person exhausts the recipient's grievance procedure or the 60-day time period described in subsection (a) has elapsed without a decision, either party to such procedure may submit the grievance to the Secretary. The Secretary shall investigate the allegations contained in the grievance and make a determination as to whether a violation of section 143 has occurred.

[(2) If the results of the investigation conducted pursuant to paragraph (1) indicate that a modification or reversal of the decision issued pursuant to the recipient's grievance procedure is warranted, or the 60-day time period described in subsection (a) has elapsed without a decision, the Secretary may modify or reverse the decision, or issue a decision if no decision has been issued, as the case may be, after an opportunity for a hearing in accordance with the procedures under section 166.

[(3) If the Secretary determines that the decision issued pursuant to the recipient's grievance procedure is appropriate, the determination shall become the final decision of the Secretary.

[(e)(1) A person alleging a violation of section 143 may, as an alternative to the procedures described in this section, submit the grievance involving such violation to a binding grievance procedure if a collective bargaining agreement covering the parties to the grievance so provides.

[(2) The remedies available under paragraph (1) shall be limited to the remedies available under subsection (f)(1)(C) and subsection (f)(2).

[(f)(1) Except as provided in paragraph (2), remedies available to grievants under this section for violations of section 143 shall be limited to—

[(A) suspension or termination of payments under this Act;

[(B) prohibition of placement of a participant, for an appropriate period of time, in a program under this Act with an employer that has violated section 143, as determined under subsection (d) or (e); and

[(C) appropriate equitable relief (other than back pay).

[(2) In addition to the remedies available under paragraph (1), remedies available under this section for violations of subsection (a)(4), paragraphs (1) and (3) of subsection (b), and subsection (d) of section 143 may include—

[(A) reinstatement of the grievant to the position held by such grievant prior to displacement;

[(B) payment of lost wages and benefits; and

[(C) reestablishment of other relevant terms, conditions, and privileges of employment.

[(g) Nothing in subsection (f) shall be construed to prohibit a grievant from pursuing a remedy authorized under another Federal, State, or local law for a violation of section 143.

[PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

[SEC. 145. No provision of this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

[PART D—FEDERAL AND FISCAL ADMINISTRATIVE PROVISIONS

[PROGRAM YEAR

[SEC. 161. (a) Beginning with fiscal year 1985 and thereafter, appropriations for any fiscal year for programs and activities under this Act 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.

[(b)(1) Funds obligated for any program year may be expended by each recipient during that program year and the two succeeding program years and no amount shall be deobligated on account of a rate of expenditure which is consistent with the job training plan.

[(2) Notwithstanding paragraph (1), funds obligated for any program year for programs authorized by section 452 of part D of title IV of this Act shall remain available until expended.

[PROMPT ALLOCATION OF FUNDS

[SEC. 162. (a) All allotments and allocations under this Act shall be based on the latest available data and estimates satisfactory to the Secretary. All data relating to economically disadvantaged and low-income persons shall be based on 1980 Census or later data.

[(b) Whenever the Secretary allots and allocates funds required to be allotted or allocated by formula under this Act, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each recipient.

[(c) All funds required to be distributed by formula under this Act shall be allotted within 45 days after enactment of the appropriations, except that, if such funds are appropriated in advance as authorized by section 161, such funds shall be allotted not later than the March 31 preceding the program year for which such funds are to be available for obligation.

[(d) Whenever the Secretary utilizes a formula to allot or allocate funds made available for distribution at the Secretary's discretion under this Act, the Secretary shall, not later than 30 days prior to such allotment or allocation, publish such formula in the Federal Register for comments along with the rationale for the formula and the proposed amounts to be distributed to each State and area. After consideration of any comments received, the Secretary shall publish final allotments and allocations in the Federal Register.

[(e) Funds shall be made available to the grant recipient for the service delivery area not later than 30 days after the date they are made available to the Governor or 7 days after the date the plan is approved, whichever is later.

[(f) When contracting with nonprofit organizations of demonstrated effectiveness, the Secretary, States, substate areas, and service delivery areas may make advance payments, provided that such payments are based on the financial need of such organization and are not in excess of 20 percent of the total contract amount.

[MONITORING

[SEC. 163. (a) The Secretary is authorized to monitor all recipients of financial assistance under this Act to determine whether they are complying with the provisions of this Act and the regulations issued under this Act.

[(b) The Secretary may investigate any matter the Secretary deems necessary to determine compliance with this Act and regulations issued under this Act. The investigations authorized by this subsection may include examining records (including making certified copies thereof), questioning employees, and entering any premises or onto any site in which any part of a program of a recipient is conducted or in which any of the records of the recipient are kept.

[(c) For the purpose of any investigation or hearing under this Act, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49) (relating to the attendance of witnesses and the production of books, papers, and documents) are made applicable to the Secretary.

[FISCAL CONTROLS; SANCTIONS

[SEC. 164. (a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under titles II and III. Such procedures shall ensure that all financial transactions are conducted and records maintained in accordance with generally accepted accounting principles applicable in each State.

[(2) The Secretary shall prescribe regulations establishing uniform cost principles substantially equivalent to such principles generally applicable to recipients of Federal grants funds. At a

minimum, such standards shall provide that, to be allowable, costs must—

[(A) be necessary and reasonable for proper and efficient administration of the program under this Act;

[(B) be allocable to the program under this Act; and

[(C) not be a general expense required to carry out the overall responsibilities of State, local, or federally recognized Indian tribal governments except as specifically provided by this Act.

[(3) The Governor, in accordance with minimum requirements established by the Secretary in regulations, shall prescribe and implement procurement standards to ensure fiscal accountability and prevent fraud and abuse in programs administered under this Act. The Secretary, in establishing such minimum requirements, shall consult with the Inspector General of the Department of Labor and take into consideration relevant aspects of the circulars issued by the Director of the Office of Management and Budget. Such minimum requirements shall include provisions to ensure that for States, substate areas, and service delivery areas—

[(A) procurements shall be conducted in a manner providing full and open competition;

[(B) the use of sole source procurements shall be minimized to the extent practicable, but in every case shall be justified;

[(C) procurements shall include an appropriate analysis of the reasonableness of costs and prices;

[(D) procurements shall not provide excess program income (for nonprofit and governmental entities) or excess profit (for private for-profit entities), and that appropriate factors shall be utilized in determining whether such income or profit is excessive, such as—

[(i) the complexity of the work to be performed;

[(ii) the risk borne by the contractor; and

[(iii) market conditions in the surrounding geographical area;

[(E) procurements shall clearly specify deliverables and the basis for payment;

[(F) written procedures shall be established for procurement transactions;

[(G) no grantee, contractor, subgrantee, or subcontractor shall engage in any conflict of interest, actual or apparent, in the selection, award, or administration of a contract or grant under this Act;

[(H) all grantees and subgrantees shall conduct oversight to ensure compliance with procurement standards; and

[(I) procurement transactions between units of State or local governments, and any other entities organized principally as the administrative entity for service delivery areas, shall be conducted on a cost reimbursable basis.

[(4) The Governor shall annually conduct on-site monitoring of each service delivery area and substate area within the State to ensure compliance with the procurement standards established pursuant to paragraph (3).

[(5) If the Governor determines that a service delivery area or substate area is not in compliance with the procurement standards established pursuant to paragraph (3), the Governor shall—

[(A) require corrective action to secure prompt compliance; and

[(B) impose the sanctions provided under subsection (b) in the event of failure to take the required corrective action.

[(6) The Governor shall biennially certify to the Secretary that—

[(A) the State has implemented the procurement standards established under paragraph (3);

[(B) the State has monitored substate areas and service delivery areas to ensure compliance with the procurement standards as required under paragraph (4); and

[(C) the State has taken appropriate action to secure compliance pursuant to paragraph (5).

[(7) If the Secretary determines that the Governor has not fulfilled the requirements of this subsection, the Secretary shall—

[(A) require corrective action to secure prompt compliance; and

[(B) impose the sanctions provided under subsection (f) in the event of failure of the Governor to take the required corrective action.

[(8) The Secretary, in consultation with the Inspector General, shall review the implementation of this subsection and submit a report to the appropriate committees of the Congress, not later than October 1, 1995, evaluating the effectiveness of this subsection in ensuring fiscal accountability and containing such recommendations as the Secretary determines to be appropriate.

[(b)(1) If, as a result of financial and compliance audits or otherwise, the Governor determines that there is a substantial violation of a specific provision of this Act or the regulations under this Act, and corrective action has not been taken, the Governor shall—

[(A) issue a notice of intent to revoke approval of all or part of the plan affected; or

[(B) impose a reorganization plan, which may include—

[(i) restructuring the private industry council involved;

[(ii) prohibiting the use of designated service providers;

[(iii) selecting an alternative entity to administer the program for the service delivery area involved;

[(iv) merging the service delivery area into 1 or more other existing service delivery areas; or

[(v) other such changes as the Secretary or Governor determines necessary to secure compliance.

[(2)(A) The actions taken by the Governor pursuant to paragraph (1)(A) may be appealed to the Secretary under the same terms and conditions as the disapproval of the plan and shall not become effective until—

[(i) the time for appeal has expired; or

[(ii) the Secretary has issued a decision.

[(B) The actions taken by the Governor pursuant to paragraph (1)(B) may be appealed to the Secretary, who shall make a final decision not later than 60 days of the receipt of the appeal.

[(3) If the Governor fails to promptly take the actions required under paragraph (1), the Secretary shall take such actions.

[(c)(1) The Comptroller General of the United States shall, on a selective basis, evaluate the expenditures by the recipients of grants under this Act in order to assure that expenditures are consistent with the provisions of this Act and to determine the effectiveness of each recipient in accomplishing the purposes of this Act. The Comptroller General shall conduct the evaluations whenever he determines it necessary and he shall periodically report to the Congress on the findings of such evaluations.

[(2) Nothing in this Act shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

[(3) For the purpose of evaluating and reviewing programs established or provided for by this Act, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State, a private industry council established under section 102 of this Act, any recipient of funds under this Act, or any subgrantee or contractor of such recipients.

[(d) Every recipient shall repay to the United States amounts found not to have been expended in accordance with this Act. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this Act unless he determines that such recipient should be held liable pursuant to subsection (e). No such action shall be taken except after notice and opportunity for a hearing have been given to the recipient.

[(e)(1) Each recipient shall be liable to repay such amounts, from funds other than funds received under this Act, upon a determination that the misexpenditure of funds was due to willful disregard of the requirements of this Act, gross negligence, or failure to observe accepted standards of administration. No such finding shall be made except after notice and opportunity for a fair hearing.

[(2) In determining whether to impose any sanction authorized by this section against a recipient for violations by a subgrantee of such recipient under this Act or the regulations under this Act, the Secretary shall first determine whether such recipient has adequately demonstrated that it has—

[(A) established and adhered to an appropriate system for the award and monitoring of contracts with subgrantees which contains acceptable standards for ensuring accountability;

[(B) entered into a written contract with such subgrantee which established clear goals and obligations in unambiguous terms;

[(C) acted with due diligence to monitor the implementation of the subgrantee contract, including the carrying out of the appropriate monitoring activities (including audits) at reasonable intervals; and

[(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this Act or the regulations under this Act by such subgrantee.

[(3) If the Secretary determines that the recipient has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such recipient. The Secretary is au-

thorized to impose any sanction consistent with the provisions of this Act and any applicable Federal or State law directly against any subgrantee for violation of this Act or the regulations under this Act.

[(f) In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program, the Secretary may immediately terminate or suspend financial assistance, in whole or in part, if the recipient is given prompt notice and the opportunity for a subsequent hearing within 30 days after such termination or suspension. The Secretary shall not delegate any of the functions or authority specified in this subsection, other than to an officer whose appointment was required to be made by and with the advice and consent of the Senate.

[(g) If the Secretary determines that any recipient under this Act has discharged or in any other manner discriminated against a participant or against any individual in connection with the administration of the program involved, or against any individual because such individual has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any individual a benefit to which that individual is entitled under the provisions of this Act or the Secretary's regulations, the Secretary shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved individual, or both.

[(h) The remedies under this section shall not be construed to be exclusive remedies.

[REPORTS, RECORDKEEPING, AND INVESTIGATIONS

[SEC. 165. (a)(1) Recipients shall keep records that are sufficient to permit the preparation of reports required by this Act and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

[(2) Every recipient shall maintain such records and submit such reports, in such form and containing such information, as the Secretary requires regarding the performance of its programs. Such records and reports shall be submitted to the Secretary but shall not be required to be submitted more than once each quarter unless specifically requested by the Congress or a committee thereof.

[(3) In order to allow for the preparation of national estimates necessary to meet the requirements of subsection (c), recipients shall maintain standardized records for all individual participants and provide to the Secretary a sufficient number of such records to provide for an adequate analysis.

[(4)(A) Except as provided in subparagraph (B), records maintained by recipients pursuant to this subsection shall be made available to the public upon request.

[(B) Subparagraph (A) shall not apply to—

[(i) information, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; and

[(ii) trade secrets, or commercial or financial information, obtained from a person and privileged or confidential.

[(C) Recipients may charge fees sufficient to recover costs applicable to the processing of requests for records under subparagraph (A).

[(b)(1)(A) In order to evaluate compliance with the provisions of this Act, the Secretary shall conduct, in several States, in each fiscal year investigations of the use of funds received by recipients under this Act.

[(B) In order to insure compliance with the provisions of this Act, the Comptroller General of the United States may conduct investigations of the use of funds received under this Act by any recipient.

[(2) In conducting any investigation under this Act, the Secretary or the Comptroller General of the United States may not request the compilation of any new information not readily available to such recipient.

[(3)(A) In carrying out any audit under this Act (other than any initial audit survey or any audit investigating possible criminal or fraudulent conduct), either directly or through grant or contract, the Secretary, the Inspector General, or the Comptroller General shall furnish to the State, administrative entity, recipient, or other entity to be audited, advance notification of the overall objectives and purposes of the audit, and any extensive recordkeeping or data requirements to be met, not fewer than 14 days (or as soon as practicable), prior to the commencement of the audit.

[(B) If the scope, objectives, or purposes of the audit change substantially during the course of the audit, the entity being audited shall be notified of the change as soon as practicable.

[(C) The reports on the results of such audits shall cite the law, regulation, policy, or other criteria applicable to any finding.

[(D) Nothing contained in this Act shall be construed so as to be inconsistent with the Inspector General Act of 1978 (5 U.S.C. App.) or government auditing standards issued by the Comptroller General.

[(c) Each State, each administrative entity, and each recipient (other than a subrecipient, grantee or contractor of a recipient) receiving funds under this Act shall—

[(1) make readily accessible reports concerning its operations and expenditures as shall be prescribed by the Secretary;

[(2) prescribe and maintain comparable management information systems, in accordance with guidelines that shall be prescribed by the Secretary, designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant, and financial data, on statewide and service delivery area bases, necessary for reporting, monitoring, and evaluating purposes, including data necessary to comply with section 167; and

[(3) monitor the performance of service providers in complying with the terms of grants, contracts, or other agreements made pursuant to this Act.

[(d)(1) The reports required in subsection (c) shall include information pertaining to—

[(A) the relevant demographic characteristics (including race, ethnicity, sex, and age) and other related information regarding participants;

[(B) the activities in which participants are enrolled, and the length of time that participants are engaged in such activities;

[(C) program outcomes, including occupations, for participants;

[(D) specified program costs; and

[(E) information necessary to prepare reports to comply with section 167.

[(2) The Secretary shall ensure that all elements of the information required for the reports described in paragraph (1) are defined and reported uniformly.

[(e) The Governor shall ensure that requirements are established for retention of all records pertinent to all grants awarded, and contracts and agreements entered into, under this Act, including financial, statistical, property and participant records and supporting documentation. For funds allotted to a State for any program year, records shall be retained for 2 years following the date on which the annual expenditure report containing the final expenditures charged to such program year's allotment is submitted to the Secretary. Records for nonexpendable property shall be retained for a period of 3 years after final disposition of the property.

[(f)(1) Each substate grantee and service delivery area shall submit quarterly financial reports to the Governor with respect to programs under this Act. Such reports shall include information identifying all program costs by cost category in accordance with generally accepted accounting principles and by year of the appropriation.

[(2) Each State shall submit a summary of the reports submitted pursuant to paragraph (1) to the Secretary on a quarterly basis.

[(g) Each State, substate grantee, and service delivery area shall maintain records with respect to programs under this Act that identify—

[(1) any program income or profits earned, including such income or profits earned by subrecipients; and

[(2) any costs incurred (such as stand-in costs) that are otherwise allowable except for funding limitations.

[(h)(1) The Secretary shall conduct a biennial study on the provision of supportive services under programs conducted pursuant to title II. Such study shall identify—

[(A) the amount and proportion of funds expended for supportive services under title II;

[(B) the types of supportive services provided;

[(C) the relative share of funds expended for each type of supportive service;

[(D) the characteristics of the participants receiving supportive services; and

[(E) such other factors as the Secretary determines to be appropriate.

[(2) The Secretary shall submit a report to the Congress containing the results of each study conducted pursuant to paragraph (1).

[ADMINISTRATIVE ADJUDICATION

[SEC. 166. (a) Whenever any applicant for financial assistance under this Act is dissatisfied because the Secretary has made a determination not to award financial assistance in whole or in part

to such applicant, the applicant may request a hearing before an administrative law judge of the Department of Labor. A similar hearing may also be requested by any recipient upon whom a corrective action or a sanction has been imposed by the Secretary. Except to the extent provided for in section 141(c), subsections (d) and (e) of section 144, or section 167, all other disputes arising under this Act shall be adjudicated under grievance procedures established by the recipient or under applicable law other than this Act.

[(b) The decision of the administrative law judge shall constitute final action by the Secretary unless, within 20 days after receipt of the decision of the administrative law judge, a party dissatisfied with the decision or any part thereof has filed exceptions with the Secretary specifically identifying the procedure, fact, law, or policy to which exception is taken. Any exception not specifically urged shall be deemed to have been waived. Thereafter the decision of the administrative law judge shall become the final decision of the Secretary unless the Secretary, within 30 days of such filing, has notified the parties that the case has been accepted for review.

[(c) Any case accepted for review by the Secretary shall be decided within one hundred and eighty days of such acceptance. If not so decided, the decision of the administrative law judge shall become the final decision of the Secretary.

[(d) The provisions of section 168 of this Act shall apply to any final action of the Secretary under this section.

[NONDISCRIMINATION

[SEC. 167. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded or otherwise financially assisted in whole or in part under this Act are considered to be programs and activities receiving Federal financial assistance.

[(2) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, disability, or political affiliation or belief.

[(3) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

[(4) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this Act, such individuals shall not be discriminated against solely because of their status as such participants.

[(5) Participation in programs and activities financially assisted in whole or in part under this Act shall be open to citizens and nationals of the United States, lawfully admitted permanent resident aliens, lawfully admitted refugees and parolees, and other individuals authorized by the Attorney General to work in the United States.

[(b) Whenever the Secretary finds that a State or other recipient has failed to comply with a provision of law referred to in subsection (a)(1), with paragraph (2), (3), (4), or (5) of subsection (a), or with an applicable regulation prescribed to carry out such paragraphs, the Secretary shall notify such State or recipient and shall request it to comply. If within a reasonable period of time, not to exceed sixty days, the State or recipient fails or refuses to comply, the Secretary may—

[(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

[(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act, as may be applicable; or

[(3) take such other action as may be provided by law.

[(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever the Attorney General has reason to believe that a State or other recipient is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of paragraph (2), (3), (4), or (5) of subsection (a), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

[(d) For purposes of this section, Job Corps members shall be considered as the ultimate beneficiaries of Federal financial assistance.

[(e)(1) The head of the office of the Department of Labor referred to as the "Directorate for Civil Rights" shall annually prepare a report on the administration and enforcement of this section.

[(2) The report required by paragraph (1) shall include—

[(A) an identification of the service delivery areas and States that have been determined, during the preceding program year, not to be in compliance with this section;

[(B) for each such identification, the date on which the inquiry was begun and whether the inquiry was initiated on the basis of a complaint or at the initiative of the Department;

[(C) an identification of the service delivery areas and States awaiting findings by the Directorate;

[(D) the number of service delivery areas and States that, during the preceding year, were determined not to be in compliance with this section, and the number for which insufficient data prevented the making of such a determination, identifying the type of data which is missing or inadequate;

[(E) a statistical summary, broken down by race, sex, national origin, disability, or age, of the number of inquiries undertaken and their outcomes;

[(F) an identification of any service delivery area or State that has been determined, during the preceding year, to have failed to conduct objective assessments as required by sections 204 and 264 on a nondiscriminatory basis;

[(G) the amount expended by the Directorate for the administration and enforcement of this section, and the number and percentage of full-time employees, and the full-time equivalent

of the part-time employees, engaged in such administration and enforcement;

[(H) the number of onsite visits conducted each year, and whether the visits were initiated by the Department or by complaint;

[(I) the number of cases referred to the Attorney General, and for such cases—

[(i) the civil actions taken by the Attorney General thereon; and

[(ii) the use, by the Secretary, of the authority of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (29 U.S.C. 621 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

[(J) a description of any other actions taken by the Secretary under or related to the administration and enforcement of this section.

[(3) The report required by this subsection shall be submitted to the Congress as part of the Secretary's annual report under section 169(d).

[(f) In addition to any other sums authorized to be appropriated under Federal law, there are authorized to be appropriated for the operations and expenses of the Directorate such sums as may be necessary for the purpose of increasing the number of full-time equivalent personnel available to the Directorate in order to comply with the requirements of this section.

[(g) The Secretary shall issue final regulations implementing this section not later than 90 days after the date of the enactment of the Job Training Reform Amendments of 1992.

[JUDICIAL REVIEW

[SEC. 168. (a)(1) With respect to any final order by the Secretary under section 166 whereby the Secretary determines to award, to not award, or to only conditionally award, financial assistance, with respect to any final order of the Secretary under section 166 with respect to a corrective action or sanction imposed under section 164, and with respect to a denial of an appeal under section 101(4)(C) or 105(b)(2), any party to a proceeding which resulted in such final order may obtain review of such final order in the United States Court of Appeals having jurisdiction over the applicant or recipient of funds, by filing a review petition within 30 days of such final order.

[(2) The clerk of the court shall transmit a copy of the review petition to the Secretary who shall file the record upon which the final order was entered as provided in section 2112 of title 28, United States Code. Review petitions unless ordered by the court, shall not stay the Secretary's order. Petitions under this Act shall be heard expeditiously, if possible within ten days of the filing of a reply brief.

[(3) No objection to the order of the Secretary shall be considered by the court unless the objection shall have been specifically and timely urged before the Secretary. Review shall be limited to questions of law and the Secretary's findings of fact shall be conclusive if supported by substantial evidence.

[(b) The court shall have jurisdiction to make and enter a decree affirming, modifying, or setting aside the order of the Secretary in whole or in part. The court's judgment shall be final, subject to certiorari review by the Supreme Court of the United States as provided in section 1254(1) of title 28, United States Code.

[ADMINISTRATIVE PROVISIONS

[SEC. 169. (a) The Secretary may, in accordance with chapter 5 of title 5, United States Code, prescribe such rules and regulations (including performance standards) as the Secretary deems necessary. Such rules and regulations may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968. All such rules and regulations shall be published in the Federal Register at least thirty days prior to their effective date. Copies of all such rules and regulations shall be transmitted to the appropriate committees of the Congress at the same time and shall contain, with respect to each material provision of such rules and regulations, citations to the particular substantive section of law which is the basis therefor.

[(b) The Secretary is authorized, in carrying out this Act, to accept, purchase, or lease in the name of the department, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise, and to accept voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States.

[(c) The Secretary may make such grants, contracts, or agreements, establish such procedures and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds under this Act as necessary to carry out this Act, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements, and including necessary adjustments in payments on account of overpayments or underpayments.

[(d) The Secretary shall prepare and submit to the Congress an annual report for employment and training programs. The Secretary shall include in such report—

[(1) a summary of the achievements, failures, and problems of the programs authorized in this Act in meeting the objective of this Act;

[(2) a summary of major findings from research, evaluation, pilot projects, and experiments conducted in the previous fiscal year;

[(3) recommendations for program modifications based upon analysis of such findings; and

[(4) such other recommendations for legislative or administrative action as the Secretary deems appropriate.

[(e) The Secretary shall develop methods to ascertain, and shall ascertain annually, energy development and conservation employment impact data by type and scale of energy technologies used. The Secretary shall present the best available data to the Secretary of Energy, the Secretary of Housing and Urban Development, and the Director of the Office of Management and Budget as part of the

budgetary process and to the appropriate Committees of Congress annually.

[UTILIZATION OF SERVICES AND FACILITIES

[SEC. 170. The Secretary is authorized, in carrying out this Act, under the same conditions applicable under section 169(c) or to the extent permitted by law other than this Act, to accept and use the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and use the services and facilities of the agencies of any State or political subdivision of a State, with its consent.

[OBLIGATIONAL AUTHORITY

[SEC. 171. Notwithstanding any other provision of this Act, no authority to enter into contracts or financial assistance agreements under this Act shall be effective except to such extent or in such amount as are provided in advance in appropriation Acts.

[PRESIDENTIAL AWARDS FOR OUTSTANDING PRIVATE SECTOR INVOLVEMENT IN JOB TRAINING PROGRAMS

[SEC. 172. (a)(1)(A) The President is authorized to make Presidential awards for outstanding achievement by the private sector in the job training partnership program authorized by this Act. The President is authorized to make such awards to individuals who, and organizations which, have demonstrated outstanding achievement in planning and administering job training partnership programs or in contributing to the success of the job training partnership program.

[(B) In making the awards pursuant to subparagraph (A) of this paragraph, the President shall consider the effectiveness of the program for which the award is made.

[(2) The President is authorized to make Presidential awards for model programs in the job training partnership program authorized by this Act which demonstrate effectiveness in addressing the job training needs of groups of individuals with multiple barriers to employment.

[(b)(1) Each year the President is authorized to make such awards under subsection (a) of this section as the President determines will carry out the objectives of this Act.

[(2) The President shall establish such selection procedures, after consultation with the Secretary and the Governors of the States, as may be necessary.

[SEC. 173. CONSTRUCTION.

[(a) ELIGIBILITY.—Nothing in this Act shall be construed to limit the right of persons to remain eligible for assistance under title XIX of the Social Security Act, relating to Medicaid pursuant to section 1619(b) of such Act.

[(b) USE OF FUNDS.—Nothing in this Act shall be construed to authorize the use of funds under this Act for the ongoing support services provided to individuals with disabilities placed in supported employment, as such term is defined in section 7(18) of the Rehabilitation Act of 1973.

[PART E—MISCELLANEOUS PROVISIONS

[CRIMINAL PROVISIONS

[SEC. 182. Section 665 of title 18, United States Code, is amended to read as follows:

["THEFT OF EMBEZZLEMENT FROM EMPLOYMENT AND TRAINING FUNDS: IMPROPER INDUCEMENT: OBSTRUCTION OF INVESTIGATIONS

["SEC. 665. (a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with any agency or organization receiving financial assistance or any funds under the Comprehensive Employment and Training Act or the Job Training Partnership Act knowingly enrolls an ineligible participant, embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets, or property which are the subject of a financial assistance agreement or contract pursuant to such Act shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, such person shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

["(b) Whoever, by threat or procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a financial assistance agreement or contract under the Comprehensive Employment and Training Act or the Job Training Partnership Act induces any person to give up any money or thing of any value to any person (including such organization or agency receiving funds) shall be fined not more than $1,000, or imprisoned not more than 1 year, or both.

["(c) Any person whoever willfully obstructs or impedes or willfully endeavors to obstruct or impede, an investigation or inquiry under the Comprehensive Employment and Training Act or the Job Training Partnership Act, or the regulations thereunder, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.".

[REFERENCE

[SEC. 183. Effective on the date of enactment of this Act, all references in any other statute other than this Act, and other than in section 665 of title 18, United States Code, to the Comprehensive Employment and Training Act shall be deemed to refer to the Job Training Partnership Act.

[REPEALERS

[SEC. 184. (a) Effective on the date of enactment of this Act—

[(1) the Comprehensive Employment and Training Act is repealed;

[(2) section 5(b) of the Comprehensive Employment and Training Act Amendments of 1978 is repealed.

[TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

PART A—ADULT TRAINING PROGRAM

[SEC. 201. STATEMENT OF PURPOSE.

[It is the purpose of this part to establish programs to prepare adults for participation in the labor force by increasing their occupational and educational skills, resulting in improved long-term employability, increased employment and earnings, and reduced welfare dependency.

[SEC. 202. ALLOTMENT AND ALLOCATION.

[(a) ALLOTMENT.—

[(1) TERRITORIES.—Of the amount appropriated under section 3(a)(1) for each fiscal year and available to carry out this part, not more than one-quarter of 1 percent shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[(2) STATE RESERVATION.—After determining the amounts to be allotted under paragraph (1), the Secretary shall allot 77 percent of the remainder to the States for allocation to service delivery areas within each State. Each State shall allocate to each service delivery area within the State the amount determined by the Secretary for such service delivery area pursuant to the formula contained in subsection (b). The remaining 23 percent shall be allotted in accordance with subsection (c).

[(b) ALLOCATION TO SERVICE DELIVERY AREAS.—

[(1) FORMULA.—Subject to the provisions of paragraph (2), of the amounts allocated to service delivery areas for this part for each fiscal year—

[(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all service delivery areas in all States;

[(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals within each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in all States; and

[(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged adults within each service delivery area as compared to the total number of economically disadvantaged adults in all service delivery areas in all States, except that for any service delivery area described in section 101(a)(4)(A)(iii), the allocation shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged adults in such area.

[(2) LIMITATIONS.—

[(A) MINIMUM PERCENTAGE.—No service delivery area shall be allocated less than 90 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(B) MAXIMUM PERCENTAGE.—No service delivery area shall be allocated more than 130 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(C) STATE MINIMUM.—Notwithstanding subparagraphs (A) and (B), the total allocation for all service delivery areas within any one State shall not be less than one-quarter of 1 percent of the total allocated to all service delivery areas in all States.

[(D) ALLOCATION PERCENTAGE.—

[(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[(ii) FISCAL YEAR 1992.—For purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[(c) STATE ACTIVITIES.—

[(1) DIVISION.—Of the remaining 23 percent of funds available for allotment to States under this part for each fiscal year—

[(A) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2), for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

[(B) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2), to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (3);

[(C) 8 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2) to carry out section 123; and

[(D) 5 percent of the funds available for such allotment under this part shall be allotted to carry out section 204(d).

[(2) FORMULA FOR ALLOTMENT.—The allotments to each State described in paragraph (1) shall be based on the relative amount of funds allocated to all service delivery areas within such State under subsection (b) as compared to the amount of funds allocated to all service delivery areas in all States under subsection (b).

[(3) OTHER USES.—

[(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

[(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

[(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

[(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

[(d) DEFINITIONS AND RULE.—

[(1) DEFINITIONS.—As used in this section:

[(A) ECONOMICALLY DISADVANTAGED ADULT.—The term "economically disadvantaged adult" means an individual who is age 22 through 72 and who has, or is a member of a family that has, received a total family income that, in relation to family size, was not in excess of the higher of—

[(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

[(ii) 70 percent of the lower living standard income level.

[(B) EXCESS NUMBER.—The term "excess number" means, with respect to the excess number of unemployed individuals within a service delivery area, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area, or the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area.

[(C) STATE.—The term "State" means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

[(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged adults.

[SEC. 203. ELIGIBILITY FOR SERVICES.

[(a) IN GENERAL.—Except as provided in subsection (c), an individual shall be eligible to participate in the program under this part only if such individual is—

[(1) 22 years of age or older; and

[(2) economically disadvantaged.

[(b) HARD-TO-SERVE INDIVIDUALS.—Not less than 65 percent of the participants in the program under this part, other than partici-

pants served under section 204(d), in each service delivery area shall be individuals who are included in 1 or more of the following categories:

[(1) Individuals who are basic skills deficient.

[(2) Individuals who are school dropouts.

[(3) Individuals who are recipients of cash welfare payments, including recipients under the JOBS program.

[(4) Individuals who are offenders.

[(5) Individuals with disabilities.

[(6) Individuals who are homeless.

[(7) Individuals who are in a category established under subsection (d).

[(c) SPECIAL RULE.—Not more than 10 percent of participants in a program assisted under this part, other than participants served under section 204(d), in each service delivery area may be individuals who are not economically disadvantaged if such individuals are age 22 or older and within 1 or more categories of individuals who face serious barriers to employment. Such categories may include the categories described in subsection (b), or categories such as displaced homemakers, veterans, alcoholics, or addicts.

[(d) ADDITIONAL CATEGORY.—A service delivery area conducting a program assisted under this part may add one category of individuals who face serious barriers to employment to the categories of eligible individuals described in subsection (b) if—

[(1) the service delivery area submits a request to the Governor identifying the additional category of individuals and justifying the inclusion of such category;

[(2) the additional category of individuals is not solely comprised of—

[(A) individuals with a poor work history; or

[(B) individuals who are unemployed; and

[(3) the Governor approves the request submitted under paragraph (1) and transmits a description of the approved request to the Secretary, as part of the Governor's coordination and special services plan under section 121.

[SEC. 204. PROGRAM DESIGN.

[(a) ESSENTIAL ELEMENTS.—

[(1) IN GENERAL.—The programs under this part shall include—

[(A) an objective assessment of the skill levels and service needs of each participant, which shall include a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), and supportive service needs, except that a new assessment of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program (such as the JOBS program);

[(B) development of service strategies that shall identify the employment goal (including, in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and appropriate services for participants taking into account the assessments conducted

pursuant to subparagraph (A), except that a new service strategy for a participant is not required if the program determines it is appropriate to use a recent service strategy developed for the participant under another education or training program (such as the JOBS program);

[(C) a review of the progress of each participant in meeting the objectives of the service strategy; and

[(D) each of the following services, which shall be provided either directly or through arrangement with other programs to a participant where the assessment and the service strategy indicate such services are appropriate:

[(i) Basic skills training.

[(ii) Occupational skills training.

[(iii) Supportive services.

[(2) ADDITIONAL REQUIREMENTS.—

[(A) INFORMATION AND REFERRALS.—Each service delivery area shall ensure that each participant or applicant who meets the minimum income eligibility criteria shall be provided—

[(i) information on the full array of applicable or appropriate services that are available through the service delivery area or other service providers, including those receiving funds under this Act; and

[(ii) referral to appropriate training and educational programs that have the capacity to serve the participant or applicant either on a sequential or concurrent basis.

[(B) APPLICANTS NOT MEETING ENROLLMENT REQUIREMENTS.—

[(i) SERVICE PROVIDERS.—Each service provider shall ensure that an eligible applicant who does not meet the enrollment requirements of its particular program or who cannot be served shall be referred to the service delivery area for further assessment, as necessary, and referral to appropriate programs in accordance with subparagraph (A) to meet the basic skills and training needs of the applicant.

[(ii) SERVICE DELIVERY AREA.—The service delivery area shall ensure that appropriate referrals are made pursuant to clause (i), and shall maintain appropriate records of such referrals and the basis for such referrals.

[(b) AUTHORIZED SERVICES.—Subject to the limitations contained in subsection (c), services that may be made available to each participant under this part may include—

[(1) direct training services, including—

[(A) basic skills training, including remedial education, literacy training, and English-as-a-second-language instruction;

[(B) institutional skills training;

[(C) on-the-job training;

[(D) assessment of the skill levels and service needs of participants;

[(E) counseling, such as job counseling and career counseling;

[(F) case management services;

[(G) education-to-work transition activities;

[(H) programs that combine workplace training with related instruction;

[(I) work experience;

[(J) programs of advanced career training that provide a formal combination of on-the-job and institutional training and internship assignments that prepare individuals for career employment;

[(K) training programs operated by the private sector, including programs operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment, and personnel to train workers in occupations for which demand exceeds supply;

[(L) skill upgrading and retraining;

[(M) bilingual training;

[(N) entrepreneurial training;

[(O) vocational exploration;

[(P) training programs to develop work habits to help individuals obtain and retain employment;

[(Q) attainment of certificates of high school equivalency;

[(R) preapprenticeship programs;

[(S) on-site, industry-specific training programs supportive of industrial and economic development;

[(T) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

[(U) use of advanced learning technology for education, job preparation, and skills training; and

[(2) training-related and supportive services, including—

[(A) job search assistance;

[(B) outreach to make individuals aware of, and encourage the use of, employment and training services, including efforts to expand awareness of training and placement opportunities for limited-English proficient individuals and individuals with disabilities;

[(C) outreach, to develop awareness of, and encourage participation in, education, training services, and work experience programs to assist women in obtaining nontraditional employment, and to facilitate the retention of women in nontraditional employment, including services at the site of training or employment;

[(D) specialized surveys not available through other labor market information sources;

[(E) dissemination of information on program activities to employers;

[(F) development of job openings;

[(G) programs coordinated with other Federal employment-related activities;

[(H) supportive services, as defined in section 4(24), necessary to enable individuals to participate in the program;

[(I) needs-based payments and financial assistance;

[(J) followup services with participants placed in unsubsidized employment; and

[(K) services to obtain job placements for individual participants.

[(c) DESIGN OF SERVICES.—

[(1) WORKPLACE CONTEXT AND INTEGRATION.—Basic skills training provided under this part shall, in appropriate circumstances, have a workplace context and be integrated with occupational skills training.

[(2) BASIC EDUCATION OR OCCUPATIONAL SKILLS.—

[(A) ADDITIONAL SERVICES.—Except as provided in subparagraph (B), work experience, job search assistance, job search skills training, and job club activities provided under this part shall be accompanied by additional services designed to increase the basic education or occupational skills of a participant.

[(B) LACK OF APPROPRIATENESS AND AVAILABILITY.—Each program assisted under this part may only provide job search assistance, job search skills training, and job club activities to a participant without the additional services described in subparagraph (A) if—

[(i) the assessment and service strategy of a participant indicate that the additional services are not appropriate; and

[(ii) the activities are not available to the participant through the employment service or other public agencies.

[(3) NEEDS-BASED PAYMENTS.—Needs-based payments and financial assistance provided under this part shall be limited to payments necessary for participation in the program assisted under this part in accordance with a locally developed formula or procedure.

[(4) COUNSELING AND SUPPORTIVE SERVICES.—Counseling and supportive services provided under this part may be provided to a participant for a period up to 1 year after the date on which the participant completes the program.

[(5) PROHIBITION ON PRIVATE ACTIONS.—Nothing in this section shall be construed to establish a right for a participant to bring an action to obtain services described in the assessment or service strategy developed under subsection (a)(1).

[(6) VOLUNTEERS.—The service delivery area shall make opportunities available for individuals who have successfully participated in programs under this part to volunteer assistance to participants in the form of mentoring, tutoring, and other activities.

[(d) SERVICES FOR OLDER INDIVIDUALS.—

[(1) IN GENERAL.—The Governor is authorized to provide for job training programs that are developed in conjunction with service delivery areas within the State and that are consistent with the plan for the service delivery area prepared and submitted in accordance with section 104, and designed to ensure the training and placement of older individuals in employment opportunities with private business concerns. The Governor

shall ensure that the program under this subsection provides services throughout the State to older individuals on an equitable basis, taking into account the relative share of the population of older individuals described in paragraph (6)(A) within the State, residing in each service delivery area.

[(2) AGREEMENTS.—

[(A) IN GENERAL.—In carrying out this subsection, the Governor shall, after consultation with appropriate private industry councils and chief elected officials, enter into agreements with public agencies, nonprofit private organizations (including veterans organizations), private industry councils, service delivery areas, and private business concerns.

[(B) PRIORITY.—In entering into the agreements described in subparagraph (A), the Governor shall give priority to national, State, and local agencies and organizations that have a record of demonstrated effectiveness in providing training and employment services to such older individuals.

[(3) CONSIDERATIONS.—The Governor shall give consideration to assisting programs involving training for jobs in growth industries and jobs reflecting the use of new technological skills.

[(4) COORDINATION.—In providing the services required by this subsection, the Governor shall make efforts to coordinate the delivery of such services with the delivery of services under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

[(5) ELIGIBILITY.—

[(A) ECONOMICALLY DISADVANTAGED.—Except as provided in subparagraph (B), an individual shall be eligible to participate in a job training program under this subsection only if the individual is economically disadvantaged and is an older individual.

[(B) SPECIAL RULE.—

[(i) INDIVIDUALS FACING SERIOUS BARRIERS TO EMPLOYMENT.—An individual who is not economically disadvantaged as described in subparagraph (A) shall be eligible to participate in a job training program under this subsection if the individual faces serious barriers to employment, is an older individual, and meets income eligibility requirements under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.) subject to clause (ii).

[(ii) LIMITATION.—Not more than 10 percent of all participants in a program assisted under this subsection shall be individuals who are not economically disadvantaged.

[(6) APPLICABLE REQUIREMENTS.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the requirements of this Act applicable to programs conducted under this subsection shall be the same requirements applicable to the other programs conducted under this part.

[(B) EXCEPTIONS.—

[(i) PROVISIONS NOT APPLICABLE.—The provisions of section 104, subsections (b)(7) and (j) of section 106, section 109, section 203, and section 204(a)(2) shall not be applicable to programs conducted under this subsection.

[(ii) GOVERNOR.—With respect to the application of sections 106(b), 108(b), 141(d)(3)(C), and 205 to programs conducted under this subsection, the term "service delivery area", as used in such provisions, means the Governor.

[(7) DEFINITION.—As used in this subsection, the term "older individual" means an individual age 55 or older.

[SEC. 205. LINKAGES.

[(a) IN GENERAL.—In conducting the program assisted under this part, service delivery areas shall establish appropriate linkages with other Federal programs. Such programs shall include, where feasible, programs assisted under—

[(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 Wagner-Peyser Act (29 U.S.C. 49 et seq.);

[(4) part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.);

[(5) the employment program established under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));

[(6) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

[(7) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

[(8) title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

[(9) chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

[(10) the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77; 101 Stat. 482);

[(11) the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

[(12) the National Literacy Act of 1991 (Public Law 102–73);

[(13) the Head Start Act (42 U.S.C. 9831 et seq.) (for purposes of child care services); and

[(14) any other provisions of this Act.

[(b) OTHER APPROPRIATE LINKAGES.—In addition to the linkages required under subsection (a), each service delivery area receiving financial assistance under this part shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with local educational agencies, local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with disadvantaged adults, and other training, education, employment, economic development, and social service programs.

[SEC. 206. TRANSFER OF FUNDS.

[A service delivery area may transfer up to 10 percent of the amounts allocated to the service delivery area under section 202(b) to the program under part C if such transfer is—

[(1) described in the job training plan; and
[(2) approved by the Governor.

PART B—SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM

[SEC. 251. PURPOSE.

[It is the purpose of programs assisted under this part—
[(1) to enhance the basic educational skills of youth;
[(2) to encourage school completion or enrollment in supplementary or alternative school programs;
[(3) to provide eligible youth with exposure to the world of work; and
[(4) to enhance the citizenship skills of youth.

[SEC. 252. AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT AND ALLOCATION.

[(a) TERRITORIAL AND NATIVE AMERICAN ALLOCATION.—From the funds appropriated under section 3(a)(2), the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the Federated States of Micronesia, the Republic of the Marshall Islands, Palau, the Commonwealth of the Northern Mariana Islands, and entities eligible under section 401 the same percentage of funds as were available to such areas and entities for the summer youth program in the fiscal year preceding the fiscal year for which the determination is made.

[(b) USE OF PART C FORMULA FOR ALLOTMENT AND ALLOCATION.—The remainder of funds appropriated under section 3(a)(2) shall, for each fiscal year, be allotted among States and allocated among service delivery areas in accordance with section 262, except that no portion of such funds shall be reserved to carry out subsection (a)(1) or (c) of such section.

[SEC. 253. USE OF FUNDS.

[(a) IN GENERAL.—Funds available under this part may be used for—

[(1) basic and remedial education, academic enrichment institutional and on-the-job training, work experience programs, youth corps programs, employment counseling, occupational training, preparation for work, outreach and enrollment activities, employability assessment, job referral and placement, job search assistance and job club activities, activities under programs described in section 265(b), and any other employment or job training activity designed to give employment to eligible individuals or prepare the individuals for, and place the individuals in, employment;

[(2) supportive services necessary to enable such individuals to participate in the program; and

[(3) administrative costs, not to exceed 15 percent of the funds available under this part.

[(b) BASIC AND REMEDIAL EDUCATION.—

[(1) IN GENERAL.—A service delivery area shall expend funds (available under this Act or otherwise available to the service delivery area) for basic and remedial education and training as described in the job training plan under section 104.

[(2) EDUCATION OR TRAINING.—The education and training authorized by paragraph (1) may be provided by—

[(A) the year-round program under part C;
[(B) the Job Corps;
[(C) the JOBS program;
[(D) youth corps programs;
[(E) alternative or secondary schools; or
[(F) other education and training programs.

[(c) ASSESSMENT AND SERVICE STRATEGY.—

[(1) ASSESSMENT.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the programs under this part shall include an objective assessment of the basic skills and supportive services needs of each participant, which may include a review of occupational skills, prior work experience, employability, interests, and aptitudes.

[(B) RECENT ASSESSMENT.—A new assessment, or a factor of such assessment, of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program (such as the JOBS program or a regular high school academic program).

[(2) SERVICE STRATEGY.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the programs under this part shall include a service strategy for participants, which may identify achievement objectives, appropriate employment goals, and appropriate services for participants, taking into account the assessments conducted under paragraph (1).

[(B) RECENT SERVICE STRATEGY.—A new service strategy for a participant is not required if the program determines it is appropriate to use a recent service strategy developed for the participant under another education or training program (such as the JOBS program or a regular high school academic program).

[(3) BASIC EDUCATION AND PREEMPLOYMENT TRAINING.—The programs under this part shall provide, either directly or through arrangements with other programs, each of the following services to a participant where the assessment and the service strategy indicate such services are appropriate:

[(A) Basic and Remedial Education.

[(B) Preemployment and Work Maturity Skills Training.

[(4) INTEGRATION OF WORK AND LEARNING.—

[(A) WORK EXPERIENCE.—Work experience provided under this part, to the extent feasible, shall include contextual learning opportunities which integrate the development of general competencies with the development of academic skills.

[(B) CLASSROOM TRAINING.—Classroom training provided under this part shall, to the extent feasible, include opportunities to apply knowledge and skills relating to academic subjects to the world of work.

[(d) FOLLOWUP SERVICES.—Service delivery areas shall make followup services available for participants if the service strategy indicates such services are appropriate.

[(e) EDUCATIONAL LINKAGES.—In conducting the program assisted under this part, service delivery areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include arrangements to ensure that there is a regular exchange of information relating to the progress, problems and needs of participants, including the results of assessments of the skill levels of participants.

[SEC. 254. LIMITATIONS.

[(a) USE DURING SUMMER MONTHS OR EQUIVALENT VACATION PERIOD.—

[(1) SUMMER MONTHS.—Except as provided in paragraph (2), programs under this part shall be conducted during the summer months.

[(2) VACATION PERIOD.—A service delivery area may, within the jurisdiction of any local educational agency that operates schools on a year-round, full-time basis, offer the programs under this part to participants during a vacation period treated as the equivalent of a summer vacation.

[(b) ELIGIBILITY.—An individual shall be eligible to participate in the program assisted under this part if such individual—

[(1) is age 14 through 21; and

[(2)(A) is economically disadvantaged; or

[(B) has been determined to meet the eligibility requirements for free meals under the National School Lunch Act (42 U.S.C. 1751 et seq.) during the most recent school year.

[(c) CONCURRENT ENROLLMENT.—

[(1) IN GENERAL.—An eligible individual participating in a program assisted under this part may concurrently be enrolled in programs under part C. Appropriate adjustment to the youth performance standards (regarding attainment of competencies) under paragraphs (4)(A)(i) and (5) of section 106(b) shall be made to reflect the limited period of participation.

[(2) CONCURRENT ENROLLMENT AND TRANSFERS.—Youth being served under this part or part C youth programs are not required to be terminated from participation in one program in order to enroll in the other. The Secretary shall provide guidance to service delivery areas on simplified procedures for concurrent enrollment and transfers for youth from one program to the other.

[(d) PROHIBITION ON PRIVATE ACTIONS.—Nothing in this part shall be construed to establish a right for a participant to bring an action to obtain services described in the assessment or service strategy developed under section 253(c).

[SEC. 255. APPLICABLE PROVISIONS.

[(a) COMPARABLE FUNCTIONS OF AGENCIES AND OFFICIALS.—Private industry councils established under title I, chief elected officials, State job training coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this part as the private industry councils, chief elected officials, State job training coordinating councils, and Governors have with respect to funds available under parts A and C.

[(b) PROGRAM GOALS AND OBJECTIVES.—Each service delivery area shall establish written program goals and objectives that shall be used for evaluating the effectiveness of programs conducted under this part. Such goals and objectives may include—

[(1) improvement in school retention and completion;

[(2) improvement in academic performance, including mathematics and reading comprehension;

[(3) improvement in employability skills; and

[(4) demonstrated coordination with other community service organizations such as local educational agencies, law enforcement agencies, and drug and alcohol abuse prevention and treatment programs.

[SEC. 256. TRANSFER OF FUNDS.

[A service delivery area may transfer up to 20 percent of the funds provided under this part to the program under part C if such transfer is approved by the Governor.

[PART C—YOUTH TRAINING PROGRAM

[SEC. 261. STATEMENT OF PURPOSE.

[It is the purpose of the programs assisted under this part to improve the long-term employability of youth, enhance the educational, occupational, and citizenship skills of youth, encourage school completion or enrollment in alternative school programs, increase the employment and earnings of youth, reduce welfare dependency, and assist youth in addressing problems that impair the ability of youth to make successful transitions from school to work, apprenticeship, the military, or postsecondary education and training.

[SEC. 262. ALLOTMENT AND ALLOCATION.

[(a) ALLOTMENT.—

[(1) TERRITORIES.—Of the amount appropriated under section 3(a)(1) for each fiscal year and available to carry out this part, not more than one-quarter of 1 percent shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[(2) STATE RESERVATION.—After determining the amounts to be allotted under paragraph (1), the Secretary shall allot 82 percent of the remainder to the States for allocation to service delivery areas within each State. Each State shall allocate to each service delivery area within the State the amount determined by the Secretary for such service delivery area pursuant to the formula contained in subsection (b). The remaining 18 percent shall be allotted in accordance with subsection (c).

[(b) ALLOCATION TO SERVICE DELIVERY AREAS.—

[(1) FORMULA.—Subject to the provisions of paragraph (2), of the amounts allocated to service delivery areas for this part for each fiscal year—

[(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each service delivery area as compared to the total number of such unem-

ployed individuals in all such areas of substantial unemployment in all service delivery areas in all States;

[(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals within each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in all States; and

[(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged youth within each service delivery area as compared to the total number of economically disadvantaged youth in all service delivery areas in all States except that, for any service delivery area described in section 101(a)(4)(A)(iii), the allocation shall be based on the higher of the number of youth in families with an income below the low-income level in such area or the number of economically disadvantaged youth in such area.

[(2) LIMITATIONS.—

[(A) MINIMUM PERCENTAGE.—No service delivery area shall be allocated less than 90 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(B) MAXIMUM PERCENTAGE.—No service delivery area shall be allocated more than 130 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(C) STATE MINIMUM.—Notwithstanding subparagraphs (A) and (B), the total allocation for all service delivery areas within any one State shall not be less than one-quarter of 1 percent of the total allocated to all service delivery areas in all States.

[(D) ALLOCATION PERCENTAGE.—

[(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[(ii) FISCAL YEAR 1992.—For purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[(c) STATE ACTIVITIES.—

[(1) DIVISION.—Of the remaining 18 percent of funds available for allotment to States under this part for each fiscal year—

[(A) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2), for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

[(B) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accord-

ance with paragraph (2), to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (3); and

[(C) 8 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2) to carry out section 123.

[(2) FORMULA FOR ALLOCATION.—The allotments to each State described in paragraph (1) shall be based on the relative amount of funds allocated to all service delivery areas within such State under subsection (b) as compared to the amount of funds allocated to all service delivery areas in all States under subsection (b).

[(3) OTHER USES.—

[(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

[(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

[(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

[(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

[(d) DEFINITIONS AND RULE.—

[(1) DEFINITIONS.—As used in this section:

[(A) ECONOMICALLY DISADVANTAGED YOUTH.—The term "economically disadvantaged youth" means an individual who is age 16 through 21 and who has, or is a member of a family that has, received a total family income that, in relation to family size, was not in excess of the higher of—

[(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

[(ii) 70 percent of the lower living standard income level.

[(B) EXCESS NUMBER.—The terms "excess number" and "State" shall have the meanings given the terms in subparagraphs (B) and (C), respectively, of section 202(d)(1).

[(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged youth.

[SEC. 263. ELIGIBILITY FOR SERVICES.

[(a) IN-SCHOOL YOUTH.—Except as provided in subsections (e) and (g), an individual who is in school shall be eligible to participate in the program under this part if such individual—

[(1)(A) is age 16 through 21; or

[(B) if provided in the job training plan, is age 14 through 21; and

[(2)(A) is economically disadvantaged;

[(B) is participating in a compensatory education program under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.); or

[(C) has been determined to meet the eligibility requirements for free meals under the National School Lunch Act (42 U.S.C. 1751 et seq.) during the most recent school year.

[(b) HARD-TO-SERVE INDIVIDUALS WHO ARE IN-SCHOOL YOUTH.—Not less than 65 percent of the in-school individuals who participate in a program under this part shall be individuals who are included in one or more of the following categories:

[(1) Individuals who are basic skills deficient.

[(2) Individuals with educational attainment that is 1 or more grade levels below the grade level appropriate to the age of the individuals.

[(3) Individuals who are pregnant or parenting.

[(4) Individuals with disabilities, including a learning disability.

[(5) Individuals who are homeless or run-away youth.

[(6) Individuals who are offenders.

[(7) Individuals within a category established under subsection (h).

[(c) OUT-OF-SCHOOL YOUTH.—Except as provided in subsection (e), an individual who is out of school shall be eligible to participate in the program under this part if such individual is—

[(1) age 16 through 21; and

[(2) economically disadvantaged.

[(d) HARD-TO-SERVE INDIVIDUALS WHO ARE OUT-OF-SCHOOL YOUTH.—Not less than 65 percent of the out-of-school individuals who participate in a program under this part shall be individuals who are included in 1 or more of the following categories:

[(1) Individuals who are basic skills deficient.

[(2) Individuals who are school dropouts (subject to the conditions described in section 264(d)(2)).

[(3) Individuals who are pregnant or parenting.

[(4) Individuals with disabilities, including a learning disability.

[(5) Individuals who are homeless or run-away youth.

[(6) Individuals who are offenders.

[(7) Individuals in a category established under subsection (h).

[(e) EXCEPTIONS.—Not more than 10 percent of participants in a program assisted under this part in each service delivery area may be individuals who do not meet the requirements of subsection (a)(2) or (c)(2), if such individuals are within one or more categories of individuals who face serious barriers to employment. Such categories may include the categories described in subsections (b) and (d), or categories such as individuals with limited-English language proficiency, alcoholics, or drug addicts.

[(f) RATIO OF OUT-OF-SCHOOL TO IN-SCHOOL YOUTH.—

[(1) IN GENERAL.—Except as provided in paragraph (2), not less than 50 percent of the participants in the program under this part in each service delivery area shall be out-of-school individuals who meet the requirements of subsection (c), (d), or (e).

[(2) COUNTING OF IN-SCHOOL INDIVIDUALS.—In-school individuals served as a part of a schoolwide project under subsection (g) shall not be counted as a part of the ratio of in-school individuals to out-of-school individuals.

[(g) SCHOOLWIDE PROJECTS FOR LOW-INCOME SCHOOLS.—

[(1) IN GENERAL.—In addition to the individuals described in subsection (e), an individual who does not meet the requirements of subsection (a)(2) may participate in the programs assisted under this part if such individual is enrolled in a public school—

[(A) that is located in a poverty area;

[(B) that is served by a local educational agency that is eligible for assistance under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.);

[(C) in which not less than 70 percent of the students enrolled are included in the categories described in subsection (b); and

[(D) that conducts a program under a cooperative arrangement that meets the requirements of section 265(d).

[(2) DEFINITION.—For the purposes of paragraph (1), the term "poverty area" means an urban census tract or a nonmetropolitan county with a poverty rate of 30 percent or more, as determined by the Bureau of the Census.

[(h) ADDITIONAL CATEGORY.—A service delivery area conducting a program assisted under this part may add one category of youth who face serious barriers to employment to the categories of eligible individuals specified in subsection (b) and one category to the categories of eligible individuals described in subsection (d) if—

[(1) the service delivery area submits a request to the Governor identifying the additional category of individuals and justifying the inclusion of such category;

[(2) the additional category of individuals is not solely comprised of—

[(A) individuals with a poor work history; or

[(B) individuals who are unemployed; and

[(3) the Governor approves the request submitted under paragraph (1) and transmits a description of the approved request to the Secretary, as part of the Governor's coordination and special services plan under section 121.

[SEC. 264. PROGRAM DESIGN.

[(a) YEAR-ROUND OPERATION.—The programs under this part shall be conducted on a year-round basis. Services shall be made available on a multiyear basis as appropriate.

[(b) ESSENTIAL ELEMENTS.—

[(1) IN GENERAL.—The programs under this part shall include—

[(A) an objective assessment of the skill levels and service needs of each participant, which assessment shall include a review of basic skills, occupational skills, prior

work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), and supportive service needs, except that a new assessment of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted under another education or training program (such as the JOBS program);

[(B) development of service strategies that shall identify the employment goal (including, in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and appropriate services for participants taking into account the assessments conducted pursuant to subparagraph (A), except that a new service strategy for a participant is not required if the program determines it is appropriate to use a recent service strategy developed for the participant under another education or training program (such as the JOBS program);

[(C) a review of the progress of each participant in meeting the objectives of the service strategy; and

[(D) each of the following services, which shall be provided either directly or through arrangement with other programs to a participant where the assessment and the service strategy indicate such services are appropriate:

[(i) Basic skills training.

[(ii) Occupational skills training.

[(iii) Preemployment and work maturity skills training.

[(iv) Work experience combined with skills training.

[(v) Supportive services.

[(2) ADDITIONAL REQUIREMENTS.—

[(A) INFORMATION AND REFERRALS.—Each service delivery area shall ensure that each participant or applicant who meets the minimum income eligibility criteria shall be provided—

[(i) information on the full array of applicable or appropriate services that are available through the service delivery area or other service providers, including those receiving funds under this Act; and

[(ii) referral to appropriate training and educational programs that have the capacity to serve the participant or applicant either on a sequential or concurrent basis.

[(B) APPLICANTS NOT MEETING ENROLLMENT REQUIREMENTS.—

[(i) SERVICE PROVIDERS.—Each service provider shall ensure that an eligible applicant who does not meet the enrollment requirements of its particular program or who cannot be served shall be referred to the service delivery area for further assessment, as necessary, and referral to appropriate programs in accordance with subparagraph (A) to meet the basic skills and training needs of the applicant.

[(ii) SERVICE DELIVERY AREA.—The service delivery area shall ensure that appropriate referrals are

made pursuant to clause (i), and shall maintain appropriate records of such referrals and the basis for such referrals.

[(c) AUTHORIZED SERVICES.—Subject to the limitations contained in subsection (d), services which may be made available to youth with funds provided under this part may include—

[(1) direct training services, including—

[(A) the services described in section 204(b)(1);

[(B) tutoring and study skills training;

[(C) alternative high school services within programs that meet the requirements of section 141(o)(1);

[(D) instruction leading to high school completion or the equivalent;

[(E) mentoring;

[(F) limited internships in the private sector;

[(G) training or education that is combined with community and youth service opportunities in public agencies, nonprofit agencies, and other appropriate agencies, institutions, and organizations, including youth corps programs;

[(H) entry employment experience programs;

[(I) school-to-work transition services;

[(J) school-to-postsecondary education transition services;

[(K) school-to-apprenticeship transition services; and

[(L) preemployment and work maturity skills training; and

[(2) training-related and supportive services, including—

[(A) the services described in section 204(b)(2);

[(B) drug and alcohol abuse counseling and referral;

[(C) services encouraging parental, spousal, and other significant adult involvement in the program of the participant; and

[(D) cash incentives and bonuses based on attendance and performance in a program.

[(d) ADDITIONAL REQUIREMENTS.—

[(1) STRATEGIES AND SERVICES.—In developing service strategies and designing services for the program under this part, the service delivery area and private industry council shall take into consideration exemplary program strategies and practices, including the strategies and practices of model programs selected for replication under section 453(c).

[(2) SCHOOL DROPOUTS.—

[(A) PARTICIPATION REQUIREMENTS.—In order to participate in a program assisted under this part, except for interim periods, an individual who is under the age of 18 and a school dropout shall enroll in and attend a school, course, or program described in clause (ii) or (iii) of subparagraph (B).

[(B) SERVICE DELIVERY REQUIREMENTS.—

[(i) IN GENERAL.—Each service delivery area shall make available, in accordance with this subparagraph, to each participant in the program who is under the age of 18 and is a school dropout, at least 2 options for school attendance. Such options shall be provided

concurrently or sequentially with other services provided under this part to each such participant as a part of the training of such participant.

[(ii) SCHOOL ATTENDANCE.—Each service delivery area shall provide, as one of the options for school attendance, an option for each such participant to enroll in and attend a high school equivalency program.

[(iii) ADDITIONAL OPTION.—Each service delivery area shall provide, as a second option for school attendance for each such participant—

[(I) an option to reenroll in and attend school;

[(II) an option to enroll in and attend an alternative high school; or

[(III) an option to enroll in and attend an alternative course of study approved by the local educational agency.

[(3) SKILLS TRAINING.—

[(A) PREEMPLOYMENT AND WORK MATURITY SKILLS TRAINING.—Preemployment and work maturity skills training authorized by this part shall be accompanied by either work experience or other additional services designed to increase the basic education or occupational skills of a participant. The additional services may be provided, concurrently or sequentially, under other education and training programs, including the Job Corps and the JOBS program.

[(B) ADDITIONAL SERVICES.—Work experience, job search assistance, job search skills training, and job club activities provided under this part shall be accompanied by additional services designed to increase the basic education or occupational skills of a participant. The additional services may be provided, concurrently or sequentially, under other education and training programs, including the Job Corps and the JOBS program.

[(C) ON-THE-JOB TRAINING.—

[(i) POSITIONS.—On-the-job training authorized under this part shall only be available in positions that—

[(I) pay the participant a wage that equals or exceeds the average wage at placement in the service delivery area for participants under part A; and

[(II) have career advancement potential.

[(ii) FORMAL PROGRAM OR STRUCTURED JOB TRAINING.—On-the-job training authorized under this part shall include a formal program of structured job training that will provide participants with an orderly sequence of instruction in work maturity skills, general employment competencies, and occupationally specific skills.

[(iii) PARTICIPATION REQUIREMENT.—In order to participate in on-the-job training authorized under this part, except for interim periods, an individual who has not attained a high school diploma or its equivalent

shall concurrently enroll in and attend a school, course, or program described in clause (ii) or (iii) of paragraph (2)(B).

[(4) NEEDS-BASED PAYMENTS.—Needs-based payments and financial assistance provided under this part shall be limited to payments necessary for participation in the program assisted under this part in accordance with a locally developed formula or procedure.

[(5) COUNSELING AND SUPPORTIVE SERVICES.—Counseling and supportive services provided under this part may be provided to a participant for a period of up to 1 year after the date on which the participant completes the program.

[(6) PROHIBITION ON PRIVATE ACTIONS.—Nothing in this section shall be construed to establish a right for a participant to bring an action to obtain services described in the assessment or service strategy developed under subsection (b)(1).

[(7) VOLUNTEERS.—The service delivery area shall make opportunities available for successful individuals who have previously participated in programs under this part to volunteer assistance to participants in the form of mentoring, tutoring, and other activities.

[SEC. 265. LINKAGES.

[(a) EDUCATIONAL LINKAGES.—In conducting the program assisted under this part, service delivery areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include—

[(1) formal agreements with local educational agencies that will identify—

[(A) the procedures for referring and serving in-school youth;

[(B) the methods of assessment of in-school youth; and

[(C) procedures for notifying the program when a youth drops out of the school system;

[(2) arrangements to ensure that the program under this part supplements existing programs provided by local educational agencies to in-school youth;

[(3) arrangements to ensure that the program under this part utilizes, to the extent possible, existing services provided by local educational agencies to out-of-school youth; and

[(4) arrangements to ensure that for in-school participants there is a regular exchange of information between the program and the educational agency relating to participant progress, problems, and needs, including, in appropriate circumstances, interim assessment results.

[(b) EDUCATION AND TRAINING PROGRAM LINKAGES.—In conducting the program assisted under this part, service delivery areas shall establish appropriate linkages with other education and training programs authorized under Federal law. Such programs shall include, where feasible, programs assisted under—

[(1) part B of title IV (the Job Corps);

[(2) parts A through C of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.);

[(3) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(4) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

[(5) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

[(6) part F of title IV of the Social Security Act (JOBS) (42 U.S.C. 681 et seq.);

[(7) the Food Stamp Act (7 U.S.C. 2011 et seq.);

[(8) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

[(9) the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77; 101 Stat. 482); and

[(10) any other provisions of this Act.

[(c) OTHER PROGRAMS.—In addition to the linkages required under subsections (a) and (b), service delivery areas receiving financial assistance under this part shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with State and local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with at-risk youth, parents and family members, juvenile justice systems, and other training, education, employment and social service programs, including programs conducted under part A.

[(d) SCHOOLWIDE PROJECTS FOR LOW-INCOME SCHOOLS.—In conducting a program serving individuals specified in section 263(g), the service delivery area shall establish a cooperative arrangement with the appropriate local educational agency that shall, in addition to the other requirements of this section, include—

[(1) a description of the ways in which the program will supplement the educational program of the school;

[(2) identification of measurable goals to be achieved by the program and provision for assessing the extent to which such goals are met;

[(3) a description of the ways in which the program will use resources provided under this part and resources provided under other education programs to achieve the goals identified in paragraph (2);

[(4) a description of the number of individuals to be served; and

[(5) assurances that the resources provided under this part shall be used to supplement and not supplant existing sources of funds.

[SEC. 266. TRANSFER OF FUNDS.

[A service delivery area may transfer up to 10 percent of the amounts allocated to the service delivery area under section 262(b) to the program under part A if such transfer is—

[(1) described in the job training plan; and

[(2) approved by the Governor.

Note.—Set forth is section 701 of the Job Training Reform Amendments of 1992 (Public Law 102–367) as follows:

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. EFFECTIVE DATE AND TRANSITION PROVISIONS.

(a) IN GENERAL.—Except as otherwise provided in this section, this Act and the amendments made by this Act shall take effect on July 1, 1993.

(b) PERFORMANCE STANDARDS.—The Secretary of Labor shall issue revised performance standards under the amendments made by section 115 as soon as the Secretary determines sufficient data are available, but not later than July 1, 1994, except that with respect to the factor of retention in unsubsidized employment specified in section 106(b)(3)(B) of the Job Training Partnership Act (as amended by section 115), the requirement that such retention be for not less than 6 months shall take effect not later than July 1, 1995.

(c) INTERIM TRAINING SERVICES FORMULA.—

(1) LEVEL OF FUNDING.—If the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for fiscal year 1993 is less than the sum of—

(A) $25,000,000; and

(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 202 of this Act shall not take effect on July 1, 1993, and section 202 of the Job Training Partnership Act shall be amended to read as follows:

[“SEC. 202. ALLOTMENT AND ALLOCATION.

[“(a) ALLOTMENT.—

[“(1) TERRITORIES.—Not more than $5,000,000 of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[“(2) STATES.—Subject to the provisions of paragraph (3), of the remainder of the amount available for this part for each fiscal year—

[“(A) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all the States;

[“(B) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States; and

[“(C) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged adults within each State compared to the total number of economically disadvantaged adults in all States, except that, for the allotment for any State in which there is any service delivery area described in section 101(a)(4)(A)(iii), the allotment shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged adults in such area.

[“(3) LIMITATIONS.—

[“(A) STATE MINIMUM.—No State shall receive less than one-quarter of 1 percent of the amounts available for allotment to the States under this subsection from the remainder described in paragraph (2) for each fiscal year.

[“(B) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

[“(C) ALLOTMENT PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (B), the allotment percentage of a State for a fiscal year shall be the percentage of funds allotted to the State under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (B), the allocation percentage of a State for fiscal year 1992 shall be the percentage of funds allotted to the State under section 201, as in effect on the day before the date of enactment of the Job Training Reform Amendments of 1992.

[“(b) ALLOCATION TO SERVICE DELIVERY AREAS.—

[“(1) FORMULA.—The Governor shall, in accordance with section 162, allocate 77 percent of the allotment of the State under subsection (a) for each fiscal year among service delivery areas within the State, and shall ensure that, subject to the provisions of paragraph (3), of the amount allocated under this subsection—

[“(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

[“(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals who reside in each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in the State; and

[“(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged adults within each service delivery area compared to the total number of economically disadvantaged adults in the State, except that the allocation for any service delivery area described in section 101(a)(4)(A)(iii) shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged adults in such area.

[“(2) LIMITATIONS.—

[“(A) MINIMUM PERCENTAGE.—No service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the 2 preceding fiscal years preceding the fiscal year for which the determination is made. If the amounts appropriated pursuant to section 3(a)(1) for a fiscal year and available to carry out this part are not sufficient to provide an amount equal to at least 90 percent of such allocation percentage to each such area, the amounts allocated to each area shall be ratably reduced.

[“(B) ALLOCATION PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (A), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (A), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[“(c) STATE ACTIVITIES.—

[“(1) DIVISION.—Of the remaining 23 percent of the allotment of the State under subsection (a) for each fiscal year—

[“(A) 5 percent of such allotment of the State for each fiscal year shall be available to the Governor of the State to be used for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

[“(B) 5 percent of such allotment of each State for each fiscal year shall be available to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (2);

[“(C) 8 percent of the allotment of each State for each fiscal year shall be available to carry out section 123; and

[“(D) 5 percent of such allotment of each State for each fiscal year shall be available to carry out section 204(d).

[“(2) OTHER USES.—

[“(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

[“(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

[“(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

[“(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

[“(d) DEFINITIONS AND RULE.—As used in this section:

[“(1) DEFINITIONS.—

[“(A) ECONOMICALLY DISADVANTAGED ADULT.—The term ‘economically disadvantaged adult’ means an individual who is age 22 through 72 and who has, or is a member of a family that has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) that, in relation to family size, was not in excess of the higher of—

[“(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

[“(ii) 70 percent of the lower living standard income level.

[“(B) EXCESS NUMBER.—The term ‘excess number’ means—

[“(i) with respect to the excess number of unemployed individuals within a State—

[“(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State; or

[“(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State; and

[“(ii) with respect to the excess number of unemployed individuals within a service delivery area—

[“(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area; or

[“(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area.

[“(C) STATE.—The term ‘State’ means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

[“(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged adults.”.]

(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on July 1, 1993.

(d) PERMANENT TRAINING SERVICES FORMULA.—

(1) LEVEL OF FUNDING.—If section 202 of the Job Training Partnership Act is amended in accordance with subsection (c) and the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for a fiscal year is not less than the sum of—

(A) $25,000,000; and

(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 202 of this Act shall take effect.

(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on October 1 of the fiscal year described in paragraph (1).

(e) SUMMER YOUTH PROGRAM TRANSFERS.—

(1) IN GENERAL.—Section 205 and the amendment made by such section 205 shall take effect on the date of enactment of this Act.

(2) TRANSITION.—A service delivery area may transfer up to 10 percent of the amounts allocated for such area for the summer of 1992 under part B of title II of the Job Training Partnership Act for program year 1992 to provide services to youth pursuant to the program under part A of such title, to provide services to youth under such part A, if such transfer is approved by the Governor.

(f) INTERIM TRAINING SERVICES FORMULA.—

(1) LEVEL OF FUNDING.—If the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for fiscal year 1993 is less than the sum of—

(A) $25,000,000; and

(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 207 of this Act shall not take effect on July 1, 1993, and title II of the Job Training Partnership Act shall be amended by inserting after section 261 of such Act the following:

[“SEC. 262. ALLOTMENT AND ALLOCATION.

[“(a) ALLOTMENT.—

[“(1) TERRITORIES.—Not more than $5,000,000 of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[“(2) STATES.—Subject to the provisions of paragraph (3), of the remainder of the amount available for this part for each fiscal year—

[“(A) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all the States;

[“(B) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States; and

[“(C) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each State compared to the total number of economically disadvantaged youth in all States, except that, for the allotment for any State in which there is any service delivery area described in section 101(a)(4)(A)(iii), the allotment shall be based on the higher of the number of youth in families with an income below the low-income level in such area or the number of economically disadvantaged youth in such area.

[“(3) LIMITATIONS.—

[“(A) STATE MINIMUM.—No State shall receive less than one-quarter of 1 percent of the amounts available for allotment to the States under this subsection from the remainder described in paragraph (2) for each fiscal year.

[“(B) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

[“(C) ALLOTMENT PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (B), the allotment percentage of a State for a fiscal year shall be the percentage of funds allotted to the State under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (B), the allocation percentage of a State for fiscal year 1992 shall be the percentage of funds allotted to the State under section 201, as in effect on the day before the date of enactment of the Job Training Reform Amendments of 1992.

[“(b) ALLOCATION TO SERVICE DELIVERY AREAS.—

[“(1) FORMULA.—The Governor shall, in accordance with section 162, allocate 82 percent of the allotment of the State under subsection (a) for each fiscal year among service delivery areas within the State, and shall ensure that, subject to the provisions of paragraph (3), of the amount allocated under this subsection—

[“(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

[“(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals who reside in each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in the State; and

[“(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged youth within each service delivery area compared to the total number of economically disadvantaged youth in the State, except that the allocation for any service delivery area described in section 101(a)(4)(A)(iii) shall be based on the higher of the number of youth in families with an income below the low-income level in such area or the number of economically disadvantaged youth in such area.

[“(2) LIMITATIONS.—

[“(A) MINIMUM PERCENTAGE.—No service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the 2 preceding fiscal years preceding the fiscal year for which the determination is made. If the amounts appropriated

pursuant to section 3(a)(1) for a fiscal year and available to carry out this part are not sufficient to provide an amount equal to at least 90 percent of such allocation percentage to each such area, the amounts allocated to each area shall be ratably reduced.

[“(B) ALLOCATION PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (A), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (A), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[“(c) STATE ACTIVITIES.—

[“(1) DIVISION.—Of the remaining 18 percent of the allotment of the State under subsection (a) for each fiscal year—

[“(A) 5 percent of such allotment of the State for each fiscal year shall be available to the Governor of the State to be used for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

[“(B) 5 percent of such allotment of each State for each fiscal year shall be available to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (2); and

[“(C) 8 percent of the allotment of each State for each fiscal year shall be available to carry out section 123.

[“(2) OTHER USES.—

[“(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

[“(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

[“(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

[“(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

[“(d) DEFINITIONS AND RULE.—As used in this section:

[“(1) DEFINITIONS.—

[“(A) ECONOMICALLY DISADVANTAGED YOUTH.—The term ‘economically disadvantaged youth’ means an individual who is age 16 through 21 and who has, or is a member of a family that has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) that, in relation to family size, was not in excess of the higher of—

[“(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

[“(ii) 70 percent of the lower living standard income level.

[“(B) EXCESS NUMBER.—The term ‘excess number’ means—

[“(i) with respect to the excess number of unemployed individuals within a State—

[“(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State; or

[“(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State; and

[“(ii) with respect to the excess number of unemployed individuals within a service delivery area—

[“(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area; or

[“(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area.

[“(C) STATE.—The term ‘State’ means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

[“(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged youth.”.]

(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on July 1, 1993.

(g) PERMANENT TRAINING SERVICES FORMULA.—

(1) LEVEL OF FUNDING.—If title II of the Job Training Partnership Act is amended in accordance with subsection (f) and the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for a fiscal year is not less than the sum of—

(A) $25,000,000; and

(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 207 of this Act shall take effect.

(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on October 1 of the fiscal year described in paragraph (1).

(h) EVALUATION.—The Secretary of Labor shall evaluate the impact of programs under title II of the Job Training Partnership Act on participant employment, earnings and welfare dependency in multiple sites, using the random assignment of individuals to groups receiving services under programs authorized under the Job Training Reform Amendments of 1992 to groups not receiving such services.

(i) RULES AND PROCEDURES.—

(1) IN GENERAL.—The Secretary of Labor may establish such rules and procedures as may be necessary to provide for an orderly implementation of the amendments made by this Act.

(2) REVIEW.—The Secretary of Labor, the Governors, and the service delivery areas shall conduct a comprehensive review of the current policies, practices, procedures, and delivery systems relating to programs authorized under the Job Training Partnership Act for the purpose of ensuring the effective implementation of the amendments made by this Act. Such review shall include consideration of the appropriateness of current service delivery area designations, the representativeness of current State and local councils, the adequacy of current administrative systems, the effectiveness of current outreach, service delivery, and coordination activities, and other relevant matters.

(j) IMPLEMENTING REGULATIONS.—The Secretary of Labor shall issue final regulations relating to the implementation of the amendments made by this Act not later than December 18, 1992.

[TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS

[DEFINITIONS

[SEC. 301. (a) DISLOCATED WORKERS.—(1) For purposes of this title, the term “eligible dislocated workers” means individuals who—

[(A) have been terminated or laid off or who have received a notice of termination or layoff from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation;

[(B) have been terminated or have received a notice of termination of employment, as a result of any permanent closure of or any substantial layoff at a plant, facility, or enterprise;

[(C) are long-term unemployed and have limited opportunities for employment or reemployment in the same or a similar

occupation in the area in which such individuals reside, including older individuals who may have substantial barriers to employment by reason of age; or

[(D) were self-employed (including farmers and ranchers) and are unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters, subject to regulations prescribed by the Secretary.

[(2) For purposes of this title, the term "additional dislocated worker" means a displaced homemaker as that term is defined in section 4(29) of this Act.

[(3) The Secretary shall establish categories of self-employed individuals and of economic conditions and natural disasters to which paragraph (1)(D) applies.

[(b) ADDITIONAL DEFINITIONS.—For the purposes of this title—

[(1) The term "labor-management committees" means committees voluntarily established to respond to actual or prospective worker dislocation, which ordinarily include (but are not limited to) the following—

[(A) shared and equal participation by workers and management;

[(B) shared financial participation between the company and the State, using funds provided under this title, in paying for the operating expenses of the committee;

[(C) a chairperson, to oversee and guide the activities of the committee, (i) who shall be jointly selected by the labor and management members of the committee, (ii) who is not employed by or under contract with labor or management at the site, and (iii) who shall provide advice and leadership to the committee and prepare a report on its activities;

[(D) the ability to respond flexibly to the needs of affected workers by devising and implementing a strategy for assessing the employment and training needs of each dislocated worker and for obtaining the services and assistance necessary to meet those needs;

[(E) a formal agreement, terminable at will by the workers or the company management, and terminable for cause by the Governor; and

[(F) local job identification activities by the chairman and members of the committee on behalf of the affected workers.

[(2) The term "local elected official" means the chief elected executive officer of a unit of general local government in a substate area.

[(3) The term "service provider" means a public agency, private nonprofit organization, or private-for-profit entity that delivers educational, training, or employment services.

[(4) The term "substate area" means that geographic area in a State established pursuant to section 312(a).

[(5) The term "substate grantee" means that agency or organization selected to administer programs pursuant to section 312(b).

[(6) The term "State" means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

[ALLOTMENT

[SEC. 302. (a) ALLOTMENT OF FUNDS.—From the funds appropriated pursuant to section 3(b) for any fiscal year, the Secretary shall—

[(1) allot 80 percent of such funds in accordance with the provisions of subsection (b); and

[(2) reserve 20 percent for use under part B of this title, subject to the reservation required by subsection (e) of this section.

[(b) ALLOTMENT AMONG STATES.—(1) Subject to the provisions of paragraph (2), the Secretary shall allot the amount available in each fiscal year under subsection (a)(1) on the basis of the following factors:

[(A) One-third of such amount shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States.

[(B) One-third of such amount shall be allotted among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this paragraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.

[(C) One-third of such amount shall be allotted among the States on the basis of the relative number of individuals who have been unemployed for 15 weeks or more and who reside in each State as compared to the total number of such individuals in all the States.

[(2) As soon as satisfactory data are available under section 462(e) of this Act, the Secretary shall allot amounts appropriated to carry out part A for any fiscal year to each State so that—

[(A) 25 percent of such amount shall be allotted on the basis of each of the factors described in subparagraphs (A), (B), and (C) of paragraph (1), respectively, for a total of 75 percent of the amount allotted; and

[(B) 25 percent of such amount shall be allotted among the States on the basis of the relative number of dislocated workers in such State in the most recent period for which satisfactory data are available under section 462(e) and, when available, under section 462(f) of this Act.

[(c) RESERVATIONS FOR STATE ACTIVITIES AND FOR SUBSTATE GRANTEES IN NEED.—(1) The Governor may reserve not more than 40 percent of the amount allotted to the State under section 302(a)(1) for—

[(A) State administration, technical assistance, and coordination of the programs authorized under this title;

[(B) statewide, regional, or industrywide projects;

[(C) rapid response activities as described in section 314(b);

[(D) establishment of coordination between the unemployment compensation system and the worker adjustment program system; and

[(E) discretionary allocation for basic readjustment and retraining services to provide additional assistance to areas that experience substantial increases in the number of dislocated workers, to be expended in accordance with the substate plan or modification thereof.

[(2) In addition, the Governor may reserve not more than 10 percent of the amount allotted to the State under section 302(a)(1) for allocation among substate grantees. The amount so reserved shall be allocated on the basis of need and distributed to such grantees not later than 9 months after the beginning of the program year for which the allotment was made.

[(d) WITHIN STATE DISTRIBUTION.—The Governor shall allocate the remainder of the amount allotted to the State under this part to substate areas for services authorized in this part, based on an allocation formula prescribed by the Governor. Such formula may be amended by the Governor not more than once for each program year. Such formula shall utilize the most appropriate information available to the Governor to distribute amounts to address the State's worker readjustment assistance needs. Such information shall include (but is not limited to)—

[(1) insured unemployment data;

[(2) unemployment concentrations;

[(3) plant closing and mass layoff data;

[(4) declining industries data;

[(5) farmer-rancher economic hardship data; and

[(6) long-term unemployment data.

[(e) RESERVATION FOR THE TERRITORIES.—Not more than 0.3 percent of the amounts appropriated pursuant to section 3(b) and available under subsection (a)(2) of this section for any fiscal year shall be allocated among the Commonwealth of the Northern Mariana Islands and the other territories and possessions of the United States.

[RECAPTURE AND REALLOTMENT OF UNEXPENDED FUNDS

[SEC. 303. (a) GENERAL REALLOTMENT AUTHORITY.—For program years beginning July 1, 1989, and thereafter, the Secretary shall, in accordance with the requirements of this section, reallot to eligible States the funds allotted to States from funds appropriated for such program year that are available for reallotment.

[(b) AMOUNT AVAILABLE FOR REALLOTMENT.—The amount available for reallotment is equal to—

[(1) the amount by which the unexpended balance of the State allotment at the end of the program year prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for that prior program year; plus

[(2) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.

[(c) METHOD OF REALLOTMENT.—(1) The Secretary shall determine the amount that would be allotted to each eligible State by using the factors described in section 302(b) to allocate among eligible States the amount available pursuant to subsection (b) of this section.

[(2) The Secretary shall allot to each eligible high unemployment State the amount determined for that State under the procedure in paragraph (1) of this subsection.

[(3) The Secretary shall, by using the factors described in section 302(b), allot to eligible States the amount available that remains after the allotment required by paragraph (2) of this subsection.

[(d) STATE PROCEDURES WITH RESPECT TO REALLOTMENT.—The Governor of each State shall prescribe uniform procedures for the expenditure of funds by substate grantees in order to avoid the requirement that funds be made available for reallotment under subsection (b). The Governor shall further prescribe equitable procedures for making funds available from the State and substate grantees in the event that a State is required to make funds available for reallotment under such subsection.

[(e) DEFINITIONS.—(1) For the purpose of this section, an eligible State means a State which has expended at least 80 percent of its allotment for the program year prior to the program year for which the determination under this section is made.

[(2) For the purpose of this section, an eligible high unemployment State means a State—

[(A) which meets the requirement in subsection (c)(1), and

[(B) which is among the States which has an unemployment rate greater than the national average unemployment for the most recent 12 months for which satisfactory data are available.

[(3) For purposes of this section, funds awarded from discretionary funds of the Secretary shall not be included in calculating any of the reallotments described in this section.

[PART A—STATE DELIVERY OF SERVICES

[STATE PLAN

[SEC. 311. (a) STATE PLAN REQUIRED.—In order to receive an allotment of funds under section 302(b), the Governor of a State shall submit to the Secretary, on a biennial basis, a State plan describing in detail the programs and activities that will be assisted with funds provided under this title. The State plan shall be submitted on or before the first day of May immediately preceding the program year for which funds are first to be made available under this title. Such plan shall include incentives to provide training of greater duration for those who require it, consistent with section 106(c).

[(b) CONTENTS OF PLAN.—Each State plan shall contain provisions demonstrating to the satisfaction of the Secretary that the State will comply with the requirements of this title and that—

[(1) services under this title—

[(A) will, except as provided in paragraph (4), only be provided to eligible dislocated workers;

[(B) will not be denied to an eligible dislocated worker displaced by a permanent closure or substantial layoff within the State, regardless of the State of residence of such worker; and

[(C) may be provided to other eligible dislocated workers regardless of the State of residence of such worker;

[(2) the State will designate or create an identifiable State dislocated worker unit or office with the capability to respond rapidly, on site, to permanent closures and substantial layoffs throughout the State in order to assess the need for, and initially to provide for, appropriate basic readjustment services;

[(3) the State unit will—

[(A) make appropriate retraining and basic readjustment services available to eligible dislocated workers through the use of rapid response teams, substate grantees, and other appropriate organizations;

[(B) work with employers and labor organizations in promoting labor-management cooperation to achieve the goals of this title;

[(C) operate a monitoring, reporting, and management system which provides an adequate information base for effective program management, review, and evaluation; and

[(D) provide technical assistance and advice to substate grantees, including immediate notification to substate grantees of current or projected permanent closures or substantial layoffs in the substate area of such grantee to continue and expand the services initiated by the rapid response teams;

[(4) the State will provide to additional dislocated workers (as defined in section 301(a)(2)) the services available under this title to eligible dislocated workers only if the Governor of such State determines that such services may be provided to additional dislocated workers without adversely affecting the delivery of such services to eligible dislocated workers;

[(5) the State unit will exchange information and coordinate programs with—

[(A) the appropriate economic development agency, for the purpose of developing strategies to avert plant closings or mass layoffs and to accelerate the reemployment of affected individuals;

[(B) State education, training, and social services programs; and

[(C) all other programs available to assist dislocated workers (including the Job Service and the unemployment insurance system);

[(6) the State unit will disseminate throughout the State information on the availability of services and activities under this title;

[(7) any program conducted with funds made available under this title which will provide services to a substantial number of members of a labor organization will be established only after full consultation with such labor organization;

[(8) the State will not prescribe any standard for the operation of programs under this part that is inconsistent with section 106(c);

[(9) the State job training coordinating council has reviewed and commented in writing on the plan;

[(10) the delivery of services with funds made available under this title will be integrated or coordinated with services

or payments made available under chapter 2 of title II of the Trade Act of 1974 and provided by any State or local agencies designated under section 239 of the Trade Act of 1974;

[(11) the State unit will provide the Secretary with a cost breakdown of all funds made available under this title used by such unit for administrative expenditures; and

[(12) the State will not transfer the responsibility for the rapid response assistance functions of the State unit under section 314(b) to another entity, but the State may contract with another entity to perform rapid response assistance services.

[(c) REVIEW AND APPROVAL OF STATE PLANS.—The Secretary shall review any plan submitted under subsection (a), and any comments thereon submitted by the State job training coordinating council pursuant to subsection (b)(9), and shall notify a State as to any deficiencies in such plan within 30 days after submission. Unless a State has been so notified, the Secretary shall approve the plan within 45 days after submission. The Secretary shall not finally disapprove the plan of any State except after notice and opportunity for a hearing.

[(d) MODIFICATIONS—Any plan submitted under subsection (a) may be modified to describe changes in or additions to the programs and activities set forth in the plan, except that no such modification shall be effective unless reviewed and approved in accordance with subsection (c).

[(e) COMPLAINT, INVESTIGATION, PENALTY.—(1) Whenever the Secretary receives a complaint or a report from an aggrieved party or a public official that a State is not complying with the provisions of the State plan required by this section, the Secretary shall investigate such report or complaint.

[(2)(A) Whenever the Secretary determines that there has been such a failure to comply and that other remedies under this Act are not available or are not adequate to achieve compliance, the Secretary may withhold an amount not to exceed 10 percent of the allotment of the State for the fiscal year in which the determination is made for each such violation.

[(B) No determination may be made under this paragraph until the State affected is afforded adequate notice and opportunity for a hearing.

[(f) SPECIAL RULE.—The provisions of sections 102(h) and 105(d), relating to cases in which a service delivery area is a State, shall apply to this title.

[SUBSTATE GRANTEES

[SEC. 312. (a) DESIGNATION OF SUBSTATE AREAS.—(1) The Governor of each State shall, after receiving any recommendations from the State job training coordinating council, designate substate areas for the State.

[(2) Each service delivery area within a State shall be included within a substate area and no service delivery area shall be divided among two or more substate areas.

[(3) In making designations of substate areas, the Governor shall consider—

[(A) the availability of services throughout the State;

[(B) the capability to coordinate the delivery of services with other human services and economic development programs; and

[(C) the geographic boundaries of labor market areas within the State.

[(4) Subject to paragraphs (2) and (3), the Governor—

[(A) shall designate as a substate area any single service delivery area that has a population of 200,000 or more;

[(B) shall designate as a substate area any two or more contiguous service delivery areas—

[(i) that in the aggregate have a population of 200,000 or more; and

[(ii) that request such designation; and

[(C) shall designate as a substate area any concentrated employment program grantee for a rural area described in section 101(a)(4)(A)(iii) of this Act.

[(5) The Governor may deny a request for designation under paragraph (4)(B) if the Governor determines that such designation would not be consistent with the effective delivery of services to eligible dislocated workers in various labor market areas (including urban and rural areas) within the State, or would not otherwise be appropriate to carry out the purposes of this title.

[(6) The designations made under this section may not be revised more than once each two years, in accordance with the requirements of this section.

[(b) DESIGNATION OF SUBSTATE GRANTEES.—A substate grantee shall be designated, on a biennial basis, for each substate area. Such substate grantee shall be designated in accordance with an agreement among the Governor, the local elected official or officials of such area, and the private industry council or councils of such area. Whenever a substate area is represented by more than one such official or council, the respective officials and councils shall each designate representatives, in accordance with procedures established by the Governor (after consultation with the State job training coordinating council), to negotiate such agreement. In the event agreement cannot be reached on the selection of a substate grantee, the Governor shall select the substate grantee.

[(c) ELIGIBILITY.—Entities eligible for designation as substate grantees include—

[(1) private industry councils in the substate area;

[(2) service delivery area grant recipients or administrative entities;

[(3) private nonprofit organizations;

[(4) units of general local government in the substate area, or agencies thereof;

[(5) local offices of State agencies; and

[(6) other public agencies, such as community colleges and area vocational schools.

[(d) FUNCTIONS OF SUBSTATE GRANTEES.—The substate grantee shall be responsible for providing, within such substate area, services described in section 314 (c), (d), and (e) pursuant to an agreement with the Governor and in accordance with the State plan under section 311 and the substate plan under section 313. The

substate grantee may provide such services directly or through contract, grant, or agreement with service providers.

[(e) APPLICABILITY OF GENERAL ADMINISTRATIVE PROVISIONS TO SUBSTATE GRANTEES.—The requirements of parts C and D of title I of this Act that apply to an administrative entity or a recipient of financial assistance under this Act shall also apply to substate grantees under this title.

[SUBSTATE PLAN

[SEC. 313. (a) GENERAL RULE.—No amounts appropriated for any fiscal year may be provided to a substate grantee unless the Governor (after considering the recommendations of the State job training coordinating council) has approved a substate plan, or modification thereof, submitted by the substate grantee describing the manner in which activities will be conducted within the substate area. Prior to the submission to the Governor, the plan shall be submitted for review and comment to the other parties to the agreement described in section 312(b).

[(b) CONTENTS OF SUBSTATE PLAN.—The substate plan shall contain a statement of—

[(1) the means for delivering services described in section 314 to eligible dislocated workers;

[(2) the means to be used to identify, select, and verify the eligibility of program participants;

[(3) the means for implementing the requirements of section 314(f);

[(4) the means for involving labor organizations in the development and implementation of services;

[(5) the performance goals to be achieved consistent with the performance goals contained in the State plan pursuant to section 311(b)(8);

[(6) procedures, consistent with section 107, for selecting service providers which take into account past performance in job training or related activities, fiscal accountability, and ability to meet performance standards;

[(7) a description of the methods by which the substate grantee will respond expeditiously to worker dislocation where the rapid response assistance required by section 314(b) is inappropriate, including worker dislocation in sparsely populated areas, which methods may include (but are not limited to)—

[(A) development and delivery of widespread outreach mechanisms;

[(B) provision of financial evaluation and counseling (where appropriate) to assist in determining eligibility for services and the type of services needed;

[(C) initial assessment and referral for further basic adjustment and training services; and

[(D) establishment of regional centers for the purpose of providing such outreach, assessment, and early readjustment assistance;

[(8) a description of the methods by which the other parties to the agreement described in section 312(b) may be involved in activities of the substate grantee;

[(9) a description of training services to be provided, including—

[(A) procedures to assess participants' current education skill levels and occupational abilities;

[(B) procedures to assess participants' needs, including educational, training, employment, and social services;

[(C) methods for allocating resources to provide the services recommended by rapid response teams for eligible dislocated workers within the substate area; and

[(D) a description of services and activities to be provided in the substate area;

[(10) the means whereby coordination with other appropriate programs, services, and systems will be affected, particularly where such coordination is intended to provide access to the services of such other systems for program participants at no cost to the worker readjustment program; and

[(11) a detailed budget, as required by the State.

[(c) PLAN APPROVAL.—The Governor shall approve or disapprove the plan of a substate grantee in the manner required by section 105(b) (1), (2), and (3). If a substate grantee fails to submit a plan, or submits a plan that is not approved by the Governor in accordance with such section, the Governor may direct the expenditure of funds allocated to the substate area until such time as a plan is submitted and approved or a new substate grantee is designated under section 312.

[(d) BY-PASS AUTHORITY.—If a substate grantee fails to expend funds allocated to it in accordance with its plan, the Governor may, subject to appropriate notice and opportunity for comment in the manner required by section 105(b) (1), (2), and (3), direct the expenditure of funds in accordance with the substate plan until—

[(1) the substate grantee corrects the failure,

[(2) the substate grantee submits an acceptable modification to its plan pursuant to subsection (a), or

[(3) a new substate grantee is designated under section 312.

[USE OF FUNDS; SERVICES TO BE PROVIDED

[SEC. 314. (a) IN GENERAL.—Funds allotted under section 302 may be used—

[(1) to provide rapid response assistance in accordance with subsection (b);

[(2) to deliver, coordinate, and integrate basic readjustment services and support services in accordance with subsection (c);

[(3) to provide retraining services in accordance with subsection (d);

[(4) to provide needs-related payments in accordance with subsection (e); and

[(5) to provide for coordination with the unemployment compensation system in accordance with subsection (f).

[(b) RAPID RESPONSE ASSISTANCE.—(1) The dislocated worker unit required by section 311(b)(2) shall include specialists who may use funds available under this title—

[(A) to establish on-site contact with employer and employee representatives within a short period of time (preferably 48

hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

[(i) provide information on and facilitate access to available public programs and services; and

[(ii) provide emergency assistance adapted to the particular closure or layoff;

[(B) to promote the formation of labor-management committees, by providing—

[(i) immediate assistance in the establishment of the labor-management committee, including providing immediate financial assistance to cover the start-up costs of the committee;

[(ii) a list of individuals from which the chairperson of the committee may be selected;

[(iii) technical advice as well as information on sources of assistance, and liaison with other public and private services and programs; and

[(iv) assistance in the selection of worker representatives in the event no union is present;

[(C) to collect information related to—

[(i) economic dislocation (including potential closings or layoffs); and

[(ii) all available resources within the State for displaced workers,

which information shall be made available on a regular basis to the Governor and the State job training coordinating council to assist in providing an adequate information base for effective program management, review, and evaluation;

[(D) to provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocations;

[(E) to disseminate information throughout the State on the availability of services and activities carried out by the dislocated worker unit or office; and

[(F) to assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

[(2) In a situation involving an impending permanent closure or substantial layoff, a State may provide funds, where other public or private resources are not expeditiously available, for a preliminary assessment of the advisability of conducting a comprehensive study exploring the feasibility of having a company or group, including the workers, purchase the plant and continue it in operation.

[(3) The Secretary shall oversee the administration by each State of the rapid response assistance services provided in such State and the effectiveness, efficiency, and timeliness of the delivery of such services. If the Secretary determines that such services are not being performed adequately, the Secretary shall implement appropriate corrective action, including, where necessary, the selection of a new rapid response assistance service provider.

[(4) For purposes of rapid response assistance provided by a State dislocated worker unit, the term "substantial layoff" means a layoff of 50 or more individuals.

[(c) BASIC READJUSTMENT SERVICES.—Funds allotted under section 302 may be used to provide basic readjustment services to eligible dislocated workers. Subject to limitations set forth in subsection (e) and section 315(a), the services may include (but are not limited to)—

[(1) development of individual readjustment plans for participants in programs under this title;

[(2) outreach and intake;

[(3) early readjustment assistance;

[(4) job or career counseling;

[(5) testing;

[(6) orientation;

[(7) assessment, including evaluation of educational attainment and participant interests and aptitudes;

[(8) determination of occupational skills;

[(9) provision of future world-of-work and occupational information;

[(10) job placement assistance;

[(11) labor market information;

[(12) job clubs;

[(13) job search;

[(14) job development;

[(15) supportive services, including child care, commuting assistance, and financial and personal counseling which shall terminate not later than the 90th day after the participant has completed other services under this part, except that counseling necessary to assist participants to retain employment shall terminate not later than 6 months following the completion of training;

[(16) prelayoff assistance;

[(17) relocation assistance; and

[(18) programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.

[(d) RETRAINING SERVICES.—(1) Funds allotted under section 302 may be used to provide training services under this part to eligible dislocated workers. Such services may include (but are not limited to)—

[(A) classroom training;

[(B) occupational skill training;

[(C) on-the-job training;

[(D) out-of-area job search;

[(E) relocation;

[(F) basic and remedial education;

[(G) literacy and English for non-English speakers training;

[(H) entrepreneurial training; and

[(I) other appropriate training activities directly related to appropriate employment opportunities in the substate area.

[(2) No funds under this part may be expended to provide wages for public service employment.

[(e) NEEDS-RELATED PAYMENTS.—(1) Funds allocated to a substate grantee under section 302(d) may be used pursuant to a substate plan under section 313 to provide needs-related payments to an eligible dislocated worker who is unemployed and does not qualify or has ceased to qualify for unemployment compensation, in order to enable such worker to participate in training or education programs under this title. To be eligible for such payments, an eligible dislocated worker who has ceased to qualify for unemployment compensation must have been enrolled in training by the end of the 13th week of the worker's initial unemployment compensation benefit period, or, if later, the end of the 8th week after an employee is informed that a short-term layoff will in fact exceed 6 months.

[(2) The level of needs-related payments shall be made available at a level not greater than the higher of—

[(A) the applicable level of unemployment compensation; or

[(B) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

[(f) COORDINATION WITH UNEMPLOYMENT COMPENSATION.—(1) Funds allocated to a State under section 302 may be used for coordination of worker readjustment programs and the unemployment compensation system, consistent with the limitation on administrative expenses in section 315. Each State shall be responsible for coordinating the unemployment compensation system and worker readjustment programs within such State.

[(2) An eligible dislocated worker participating in training (except for on-the-job training) under this title shall be deemed to be in training with the approval of the State agency for purposes of section 3304(a)(8) of the Internal Revenue Code of 1986.

[(g) JOINT FUNDING.—(1) Funds allotted under section 302 may be used to provide additional funds under an applicable program if—

[(A) such program otherwise meets the requirements of this Act and the requirements of the applicable program;

[(B) such program serves the same individuals that are served under this title;

[(C) such program provides services in a coordinated manner with services provided under this title; and

[(D) such funds would be used to supplement, and not supplant, funds provided from non-Federal sources.

[(2) For purposes of this subsection, the term "applicable program" means any program under any of the following provisions of law:

[(A) The Carl D. Perkins Vocational and Applied Technology Education Act.

[(B) The Wagner-Peyser Act.

[(h) CLARIFICATION OF DEFINITION OF ELIGIBLE DISLOCATED WORKERS FOR CERTAIN SERVICES.—(1) The term "eligible dislocated workers" includes individuals who have not received specific notice of termination or lay off and work at a facility at which the employer has made a public announcement that such facility will close (except those individuals likely to remain employed with the same employer or likely to retire instead of seeking new employment)—

[(A) with respect to basic readjustment services provided under paragraphs (1) through (14), (16), and (18) of subsection (c); and

[(B) with respect to services provided under this section beginning 180 days before the date on which the facility is scheduled to close.

[(2) Services described in paragraph (1)(A) and provided to the individuals described in paragraph (1) shall, to the extent practicable, be funded under section 302(c)(1).

[LIMITATIONS ON USES OF FUNDS

[SEC. 315. (a) RETRAINING SERVICES.—(1) Of the funds allocated to a substate grantee under part A of this title for any program year, not less than 50 percent shall be expended for retraining services specified under section 314(d).

[(2) A substate grantee may apply to the Governor for a waiver of the requirement in paragraph (1). Such waiver may not permit less than 30 percent of the funds to be spent for such retraining services. The wavier may be granted in whole or in part if the substate grantee demonstrates that the worker readjustment program in the area will be consistent with the principle that dislocated workers be prepared for occupations or industries with long-term potential. The Governor shall prescribe criteria for the demonstration required by the previous sentence.

[(3) An application for such a waiver shall be submitted at such time and in such form as the Governor may prescribe. The Governor shall provide an opportunity for public comment on the application.

[(b) Of the funds allocated to a substate grantee or to the Governor under part A of this title for any program year, not more than 25 percent may be expended to provide needs-related payments and other supportive services.

[(c) ADMINISTRATIVE COST LIMITATION.—Of the funds allocated to a substate grantee or to the Governor under part A of this title for any program year, not more than 15 percent may be expended to cover the administrative cost of programs. For purposes of this subsection, administrative cost does not include the cost of activities under section 314(b).

[(d) COMBINATION OF FUNDS.—Substate grantees within a State may combine funds under this title for the provision of services to eligible dislocated workers from 2 or more substate areas.

[(e) DEFINITION.—As used in this section, the term ''allocated'', means allocated for a program year, as adjusted for reallocations between substate areas, and for reallotments in accordance with section 303.

[RETRAINING SERVICES AVAILABILITY

[SEC. 316. (a) ALTERNATIVE METHODS OF PROVIDING RETRAINING SERVICES.—A substate grantee may provide retraining services described in section 314(d) to an eligible dislocated worker—

[(1) by beginning such services promptly upon the worker's application for the program under this title;

[(2) by deferring the beginning of such services and providing the worker with a certificate of continuing eligibility in accordance with subsection (b) (1) and (2); or

[(3) by permitting the worker to obtain such services from a service provider using such certificate in accordance with subsection (b)(3).

[(b) CERTIFICATION OF CONTINUING ELIGIBILITY.—(1) A substate grantee may issue to any eligible dislocated worker who has applied for the program authorized in this part a certificate of continuing eligibility. Such a certificate of continuing eligibility may be effective for periods not to exceed 104 weeks. No such certificate shall include any reference to any specific amount of funds. Any such certificate shall state that it is subject to the availability of funds at the time that any such training services are to be provided. Acceptance of such a certificate shall not be deemed to be enrollment in training.

[(2) Any individual to whom a certificate of continuing eligibility has been issued under paragraph (1) of this subsection shall remain eligible for the program authorized under this part for the period specified in the certificate, notwithstanding section 301(a), and may use the certificate in order to receive the retraining services, subject to the limitations contained in the certificate.

[(3) A substate grantee may provide training services through systems that permit eligible dislocated workers to use certificates of continuing eligibility to seek out and arrange their own retraining with service providers approved by that substate grantee. Retraining provided pursuant to the certificate shall be conducted under a grant, contract, or other arrangement between the substate grantee and the service provider.

[FUNCTIONS OF STATE JOB TRAINING COORDINATING COUNCIL

[SEC. 317. For purposes of this title, the State job training coordinating council shall—

[(1) provide advice to the Governor regarding the use of funds under this title, including advice on—

[(A) the designation of substate areas and substate grantees, and the procedures for the selection of representatives within such areas under section 312; and

[(B) the methods for allocation and reallocation of funds, including the method for distribution of funds reserved under section 302(c)(2) and funds subject to reallocation under section 303(d);

[(2) submit comments to the Governor and the Secretary on the basis of review of the State and substate programs under this title;

[(3) review, and submit written comments on, the State plan (and any modification thereof) before its submission under section 311;

[(4) review, and submit written comments on, each substate plan submitted to the Governor under section 313; and

[(5) provide advice to the Governor regarding performance standards.

[PART B—FEDERAL RESPONSIBILITIES

[FEDERAL ADMINISTRATION

[SEC. 321. (a) STANDARDS.—The Secretary shall promulgate standards for the conduct and evaluation of programs under this title.

[(b) BY-PASS AUTHORITY.—In the event that any State fails to submit a plan that is approved under section 311, the Secretary shall use the amount that would be allotted to that State to provide for the delivery in that State of the programs, activities, and services authorized by this title until the State plan is submitted and approved under that section.

[FEDERAL DELIVERY OF DISLOCATED WORKER SERVICES

[SEC. 322. (a) GENERAL AUTHORITY.—The Secretary shall, with respect to programs required by this title—

[(1) distribute funds to States in accordance with the requirements of section 302;

[(2) provide funds to exemplary and demonstration programs on plant closings and worker dislocation;

[(3) otherwise allocate discretionary funds to projects serving workers affected by multi-State or industry-wide dislocations and to areas of special need in a manner that efficiently targets resources to areas of most need, encourages a rapid response to economic dislocations, and promotes the effective use of funds;

[(4) monitor performance and expenditures and annually certify compliance with standards prescribed by the Secretary under section 106(c);

[(5) conduct research and serve as a national clearinghouse for gathering and disseminating information on plant closings and worker dislocation; and

[(6) provide technical assistance and staff training services to States, communities, businesses, and unions, as appropriate.

[(b) ADMINISTRATIVE PROVISIONS.—The Secretary shall designate or create an identifiable dislocated workers unit or office to coordinate the functions of the Secretary under this title.

[ALLOWABLE ACTIVITIES

[SEC. 323. (a) CIRCUMSTANCES AND ACTIVITIES FOR USE OF FUNDS.—Amounts reserved for this part under section 302(a)(2) may be used to provide services of the type described in section 314 in the following circumstances:

[(1) mass layoffs, including mass layoffs caused by natural disasters or Federal actions (such as relocations of Federal facilities) when the workers are not expected to return to their previous occupations;

[(2) industrywide projects;

[(3) multistate projects;

[(4) special projects carried out through agreements with Indian tribal entities;

[(5) special projects to address national or regional concerns;

[(6) demonstration projects, including the projects described in section 324;

[(7) to provide additional financial assistance to programs and activities provided by States and substate grantees under part A of this title; and

[(8) to provide additional assistance under proposals for financial assistance that are submitted to the Secretary and approved by the Secretary after consultation with the Governor of the State in which the project is to operate.

[(b) USE OF FUNDS IN EMERGENCIES.—Amounts reserved for this part under section 302(a)(2) may also be used to provide services of the type described in section 314 whenever the Secretary (with agreement of the Governor) determines that an emergency exists with respect to any particular distressed industry or any particularly distressed area to provide emergency financial assistance to dislocated workers. The Secretary may make arrangements for the immediate provision of such emergency financial assistance for the purposes of this section with any necessary supportive documentation to be submitted at a date agreed to by the Governor and the Secretary.

[(c) STAFF TRAINING AND TECHNICAL ASSISTANCE.—(1) Amounts reserved for this part under section 302(a)(2) may be used to provide staff training and technical assistance services to States, communities, businesses and labor organizations, and other entities involved in providing adjustment assistance to workers. Applications for technical assistance funds shall be submitted in accordance with procedures issued by the Secretary.

[(2) Not more than 5 percent of the funds reserved for this part in any fiscal year shall be used for the purpose of this subsection.

[(d) TRAINING OF RAPID RESPONSE STAFFS.—Amounts reserved for this part under section 302(a)(2) shall be used to provide training of staff, including specialists, providing rapid response services. Such training shall include instruction in proven methods of promoting, establishing, and assisting labor-management committees.

[DEMONSTRATION PROGRAMS

[SEC. 324. (a) AUTHORIZED PROGRAMS.—From the amount reserved for this part under section 302(a)(2) for the fiscal years 1992 through 1996, not less than 10 percent of such amount shall be used for demonstration programs. Such demonstration programs may be up to three years in length, and shall include (but need not be limited to) at least two of the following demonstration programs:

[(1) self-employment opportunity demonstration program;

[(2) public works employment demonstration program;

[(3) dislocated farmer demonstration program; and

[(4) job creation demonstration program.

[(b) EVALUATION AND REPORT.—The Secretary shall conduct or provide for an evaluation of the success of each demonstration program, and shall prepare and submit to the Congress a report of the evaluation not later than October 1, 1992, together with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.

[DEFENSE CONVERSION ADJUSTMENT PROGRAM

[SEC. 325. (a) IN GENERAL.—From funds made available to carry out this section, the Secretary may make grants to States, substate grantees, employers, employer associations, and representatives of employees to provide training, adjustment assistance, and employment services to eligible employees adversely affected by reductions in expenditures by the United States for defense, by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements. For purposes of this section, an eligible employee is an eligible dislocated worker as defined in section 301(a) who has been terminated or laid off, or has received a notice of termination or lay off, as a consequence of reductions in expenditures by the United States for defense, by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements as determined in accordance with regulations of the Secretary.

[(b) APPLICATION.—In reviewing applications for grants under subsection (a), the Secretary shall give priority to applications from areas which have the greatest number of eligible employees.

[(c) USE OF FUNDS.—Grants under subsection (a) may be used for any purpose for which funds may be used under section 314 or this part.

[(d) DEMONSTRATION PROJECTS.—In carrying out the grant program established under subsection (a), the Secretary may make grants to entities referred to in that subsection for the purpose of developing demonstration projects to encourage and promote innovative responses to the dislocation resulting from reductions in expenditures by the United States for defense, by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements. Such demonstration projects may include—

[(1) projects to facilitate the placement of eligible employees in occupations experiencing skill shortages that will make use of the skills acquired by the eligible employees during their employment;

[(2) projects to assist in retraining and reorganization efforts designed to avert layoffs that would otherwise occur as a result of such reductions or closures; and

[(3) projects to assist communities in addressing and reducing the impact of such economic dislocation.

[(e) NOTICE OF TERMINATION FOR CERTAIN DEFENSE EMPLOYEES.—

[(1) IN GENERAL.—A civilian employee of the Department of Defense employed at a military installation being closed or realigned under the laws referred to in paragraph (2) shall be eligible for training, adjustment assistance, and employment services under subsection (a) beginning on the date on which such employee receives actual notice of termination, or the date determined by the Secretary of Defense under paragraph (3), whichever occurs earlier.

[(2) CERTAIN DEFENSE LAWS.—The laws referred to in this paragraph are—

[(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).

[(3) DATE.—The date determined under this paragraph is the date that is 24 months before the date on which the military installation is to be closed or the realignment of the installation is to be completed, as the case may be.

[(f) DEFINITION.—For purposes of this section, the term "defense articles and defense services" means defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).

[SEC. 325A. DEFENSE DIVERSIFICATION PROGRAM.

[(a) IN GENERAL.—From funds made available to carry out this section, the Secretary, in consultation with the Secretary of Defense, may make grants to States, substate grantees, employers, representatives of employees, labor-management committees, and other employer-employee entities to provide for training, adjustment assistance, and employment services to eligible individuals described in subsection (b) and to develop plans for defense diversification or conversion assistance to affected facilities located within an area directly affected by reductions in expenditures by the United States for defense or by closures of United States military facilities.

[(b) INDIVIDUALS ELIGIBLE FOR TRAINING, ASSISTANCE, AND SERVICES.—

[(1) CERTAIN MEMBERS OF THE ARMED FORCES.—A member of the Armed Forces shall be eligible for training, adjustment assistance, and employment services under this section if the member—

[(A) was on active duty or full-time National Guard duty on September 30, 1990;

[(B) during the 5-year period beginning on that date—

[(i) is involuntarily separated (as defined in section 1141 of title 10, United States Code) from active duty or full-time National Guard duty; or

[(ii) is separated from active duty or full-time National Guard duty pursuant to a special separation benefits program under section 1174a of title 10, Unit-

ed States Code, or the voluntary separation incentive program under section 1175 of that title;

[(C) is not entitled to retired or retainer pay incident to that separation; and

[(D) applies for such training, adjustment assistance, or employment services before the end of the 180-day period beginning on the date of that separation.

[(2) CERTAIN DEFENSE EMPLOYEES.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), a civilian employee of the Department of Defense or the Department of Energy shall be eligible for training, adjustment assistance, and employment services under this section if the employee—

[(i) during the 5-year period beginning on October 1, 1992, is terminated or laid off (or receives a notice of termination or lay off) from such employment as a result of reductions in defense spending, as determined by the Secretary of Defense or the Secretary of Energy, except that, in the case of a notice of termination or lay off, the eligibility of the employee shall not begin until 180 days before the projected date of the termination or lay off; and

[(ii) is not entitled to retired or retainer pay incident to that termination or lay off.

[(B) SPECIAL RULE FOR CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE EMPLOYED AT CERTAIN MILITARY INSTALLATIONS.—

[(i) IN GENERAL.—A civilian employee of the Department of Defense employed at a military installation being closed or realigned under the laws referred to in clause (ii) shall be eligible for training, adjustment assistance, and employment services under this section beginning on the date on which such employee receives actual notice of termination, or the date determined by the Secretary of Defense under clause (iii), whichever occurs earlier.

[(ii) CERTAIN DEFENSE LAWS.—The laws referred to in this clause are—

[(I) 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);

[(II) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note);

[(III) section 2687 of title 10, United States Code; and

[(IV) any other similar law enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1994.

[(iii) DATE.—The date determined under this clause is the date that is 24 months before the date on which the military installation is to be closed or the realignment of the installation is to be completed, as the case may be.

[(3) CERTAIN DEFENSE CONTRACTOR EMPLOYEES.—An employee of a private defense contractor shall be eligible for training, adjustment assistance, and employment services under this section if the employee—

[(A) during the 5-year period beginning on October 1, 1992, is terminated or laid off (or receives a notice of termination or lay off) from such employment as a result of reductions in defense spending, the closure or realignment of a military installation, or reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements, as determined by the Secretary of Defense, except that, in the case of a notice of termination or lay off, the eligibility of the employee shall not begin until 180 days before the projected date of the termination or lay off; and

[(B) is not entitled to retired or retainer pay incident to that termination.

[(c) APPLICATION REQUIREMENTS.—

[(1) IN GENERAL.—To receive a grant under subsection (a), an applicant shall submit to the Secretary an application which contains such information as the Secretary may require and which meets the following requirements:

[(A) CONSULTATION.—

[(i) IN GENERAL.—(I) In the case of an applicant other than a State, such applicant shall submit an application to the Secretary developed in consultation with the State, and, where appropriate, in consultation with the labor-management committee or other employer-employee entity established pursuant to subparagraph (C)(ii) at the affected facility and in consultation with representatives from the Department of Defense.

[(II) Prior to the submission of an application under subclause (I) to the Secretary, the applicant shall submit the application to the State for review. The State shall have 30 calendar days to review the application. The applicant may submit the application to the Secretary after the date on which the State completes its review of the application or upon expiration of the 30 calendar days, whichever occurs first.

[(ii) STATES.—In the case of an applicant that is a State, such State shall submit an application to the Secretary developed in consultation with appropriate substate grantees, and, where appropriate, in consultation with the labor-management committee or other employer-employee entity established pursuant to subparagraph (C)(ii) at the affected facility and in consultation with representatives from the Department of Defense.

[(B) CONTENTS OF APPLICATION.—An application shall contain a local labor market analysis, a general assess-

ment of basic skills, career interests, income needs, and strategies necessary for the training and placement of the population that may be served, and, where appropriate—

[(i) a preliminary outline of a program to convert the affected defense base or facility;

[(ii) preliminary plant or military base conversion proposals, and proposals for the effective use or conversion of surplus Federal property; and

[(iii) assurances that the applicant will coordinate the activities and services provided under this section with the Office of Economic Adjustment and other relevant agencies.

[(C) PROVISION OF STATE DISLOCATED WORKER SERVICES.—The applicant shall provide verification that the State dislocated worker unit has provided, or is in the process of providing, in addition to the services described in section 311(b)(3) and 314(b), the following activities and services:

[(i) The State dislocated worker unit, in conjunction with the substate grantee (and where appropriate, representatives from the Department of Defense), has established on-site contact with employers and employee representatives affected by a dislocation or potential dislocation of eligible individuals, preferably not later than 2 business days after notification of such dislocation.

[(ii) The State dislocated worker unit has promoted the formation of a labor-management committee or other employer-employee entity in the case of a facility affected by an employee dislocation or potential dislocation in accordance with section 314(b)(1)(B), including the provision of technical assistance and, where appropriate, financial assistance to cover the start-up costs of such committee.

[(iii) The State dislocated worker unit has provided, in conjunction with the labor-management committee or other employer-employee entity established pursuant to clause (ii), the following services:

[(I) An initial survey of potential eligible individuals to determine the approximate number of such individuals interested in receiving services under this section, orientation sessions, counseling services, and early intervention services for eligible individuals and management. Such services may be provided in coordination with representatives from the United States Employment Service, the Interstate Job Bank, the Department of Defense, and the National Occupational Information Coordinating Committee.

[(II) Initial basic readjustment services in conjunction with such services provided by substate grantees.

[(D) SKILLS UPGRADING.—The applicant shall provide assurances satisfactory to the Secretary that if the applicant

uses amounts from a grant under subsection (a) for skills upgrading at defense facilities pursuant to subsection (f)(2), the applicant will maintain its expenditures from all other sources for skills upgrading at or above the average level of such expenditures in the fiscal year preceding the date of the enactment of this section.

[(2) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to an applicant for the purpose of assisting the applicant to meet the application requirements under paragraph (1).

[(3) TIMELY DECISION.—The Secretary shall make a determination with regard to an application received under paragraph (1) not later than 30 calendar days after the date on which the Secretary receives the application.

[(4) TIMELY NOTIFICATION.—The Secretary shall provide timely written notification to an applicant upon determination by the Secretary that the applicant has not satisfied the requirements under paragraph (1).

[(d) SELECTION REQUIREMENTS.—

[(1) IN GENERAL.—In reviewing applications for grants under subsection (a), the Secretary—

[(A) shall not approve an application for a grant unless the application contains assurances that the applicant will use amounts from a grant to provide needs-related payments in accordance with subsection (i);

[(B) shall select applications from areas most severely impacted by the reduction in defense expenditures and base closures, particularly areas with existing high poverty levels or existing high unemployment levels; and

[(C) shall select applications from areas which have the greatest number of eligible individuals, taking into account the ratio of eligible individuals in the affected community to the population of such community.

[(2) PRIORITY.—In reviewing applications for grants under subsection (a), the Secretary shall give priority to each of the following:

[(A) Applications received from substate grantees.

[(B) Applications received from any applicant on behalf of affected employers in a similar defense-related industry or on behalf of a single employer with multiple bases or plants within a State.

[(C) Applications demonstrating employer-employee cooperation, including the participation of labor-management committees or other employer-employee entities.

[(e) RETENTION OF PORTION OF GRANT AMOUNT.—

[(1) PORTION RELATING TO GENERAL APPLICATION REQUIREMENTS.—Subject to paragraph (2), the Secretary shall retain 25 percent of the amount of a grant awarded under subsection (a) and shall disburse the amount to the applicant not later than 90 days after the date on which the Secretary determines that the applicant is satisfactorily implementing the plans and strategies described in subsection (c)(1)(B).

[(2) PORTION RELATING TO STATE DISLOCATED WORKER SERVICES.—The Secretary shall retain up to 20 percent of the

amount retained under paragraph (1) (not to exceed $50,000) and shall disburse the amount to the State dislocated worker unit not later than 90 days after the date on which the Secretary determines that the applicant has provided verification that such unit has satisfactorily provided the activities and services described in subsection (c)(1)(C). The amount disbursed under the preceding sentence shall be used to reimburse such unit for expenses incurred in providing such activities and services.

[(f) USE OF FUNDS.—Subject to the requirements of subsections (g), (h), (i), and (j), grants under subsection (a) may be used only for the following purposes:

[(1) Any purpose for which funds may be used under section 314 or this section.

[(2) Skills upgrading, which may be provided to—

[(A) individuals who are employed in non-managerial positions, including individuals in such positions who have received notice of termination or lay off, if such upgrading—

[(i) is integral to the conversion of a defense facility and necessary to prevent a closure or mass layoff which would result in the termination or layoff of such individuals; and

[(ii) is to replace or update obsolete skills of such individuals with marketable skills; and

[(B) individuals who have received notice of termination or lay off from non-managerial positions, including individuals who have been terminated or laid off from such positions, if such upgrading is to replace or update obsolete skills of such individuals with marketable skills, without which reemployment in a high demand occupation or industry would be unlikely.

[(3) The development and introduction of high performance workplace systems, employee and participative management systems, and workforce participation in the evaluation, selection, and implementation of new production technologies.

[(g) LIMITATION.—Not more than 20 percent of amounts received from a grant under subsection (a) shall be used for administration, conversion planning activities, and the activities described in subsection (f)(3).

[(h) ADJUSTMENT ASSISTANCE REQUIREMENTS.—The adjustment assistance requirements described in section 326(e) shall apply for purposes of grants made under subsection (a) for adjustment assistance.

[(i) NEEDS-RELATED PAYMENTS REQUIREMENTS.—The Secretary shall prescribe regulations with respect to the use of funds from grants under subsection (a) for needs-related payments in accordance with the requirements described in section 326(f) in order to enable eligible individuals to complete training or education programs. Priority for needs-related payments shall be given to eligible individuals participating in certificate or degree awarding vocational training or education programs of 1 year or more.

[(j) DEPARTMENT OF DEFENSE FINANCIAL ASSISTANCE REQUIREMENT.—The Secretary of Defense, in consultation with the Sec-

retary of Labor, shall prescribe regulations to ensure that student financial assistance authorized under programs for employees of the Department of Defense and veterans is provided prior to adjustment assistance under subsection (h), needs-related payments under subsection (i), and any other student financial assistance provided under Federal law.

[(k) DEMONSTRATION PROJECTS.—

[(1) IN GENERAL.—In carrying out the grant program established under subsection (a), the Secretary, in consultation with the Secretary of Defense, may make grants to the entities referred to in that subsection for the purpose of developing demonstration projects to encourage and promote innovative responses to the dislocation resulting from reductions in expenditures by the United States for defense, the closure of United States military installations, or reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements. Such demonstration projects may include—

[(A) projects to assist in retraining efforts designed to address the needs of individuals who have received notice of termination or lay off and individuals who have been terminated or laid off in communities affected by such reductions or closures;

[(B) projects to assist in retraining and reorganization efforts designed to avert layoffs that would otherwise occur as a result of such reductions or closures;

[(C) projects to assist communities in addressing and reducing the impact of such economic dislocation;

[(D) projects involving teams of transition assistance specialists from Federal, State, and local agencies to provide onsite services, including assisting affected communities in short-term and long-term planning and assisting affected individuals through counseling and referrals to appropriate services, at the site of such reductions or closures within 60 days of the announcement of such reductions or closures;

[(E) projects to assist in establishing transition assistance centers at the installations where large dislocations occur to provide comprehensive services to individuals affected by such dislocations;

[(F) projects involving the joint efforts of Federal agencies, such as the Department of Labor, the Department of Defense, the Department of Commerce, and the Small Business Administration, to assist communities affected by such reductions or closures in developing integrated community planning processes to facilitate the retraining of affected individuals and the conversion of installations to commercial uses;

[(G) projects to develop new information and data systems to assist individuals and communities affected by such reductions or closures, including the development of data bases with the capability to provide an affected indi-

vidual with a civilian economy skills profile which takes into account the skills acquired while working on defense-related matters; and

[(H) projects to assist small and medium-sized firms affected by such reductions or closures in the formation of learning consortia, which will promote joint efforts for staff training, human resource development, product development, and the marketing of products.

[(2) LIMITATION.—Not more than 10 percent of the funds available to the Secretary to carry out this section for any fiscal year may be used to carry out the projects established under paragraph (1).

[(l) STAFF TRAINING AND TECHNICAL ASSISTANCE.—In carrying out the grant program established under subsection (a), the Secretary may provide staff training and technical assistance services to States, communities, businesses, and labor organizations, and other entities involved in providing adjustment assistance to workers.

[(m) ADMINISTRATIVE EXPENSES.—Not more than 2 percent of the funds available to the Secretary to carry out this section for any fiscal year may be retained by the Secretary for the administration of activities authorized under this section.

[(n) COORDINATION WITH TECHNOLOGY REINVESTMENT PROJECTS.—The Secretary, in consultation with the Secretary of Defense, shall ensure that activities carried out under this section are coordinated with relevant activities carried out pursuant to title IV of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 106 Stat. 1890).

[(o) DEFINITIONS.—For purposes of this section, the following definitions apply:

[(1) LABOR-MANAGEMENT COMMITTEE.—The term "labor-management committee"—

[(A) has the meaning given such term in section 301(b)(1); and

[(B) includes a committee established at a military installation to assist members of the Armed Forces who are being separated and civilian employees of the Department of Defense and the Department of Energy who are being terminated.

[(2) DEFENSE CONTRACTOR.—The term "defense contractor" means a private person producing goods or services pursuant to—

[(A) one or more defense contracts which have a total amount not less than $500,000 entered into with the Department of Defense; or

[(B) one or more subcontracts entered into in connection with a defense contract and which have a total amount not less than $500,000.

[(3) DEFENSE ARTICLES AND DEFENSE SERVICES.—The term "defense articles and defense services" means defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).

[CLEAN AIR EMPLOYMENT TRANSITION ASSISTANCE

[SEC. 326. (a) DETERMINATION OF ELIGIBILITY.—

[(1) DEFINITIONS.—For purposes of this section, the term "eligible individual" means an individual who—

[(A) is an eligible dislocated worker, as that term is defined in section 301(a), and

[(B) has been terminated or laid off, or has received a notice of termination or lay off, as a consequence of compliance with the Clean Air Act.

[(2) DETERMINATIONS.—The determination of eligibility under paragraph (1)(B) of this subsection shall be made by the Secretary of Labor, pursuant to criteria established by the Secretary, in consultation with the Administrator of the Environmental Protection Agency.

[(b) GRANTS AUTHORIZED.—The Secretary may make grants to States, substate grantees (as defined in section 312(c)), employers, employer associations, and representatives of employees—

[(1) to provide training, adjustment assistance, and employment services to eligible individuals adversely affected by compliance with the Clean Air Act; and

[(2) to make needs-related payments to such individuals in accordance with subsection (f) of this section.

[(c) PRIORITY AND APPROVAL.—

[(1) PRIORITY.—In reviewing applications for grants under subsection (b), the Secretary shall give priority to applications proposing to provide training, adjustment assistance, and services in areas which have the greatest number of eligible individuals.

[(2) NEEDS-RELATED PAYMENTS REQUIRED.—The Secretary shall not approve an application for a grant under subsection (b) unless the application contains assurances that the applicant will use grant funds to provide needs-related payments in accordance with subsection (f).

[(d) USE OF FUNDS.—Subject to the requirements of subsections (e) and (f) of this section, grants under subsection (b) may be used for any purpose for which funds may be used under section 314.

[(e) ADJUSTMENT ASSISTANCE.—

[(1) JOB SEARCH ALLOWANCE.—

[(A) IN GENERAL.—Grants under subsection (b) for adjustment assistance may be used to provide job search allowances to eligible individuals. Such allowance, if granted, shall provide reimbursement to the individual of not more than 90 percent of the cost of necessary job search expenses, as prescribed by regulations of the Secretary, but may not exceed $800 unless the need for a greater amount is justified in the application and approved by the Secretary.

[(B) CRITERIA FOR GRANTING JOB SEARCH ALLOWANCES.—A job search allowance may be granted only—

[(i) to assist an eligible individual who has been totally separated in securing a job within the United States; and

[(ii) where the Secretary determines that such employee cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

[(2) RELOCATION ALLOWANCE.—

[(A) IN GENERAL.—Grants under subsection (b) for adjustment assistance may be used to provide relocation allowances to eligible individuals. Such an allowance may only be granted to assist an eligible individual in relocating within the United States and only if the Secretary determines that—

[(i) such employee cannot reasonably be expected to secure suitable employment in the commuting area in which the employee resides; and

[(ii) such employee—

[(I) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which the employee wishes to relocate, or has obtained a bona fide offer of such employment, and

[(II) is totally separated from employment at the time relocation commences.

[(B) AMOUNT OF RELOCATION ALLOWANCE.—The amount of any relocation allowance for any eligible individual may not exceed the amount which is equal to the sum of—

[(i) 90 percent of the reasonable and necessary expenses, specified in regulations prescribed by the Secretary, incurred in transporting an individual and the individual's family, if any, and household effects, and

[(ii) a lump sum equivalent to 3 times the employee's average weekly wage, up to a maximum payment of $800, unless the need for a greater amount is justified in the application and approved by the Secretary.

[(f) NEEDS-RELATED PAYMENTS.—The Secretary shall prescribe regulations with respect to the use of funds from grants under subsection (b) for needs-related payments in order to enable eligible individuals to complete training or education programs under this section. Such regulations shall—

[(1) require that such payments shall be provided to an eligible individual only if such individual—

[(A) does not qualify or has ceased to qualify for unemployment compensation;

[(B) has been enrolled in training by the end of the 13th week of the individual's initial unemployment compensation benefit period, or, if later, the end of the 8th week after an individual is informed that a short-term layoff will in fact exceed 6 months; and

[(C) is participating in training or education programs under this section, except that such regulations shall protect an individual from being disqualified pursuant to this clause for a failure to participate that is not the fault of the individual;

[(2) provide that to qualify for such payments the individual currently receives, or is a member of a family which currently

receives, a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, is not in excess of the lower living standard income level;

[(3) provide that the levels of such payments shall be equal to the higher of—

[(A) the applicable level of unemployment compensation; or

[(B) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget;

[(4) provide for the adjustment of payments to reflect changes in total family income; and

[(5) provide that the grantee shall obtain information with respect to such income, and changes therein, from the eligible individual.

[(g) ADMINISTRATIVE EXPENSES.—The Secretary of Labor may reserve not more than 5 percent of the funds appropriated under this section for the administration of activities authorized under this section, including the provision of technical assistance for the preparation of grant applications.

[(h) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated by section 3(b) of this Act, there are authorized to be appropriated $50,000,000 for fiscal year 1991, and such sums as may be necessary for each of fiscal years 1992, 1993, 1994, and 1995 to carry out this section. The total amount appropriated for all 5 such fiscal years shall not exceed $250,000,000. Amounts appropriated pursuant to this subsection shall remain available until expended.

[(i) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section not later than 180 days after the date of enactment of this section.

[(j) GAO ASSESSMENT OF EFFECTS OF CLEAN AIR ACT COMPLIANCE ON EMPLOYMENT.—The Comptroller General of the United States shall—

[(1) identify and assess, to the extent possible, the effects on employment that are attributable to compliance with the provisions of the Clean Air Act; and

[(2) submit to the Congress on the 4th anniversary of the date of the enactment of this subtitle a written report on the assessments required under paragraph (1).

[TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

[PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

[NATIVE AMERICAN PROGRAMS

[SEC. 401. (a) The Congress finds that (1) serious unemployment and economic disadvantages exist among members of Indian, Alaskan Native, and Hawaiian Native communities; (2) there is a compelling need for the establishment of comprehensive training and employment programs for members of those communities; and (3) such programs are essential to the reduction of economic disadvan-

tages among individual members of those communities and to the advancement of economic and social development in the communities consistent with their goals and lifestyles.

[(b) The Congress therefore declares that, because of the special relationship between the Federal Government and most of the individuals to be served by the provisions of this section, (1) such programs shall be administered at the national level; (2) such programs shall be available to federally recognized Indian tribes, bands, and groups and to other groups and individuals of Native American descent; and (3) such programs shall be administered in such a manner as to maximize the Federal commitment to support growth and development as determined by representatives of the communities and groups served by this section.

[(c)(1)(A) In carrying out responsibilities under this section, the Secretary shall, wherever possible, utilize Indian tribes, bands, or groups on Federal or State reservations, Oklahoma Indians, and including for the purpose of this Act, Alaska Native villages or groups as defined in the Alaska Native Claims Settlement Act, having a governing body for the provision of employment and training services under this section. When the Secretary determines that such tribe, band, or group has demonstrated the capability to effectively administer a comprehensive employment and training program, the Secretary shall require such tribe, band, or group to submit a comprehensive plan meeting such requirements as the Secretary prescribes.

[(B) The Secretary shall arrange for programs to meet the employment and training needs of Hawaiian natives through such organizations as the Secretary determines will best meet their needs.

[(2) In carrying out responsibilities under this section, the Secretary shall make arrangements with organizations (meeting requirements prescribed by the Secretary) serving nonreservation Native Americans for programs and projects designed to meet the needs of such Native Americans for employment and training and related services.

[(d) Whenever the Secretary determines not to utilize Indian tribes, bands, or groups for the provision of employment and training services under this section, the Secretary shall, to the maximum extent feasible, enter into arrangements for the provision of such services with organizations which meet with the approval of the tribes, bands, or groups to be served.

[(e) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of Native American employment and training programs authorized under this Act.

[(f) Funds available for this section shall be expended for programs and activities consistent with the purposes of this section including but not limited to such programs and activities carried out by recipients under other provisions of this Act.

[(g) No provision of this section shall abrogate in any way the trust responsibilities of the Federal Government to Native American bands, tribes, or groups.

[(h)(1) The Secretary shall, after consultation with representatives of Indians and other Native Americans, prescribe such rules,

regulations, and performance standards pursuant to section 106 relating to Native American programs under this section as may be required to meet the special circumstances under which such programs operate.

[(2) Recipients of funds under this section shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 106.

[(i) The Secretary shall provide technical assistance as necessary to tribes, bands, and groups eligible for assistance under this section.

[(j)(1) The Secretary shall designate a single organizational unit that shall have as its primary responsibility the administration of all Native American programs authorized under this Act.

[(2) Such organizational unit shall—

[(A) be responsible for administering the provisions of the Native American programs authorized under this Act, including monitoring such programs and making recommendations regarding the selection of the recipients of financial assistance;

[(B) be responsible for the development of the policies and procedures related to the implementation of such programs; and

[(C) coordinate the development of policy and procedures for the employment and training programs within the Department relating to services for Native American workers.

[(3) In the hiring and promotion of the professional staff for the organizational unit designated under paragraph (1), special consideration shall be given to individuals who have field experience in the daily operation of service and training programs for Native Americans, and individuals who are Indians or Alaskan Natives. The Secretary shall take such additional actions as may be necessary to promote the recruitment and promotion of Indians, Alaskan Natives, and Hawaiian Natives to positions in such unit.

[(k)(1) There is hereby established a Native American Employment and Training Council (referred to in this subsection as the "Council"), which shall consist of not fewer than 17 Indians, Alaskan Natives, and Hawaiian Natives appointed by the Secretary from among individuals nominated by Indian tribes or Indian, Alaskan Native, or Hawaiian Native organizations. The membership of the Council shall represent all geographic areas of the United States with a substantial Indian, Alaskan Native, or Hawaiian Native population and shall include representatives of tribal governments and of nonreservation Native American organizations who are service providers under this Act. A majority of the members of the Council shall have field experience in the daily operation of the program authorized under this section.

[(2) The Council shall select a chairperson from among its members by a majority vote. The Council shall meet not less often than twice each program year.

[(3) Members of the Native American Programs Advisory Committee that existed before the date of enactment of this subsection—

[(A) shall serve as members of the Council until their successors are appointed; and

[(B) may be appointed as members of the Council, if such appointment is consistent with the provisions of this subsection.

[(4) Each member of the Council shall serve for a term of 2 years, except that—

[(A) one-half of the members initially appointed (as designated by the Secretary) shall serve for terms of 1 year;

[(B) any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment, and shall not affect the power of the remaining members to execute the duties of the Council;

[(C) any member appointed to such a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed; and

[(D) members may be reappointed.

[(5) The initial membership of the Council shall be appointed not later than the beginning of program year 1993.

[(6) The Council shall—

[(A) solicit the views of a wide variety of Indian tribes and Native American groups, including groups operating employment and training programs funded under this section, on issues affecting the operation and administration of such programs;

[(B) advise the Secretary with respect to the implementation of programs under this section and other programs providing services to Native American youth and adults under this Act;

[(C) advise and make recommendations to the Secretary with respect to the design and implementation of performance standards developed under section 106(f);

[(D) advise and make recommendations to the Secretary with respect to the services obtained or to be obtained by the Department of Labor through contracts or arrangements with non-Federal agencies or entities that involve the program authorized by this section;

[(E) evaluate the effectiveness of Native American job training programs and make recommendations with respect to the improvement of such programs;

[(F) advise the Secretary with respect to individuals to be considered to fill the position of the official in charge of the organizational unit designated under subsection (j)(1) whenever a vacancy in such position occurs; and

[(G) prepare and submit directly to the Secretary and to the Congress, not later than January 1 of each even numbered year, a report containing information on the progress of Native American job training programs and recommendations for improving their administration and effectiveness.

[(7) Members of the Council shall serve without compensation. Each member of the Council shall receive 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 each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

[(8) The Secretary shall provide the Council with such administrative support as may be necessary to perform its functions.

[(l) The competition for grants under this section shall be conducted every 2 years, except that if a recipient of such a grant has performed satisfactorily under the terms of the existing grant agreement, the Secretary may waive the requirement for such competition on receipt from the recipient of a satisfactory 2-year program plan for the succeeding 2-year grant period.

[MIGRANT AND SEASONAL FARMWORKER PROGRAMS

[SEC. 402. (a) The Congress finds and declares that—

[(1) chronic seasonal unemployment and underemployment in the agricultural industry, aggravated by continual advancements in technology and mechanization resulting in displacement, constitute a substantial portion of the Nation's rural employment problem and substantially affect the entire national economy; and

[(2) because of the special nature of farmworker employment and training problems, such programs shall be centrally administered at the national level.

[(b) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of migrant and seasonal employment and training programs authorized under this Act.

[(c)(1) The Secretary shall provide services to meet the employment and training needs of migrant and seasonal farmworkers through such public agencies and private nonprofit organizations as the Secretary determines to have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and a previously demonstrated capability to administer effectively a diversified employability development program for migrant and seasonal farmworkers. In awarding any grant or contract for services under this section, the Secretary shall use procedures consistent with standard competitive Government procurement policies.

[(c)(2) The competition for grants under this section shall be conducted every 2 years, except that if a recipient of such a grant has performed satisfactorily under the terms of the existing grant agreement, the Secretary may waive the requirement for such competition upon receipt from the recipient of a satisfactory 2-year program plan for the succeeding 2-year grant period.

[(3) Programs and activities supported under this section, including those carried out under other provisions of this Act, shall enable farmworkers and their dependents to obtain or retain employment, to participate in other program activities leading to their eventual placement in unsubsidized agricultural or nonagricultural employment, and to participate in activities leading to stabilization in agricultural employment, and shall include related assistance and supportive services.

[(4) Recipients of funds under this section shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 106.

[(5) No programs and activities supported under this section shall preclude assistance to farmworkers under any other provision of this Act.

[(d) In administering programs under this section, the Secretary shall consult with appropriate State and local officials.

[(e) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of migrant and seasonal farmworker's employment and training programs authorized under this Act.

[GRANT PROCEDURES

SEC. 403. Grants under sections 401 and 402 shall be subject to the Single Audit Act of 1984 (31 U.S.C. 7501 et seq.) and charging of costs under such sections shall be subject to appropriate circulars issued by the Office of Management and Budget.

[PART B—JOB CORPS]

SEC. [421.] *2.* This [part] *Act* maintains a Job Corps for economically disadvantaged young men and women which shall operate exclusively as a distinct national program, sets forth standards and procedures for selecting individuals as enrollees in the Job Corps, authorizes the establishment of residential and nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. The purpose of this [part] *Act* is to assist young individuals who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens; and to do so in a way that contributes, where feasible, to the development of national, State, and community resources, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

ESTABLISHMENT OF THE JOB CORPS

SEC. [422.] *3.* There shall be within the Department of Labor a "Job Corps".

INDIVIDUALS ELIGIBLE FOR THE JOB CORPS

SEC. [423.] *4.* To become an enrollee in the Job Corps, a young man or woman must be an eligible youth who—

(1) has attained age 14 but not attained age 22 at the time of enrollment, except that not more than 20 percent of the individuals enrolled may be age 22 through 24, and that either such maximum age limitation may be waived, in accordance with regulations of the Secretary, in the case of any individual with a disability;

* * * * * * *

(4) is determined, after careful screening as provided for in [sections 424 and 425] *sections 5 and 6* to have the present capabilities and aspirations needed to complete and secure the full benefit of the Job Corps and to be free of medical and behavioral problems so serious that the individual could not adjust to the standards of conduct, discipline, work, and training which the Job Corps involves; and

(5) meets such other standards for enrollment as the Secretary may prescribe and agrees to comply with all applicable Job Corps rules and regulations.

SCREENING AND SELECTION OF APPLICANTS: GENERAL PROVISIONS

SEC. [424.] *5.* (a) The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps. To the extent practicable, these rules shall be implemented through arrangements with agencies and organizations such as community action agencies, public employment offices, [entities administering programs under title II of this Act,] professional groups, labor organizations, and agencies and individuals having contact with youth over substantial periods of time and able to offer reliable information as to their needs and problems. The rules shall provide for necessary consultation with other individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers. The rules shall also provide for the interviewing of each applicant for the purpose of—

(1) determining whether the applicant's educational and vocational needs can best be met through the Job Corps or an alternative program in the applicant's home community;

(2) obtaining from the applicant pertinent data relating to background, needs, and interests for determining eligibility and potential assignment; and

(3) giving the applicant a full understanding of the Job Corps and what will be expected of an enrollee in the event of acceptance.

(b) The Secretary is authorized to make payments to individuals and organizations for the cost of the recruitment, screening, and selection of candidates, as provided for in this [part] *Act*. The Secretary shall make no payments to any individual or organization solely as compensation for referring the names of candidates for Job Corps.

(c) The Secretary shall assure that Job Corps enrollees include an appropriate number of candidates selected from rural areas, taking into account the proportions of eligible youth who reside in rural areas and the need to provide residential facilities for such youth.

SCREENING AND SELECTION: SPECIAL LIMITATIONS

SEC. [425.] *6.* (a) No individual shall be selected as an enrollee unless there is reasonable expectation that the individual 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 be-

tween the center to which the individual might be assigned and surrounding communities, and unless 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 those rules.

* * * * * * *

ENROLLMENT AND ASSIGNMENT

SEC. [426.] *7.* (a) No individual may be enrolled in the Job Corps for more than two years, except in any case in which completion of an advanced career program under [section 428] *section 9* would require an individual to participate in excess of two years, or except as the Secretary may authorize in special cases.

* * * * * * *

[(d) Nothing in this Act shall be construed to prohibit an individual who has been a participant in the Job Corps from concurrently or subsequently participating in programs under title II, or to prohibit an individual who has been a participant in programs under title II from concurrently or subsequently participating in the Job Corps.]

JOB CORPS CENTERS

SEC. [427.] *8.* (a)(1) The Secretary may make agreements with Federal, State, or local agencies, including a State board or agency designated pursuant to section 111(a)(1) of the Carl D. Perkins Vocational Education Act which operates or wishes to develop area vocational education school facilities or residential vocational schools (or both) as authorized by such Act, or private organizations for the establishment and operation of Job Corps centers. Job Corps centers may, subject to paragraph (2), be residential or nonresidential in character, or both, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with education, vocational training, work experience (either in direct program activities or through arrangements with employers), counseling, and other services appropriate to their needs. The centers shall include Civilian Conservation Centers, 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. The centers shall also include training centers located in either urban or rural areas which shall provide activities including training and other services for specific types of skilled or semiskilled employment.

* * * * * * *

[(b) To the extent feasible, Job Corps centers shall offer education and vocational training opportunities, together with supportive services, on a nonresidential basis to participants in other programs under this Act. Such opportunities may be offered on a reimbursable basis or through such other arrangements as the Secretary may specify.

[(c)] *(b)* No funds appropriated to the Department of Labor for any fiscal year may be used to carry out any contract with a non-

governmental entity to administer or manage a Civilian Conservation Center of the Job Corps.

PROGRAM ACTIVITIES

SEC. [428.] *9.* (a) Each Job Corps center shall provide enrollees with an intensive, well-organized, and fully supervised program of education, vocational training, work experience, planned vocational and recreational activities, physical rehabilitation and development, and counseling. To the fullest extent feasible, the required program shall include activities to assist enrollees in choosing realistic career goals, coping with problems they may encounter in home communities, or in adjusting to new communities, and planning and managing their daily affairs in a manner that will best contribute to long-term upward mobility. Center programs shall include required participation in center maintenance work to assist enrollees in increasing their sense of contribution, responsibility, and discipline.

* * * * * * *

ALLOWANCES AND SUPPORT

SEC. [429.] *10.* (a) The Secretary shall provide enrollees with such personal, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, and other expenses as he may deem necessary or appropriate to their needs. For the fiscal year ending September 30, 1983, personal allowances shall be established at a rate not to exceed $65 per month during the first six months of an enrollee's participation in the program and not to exceed $110 per month thereafter, except that allowances in excess of $65 per month, but not exceeding $110 per month, may be provided from the beginning of an enrollee's participation if it is expected to be of less than six months' duration and the Secretary is authorized to pay personal allowances in excess of the rates specified in this subsection in unusual circumstances as determined by him. Such allowances shall be graduated up to the maximum so as to encourage continued participation in the program, achievement and the best use by the enrollee of the funds so provided and shall be subject to reduction in appropriate cases as a disciplinary measure. To the degree reasonable, enrollees shall be required to meet or contribute to costs associated with their individual comfort and enjoyment from their personal allowances.

* * * * * * *

STANDARDS OF CONDUCT

SEC. [430.] *11.* (a) Within Job Corps centers standards of conduct shall be provided and stringently enforced. If violations are committed by enrollees, dismissal from the Corps or transfers to other locations shall be made if it is determined that their retention in the Corps, or in the particular center, will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

* * * * * * *

COMMUNITY PARTICIPATION

SEC. [431.] *12.* The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers and nearby communities. These activities shall include the establishment of community advisory councils to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest. Youth shall be represented on the advisory council and separate youth councils may be established composed of enrollees and young people from the communities. The Secretary shall assure that each center is operated with a view to achieving, so far as possible, objectives which shall include—

(1) * * *

* * * * * * *

COUNSELING AND JOB PLACEMENT

SEC. [432.] *13.* (a) The Secretary shall counsel and test each enrollee at regular intervals to measure progress in educational and vocational programs.

* * * * * * *

EXPERIMENTAL AND DEVELOPMENTAL PROJECTS AND COORDINATION WITH OTHER PROGRAMS

SEC. [433.] *14.* (a)(1) The Secretary is authorized to undertake experimental, research, or demonstration projects to develop or test ways of better using facilities, encouraging a more rapid adjustment of enrollees to community life that will permit a reduction in their period of enrollment, reducing transportation and support costs, or otherwise promoting greater efficiency and effectiveness in the program. These projects shall include one or more projects providing youth with education, training, and other supportive services on a combined residential and nonresidential basis.

(2) * * *

* * * * * * *

(4) Projects under this subsection shall be developed after appropriate consultation with other Federal or State agencies conducting similar or related programs or projects and with the administrative entity in the communities where the projects will be carried out. They may be undertaken jointly with other Federal or federally assisted programs, and funds otherwise available for activities under those programs shall, with the consent of the head of any agency concerned, be available for projects under this section to the extent they include the same or substantially similar activities. The Secretary is authorized to waive any provision of this [part] *Act* which the Secretary finds would prevent the carrying out of elements of projects under this subsection essential to a determination of their feasibility and usefulness. The Secretary shall, in the annual report of the Secretary, report to the Congress concerning the actions taken under this section, including a full description of progress

made in connection with combined residential and nonresidential projects.

* * * * * * *

(c)(1) The Secretary, through the Job Corps [and activities authorized under sections 452 and 453], shall develop and implement activities designed to disseminate information gained from Job Corps program experience which may be of use in the innovation and improvement of related programs. To carry out this purpose, the Secretary may enter into appropriate arrangements with any Federal or State agency.

* * * * * * *

(e) In order to determine whether community participation as required under [section 431] *section 12* can be improved through the closer involvement of community-based organizations, the Secretary is authorized to undertake one or more pilot projects utilizing community-based organizations of demonstrated effectiveness for Job Corps center operation. For purposes of such pilot projects, the term "community-based organizations" may include nonprofit educational foundations organized on a State or local basis.

JOB CORPS CENTERS FOR HOMELESS FAMILIES

SEC. [433A.] *15.* (a) Subject to the availability of appropriations therefor, the Secretary is authorized, in accordance with [section 427] *section 8*, to provide services and facilities in accordance with this section to eligible homeless individuals and their families at Job Corps centers. Job Corps centers serving homeless individuals and their families shall—

(1) be residential;

* * * * * * *

(4) provide enrollees—

(A) program activities that include both activities to sustain the operation of the center and regular Job Corps activities required under [section 428] *section 9*; and

(B) the benefits and services given to any other enrollee under this part.

* * * * * * *

(c) To become an enrollee in the Job Corps at a center established providing services and facilities to homeless individuals under this section, an individual—

(1) shall qualify as a homeless individual under section 103 of the Stewart B. McKinney Homeless Assistance Act;

(2) shall have not attained the age of 25 at the time of enrollment; and

(3) shall meet the requirements of paragraphs (2) through (5) of [section 423] *section 4*.

(d) The Secretary shall prescribe special screening standards under [sections 424 and 425] *sections 5 and 6* to identify and select enrollees for purposes of this section.

(e) The Secretary shall[, pursuant to section 452(d),] conduct evaluations of the centers providing services and facilities to homeless individuals under this section. The Secretary shall submit to the Congress a report on the results of such evaluations, together

with the Secretary's recommendations concerning such centers, not later than 3 years after the date of enactment of this section.

* * * * * * *

ADVISORY BOARDS AND COMMITTEES

SEC. [434.] *16.* The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps, 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.

PARTICIPATION OF THE STATES

SEC. [435.] *17.* (a) The Secretary shall take action to facilitate the effective participation of States in the Job Corps programs, including consultation with appropriate State agencies on matters pertaining to the enforcement of applicable State laws, standards of enrollee conduct and discipline, development of meaningful work experience and other activities for enrollees, and coordination with State-operated programs.

(b) The Secretary is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this [part] *Act*. The Secretary is authorized, pursuant to regulations, to pay part or all of the costs of such programs to the extent such costs are attributable to carrying out the purpose of this [part] *Act*.

(c) No Job Corps center or other similar facility designed to carry out the purpose of this [part] *Act* shall be established within a State unless a notice setting forth such proposed establishment has been submitted to the Governor, and the establishment has not been disapproved by the Governor within thirty days of such submission.

(d) All property which would otherwise be under exclusive Federal legislative jurisdiction shall be under concurrent jurisdiction with the appropriate State and locality with respect to criminal law enforcement as long as a Job Corps center is operated on such property.

APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. [436.] *18.* (a) Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees in the Job Corps shall not be considered Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits:

(1) For purposes of the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.) enrollees shall be deemed 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.

(2) 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 civil employees 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 that subchapter shall apply except—

(A) the term "performance of duty" shall not include any act of an enrollee while absent from the assigned post of duty of such enrollee, except while participating in an activity (including an activity while on pass or during travel to or from such post or duty) authorized by or under the direction and supervision of the Job Corps;

(B) in computing compensation benefits for disability or death, the monthly pay of an enrollee shall be deemed that received under the entrance salary for a grade GS–2 employee, and sections 8113 (a) and (b) of title 5, United States Code, shall apply to enrollees; and

(C) compensation for disability shall not begin to accrue until the day following the date on which the injured enrollee is terminated.

(3) For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered employees of the Government.

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

(c) 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 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.

SPECIAL PROVISIONS

SEC. [437.] *19.* (a) The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps consistent with (1) efficiency and economy in the operation of the program, (2) sound administrative practice, and (3) the socioeconomic, educational, and training needs of the population to be served.

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

(c) Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the contractor's operation of a Job Corps Center, program, or activity shall not be considered as generating gross receipts. Such contractors shall not be liable, di-

rectly or indirectly, to any State or subdivision thereof (nor to any person acting on behalf thereof) 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 a Job Corps Center, program, or activity. Such contractors shall not be liable to any State or subdivision thereof to collect or pay any sales, excise, use, or similar tax imposed upon the sale to or use by such contractors of any property, service, or other item in connection with the operation of a Job Corps Center, program, or activity.

(d) The Secretary shall provide all Job Corps contractors with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

GENERAL PROVISIONS

SEC. [438.] *20.* The Secretary is authorized to—

(1) disseminate, with regard to the provisions of section 3204 of title 39, United States Code, data and information in such forms as the Secretary shall deem appropriate, to public agencies, private organizations, and the general public;

(2) collect or compromise all obligations to or held by the Secretary and all legal or equitable rights accruing to the Secretary in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and

(3) expend funds made available for purposes of this [part] *Act*—

(A) for printing and binding, in accordance with applicable law and regulation; and

(B) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Secretary, except that the Secretary shall not utilize the authority contained in this subparagraph—

(i) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this [part] *Act*, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form or under the conditions in which it is needed; and

(ii) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of the Secretary's intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority.

DONATIONS

SEC. [439.] *21.* The Secretary is authorized to accept on behalf of the Job Corps or individual Job Corps centers charitable dona-

tions of cash or other assistance, including but not limited to, equipment and materials, if such donations are available for appropriate use for the purposes set forth in this [part] *Act*.

[PART C—VETERANS' EMPLOYMENT PROGRAMS]

[PROGRAMS AUTHORIZED] *VETERANS' EMPLOYMENT PROGRAMS*

SEC. [441.] *22.* (a)(1) The Secretary shall conduct, directly or through grant or contract, programs to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated from military service.

(2) Programs supported under this [part] *Act* may be conducted through public agencies and private nonprofit organizations, including recipients under other provisions of this Act that the Secretary determines have an understanding of the unemployment problems of such veterans, familiarity with the area to be served, and the capability to administer effectively a program of employment and training assistance for such veterans.

(3) Programs supported under this [part] *Act* shall include, but not be limited to—

(A) activities to enhance services provided veterans by other providers of employment and training services funded by Federal, State, or local government;

(B) activities to provide employment and training services to such veterans not adequately provided by other public employment and training service providers; and

(C) outreach and public information activities to develop and promote maximum job and job training opportunities for such veterans and to inform such veterans about employment, job-training, on-the-job training and educational opportunities under this Act, under title 38, United States Code, and under other provisions of law.

(b)(1) The Secretary shall administer programs supported under this [part] *Act* through the Assistant Secretary for Veterans' Employment.

(2) In carrying out responsibilities under this [part] *Act*, the Assistant Secretary for Veterans' Employment shall—

(A) be responsible for the awarding of grants and the distribution of funds under this [part] *Act* and for the establishment of appropriate fiscal controls, accountability, and program-performance standards for grant recipients under this [part] *Act*; and

(B) consult with the Secretary of Veterans Affairs and take steps to ensure that programs supported under this [part] *Act* are coordinated, to the maximum extent feasible, with related programs and activities conducted under title 38, United States Code, including programs and activities conducted under subchapter II of chapter 77 of such title, chapters 31 and 34 of such title, and sections 1712A, 1720A, 3687, and 4103A of such title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 23. There are authorized to be appropriated such sums as are necessary to carry out this Act.

[PART D—NATIONAL ACTIVITIES

[NATIONAL PARTNERSHIP AND SPECIAL TRAINING PROGRAMS

[SEC. 451. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to—

[(1) improve access to employment and training opportunities for individuals with special needs;

[(2) help alleviate skill shortages and enhance the competitiveness of the labor force;

[(3) meet special training needs that are best addressed on a multistate or industry-wide basis; and

[(4) encourage the participation and support of all segments of society to further the purposes of this Act.

[(b) PROGRAM AUTHORIZED.—The Secretary may establish a system of, and award, special grants to eligible entities to carry out programs that are most appropriately administered at the national level.

[(c) PROGRAMS.—Programs that are most appropriately administered at the national level include—

[(1) partnership programs with national organizations with special expertise in developing, organizing, and administering employment and training programs at the national, State, and local levels, such as industry and labor associations, public interest groups, community-based organizations representative of groups that encounter special difficulties in the labor market, and other organizations with special knowledge or capabilities in education and training;

[(2) programs that—

[(A) address industry-wide skill shortages;

[(B) meet training needs that are best addressed on a multistate basis; and

[(C) further the goals of increasing the competitiveness of the United States labor force; and

[(3) programs that require technical expertise available at the national level to serve specialized needs of particular client groups, including at-risk youth, offenders, individuals of limited-English language proficiency, individuals with disabilities, women, immigrants, single parents, substance abusers, displaced homemakers, youth, older individuals, veterans, school dropouts, public assistance recipients, and other individuals who the Secretary determines require special assistance.

[RESEARCH, DEMONSTRATION, AND EVALUATION

[SEC. 452. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to assist the United States in expanding employment opportunities and ensuring access to such opportunities for all who desire such opportunities.

[(b) PROGRAM ESTABLISHED.—

[(1) IN GENERAL.—The Secretary shall establish a comprehensive program of training and employment research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the employment and training problems of the United States.

[(2) STUDIES.—The program established under this section may include studies concerning—

[(A) the development or improvement of Federal, State, local, and privately supported employment and training programs;

[(B) labor market processes and outcomes, including improving workplace literacy;

[(C) policies and programs to reduce unemployment and the relationships of the policies and programs with price stability and other national goals;

[(D) productivity of labor;

[(E) improved means of using projections of labor supply and demand, including occupational and skill requirements and areas of labor shortages at the national and subnational levels;

[(F) methods of improving the wages and employment opportunities of low-skilled, disadvantaged, and dislocated workers, and workers with obsolete skills;

[(G) methods of addressing the needs of at-risk populations, such as youth, homeless individuals and other dependent populations, older individuals, and other groups with multiple barriers to employment;

[(H) methods of developing information on immigration, international trade and competition, technological change, and labor shortages; and

[(I) methods of easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

[(c) PILOT AND DEMONSTRATION PROGRAMS.—

[(1) PROGRAM ESTABLISHED.—

[(A) IN GENERAL.—The Secretary shall establish a program of pilot and demonstration programs for the purpose of developing and improving techniques and demonstrating the effectiveness of specialized methods in addressing employment and training needs. The Secretary may award grants and enter into contracts with entities to carry out the programs.

[(B) PROJECTS.—Such programs may include projects in such areas as—

[(i) school-to-work transition;

[(ii) new methods of imparting literacy skills and basic education;

[(iii) new training techniques (including projects undertaken with the private sector);

[(iv) methods to eliminate artificial barriers to employment;

[(v) approaches that foster participation of groups that encounter special problems in the labor market

(such as displaced homemakers, teen parents, welfare recipients, and older individuals);

[(vi) processes that demonstrate effective methods for alleviating the adverse effects of dislocations and plant closings on workers and their communities; and

[(vii) cooperative ventures among business, industry, labor, trade associations, community-based organizations or nonprofit organizations to develop new and cost-effective approaches to improving work force literacy.

[(2) EVALUATION COMPONENT.—Demonstration programs assisted under this subsection shall include a formal, rigorous evaluation component. Pilot programs assisted under this subsection shall include an appropriate evaluation component.

[(3) SPECIAL RULE.—No demonstration program under this subsection shall be assisted under this section for a period of more than 7 years. No pilot program under this subsection shall be assisted under this section for a period of more than 3 years.

[(d) EVALUATION.—

[(1) PROGRAMS.—

[(A) JOB TRAINING PROGRAMS.—The Secretary shall provide for the continuing evaluation of programs conducted under this Act, including the cost effectiveness of the program in achieving the purposes of this Act.

[(B) OTHER PROGRAMS.—The Secretary may conduct evaluations of other federally funded employment-related activities including programs administered under—

[(i) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

[(ii) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

[(iii) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

[(iv) chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.); and

[(v) the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

[(2) TECHNIQUES.—

[(A) METHODS.—Evaluations conducted under paragraph (1) shall utilize sound statistical methods and techniques of the behavioral and social sciences, including random assignment methodologies if feasible.

[(B) ANALYSIS.—Such evaluations may include cost-benefit analysis of programs, the impact of the programs on community and participants, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by various programs.

[(C) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

[(i) the statutory goals;

[(ii) the performance standards established by the Secretary; and

[(iii) the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and, to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

[CAPACITY BUILDING, INFORMATION, DISSEMINATION, AND REPLICATION ACTIVITIES

[SEC. 453. (a) NATIONAL STRATEGY.—The Secretary shall develop a national strategy for carrying out the activities described in subsection (b)(2) and the replication of programs described in subsection (c), and shall ensure the implementation of the national strategy.

[(b) NETWORK.—

[(1) ESTABLISHMENT.—

[(A) IN GENERAL.—The Secretary shall establish a Capacity Building and Information and Dissemination Network (referred to in this section as the "Network") to enhance the effectiveness of and to strengthen the caliber of services provided through programs authorized under this Act and other Federal, State, and local employment and training programs.

[(B) ADMINISTRATION.—The Secretary shall establish and maintain such Network—

[(i) directly;

[(ii) under an interagency agreement; or

[(iii) through a grant or contract awarded on a competitive basis to a single entity, or to a system of entities coordinated by the Secretary, with appropriate expertise.

[(2) ACTIVITIES.—The Network shall—

[(A) provide, coordinate, and support the development of, appropriate training, technical assistance, staff development, and other activities that will—

[(i) enhance the skills, knowledge, and expertise of the personnel who staff employment and training and other closely related human service systems, including service providers;

[(ii) improve the quality of services provided to individuals served under this Act and other Federal employment and training programs and encourage integrated service delivery under such programs using—

[(I) where cost effective, interactive communication systems and satellite technology; and

[(II) where possible, staff trained in a variety of Federal human resource programs;

[(iii) improve the planning, procurement, and contracting practices pursuant to this Act; and

[(iv) provide broad human services policy and planning training to—

[(I) private industry council volunteers; and

[(II) where appropriate, members of State human resource investment councils and other State councils;

[(B) prepare and disseminate staff training curricula and materials, primarily using computer-based technologies, for employment and training professionals and support staff, that focus on enhancing staff competencies and professionalism, including instruction on the administrative requirements of this Act, such as procurement and contracting standards and regulations; and

[(C)(i) identify, develop, disseminate, and provide training in the techniques learned from, innovative and successful program models, materials, methods, and information, by using computer-based technologies for organizing a data base and dissemination and communication system for the Network, and establishing a computer-based communications and dissemination methodology to share information among employment and training personnel and institutions; and

[(ii) in identifying such program models, ensure that consideration shall be given to—

[(I) the size and scope of the program;

[(II) the length of time that the program has been operating;

[(III) the nature and reliability of measurable outcomes for the program;

[(IV) the capacity of the sponsoring organization to provide the technical assistance necessary for States and service delivery areas to replicate the program; and

[(V) the likelihood that the program will be successful in diverse economic, geographic, and cultural environments.

[(3) CHARGES.—The Network may require cost-sharing to offset the actual costs of institute training, materials acquisition, or information dissemination. Any resulting income shall be used in accordance with section 141(m).

[(4) COORDINATION.—

[(A) IN GENERAL.—The Secretary shall consult with the Secretaries of Education and Health and Human Services, as appropriate, to coordinate the activities of the Network with other relevant institutes, centers, laboratories, clearinghouses, or dissemination networks, such as the National Diffusion Network.

[(B) COORDINATION WITH REPLICATION GRANT PROGRAM.—To the extent possible, the Network shall coordinate the activities of the Network with activities assisted under the replication grant program conducted under subsection (c).

[(c) REPLICATION.—

[(1) REPLICATION PROGRAM AUTHORIZED.—The Secretary shall make competitive grants to public or private nonprofit organizations for technical assistance, and to States and service delivery areas for planning and program development, to promote the replication of employment and training programs that are successful in improving the employment prospects of populations served under this Act and that are replicable on a large scale. In making such grants, the Secretary shall consider the recommendations described in paragraph (2)(B) of the review panel established under paragraph (2)(A) regarding such programs.

[(2) REVIEW PANEL.—

[(A) ESTABLISHMENT.—The Secretary shall establish a review panel comprised of not more than 6 individuals appointed by the Secretary who are recognized experts in the operation and evaluation of employment and training programs for economically disadvantaged youth and adults, and dislocated workers.

[(B) RECOMMENDATIONS.—The review panel shall make recommendations to the Secretary regarding model programs that the panel considers likely to be successful in improving such employment prospects of populations served under this Act and to be replicable on a large scale.

[(C) CONSIDERATIONS.—In recommending such programs the review panel shall use the considerations described in subsection (b)(2)(C)(ii).

[(D) MEETINGS.—The review panel shall meet not more than once each year to carry out the responsibilities described in this paragraph.

[(E) CONFLICT OF INTEREST.—No member of such panel shall have a direct financial interest in or affiliation with a potential recipient of funds under the program authorized by this section.

[(3) APPLICATIONS.—

[(A) NONPROFIT ORGANIZATION.—Any public or private nonprofit organization desiring to receive such a grant to provide the technical assistance necessary for program replication may submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

[(B) STATE; SERVICE DELIVERY AREA.—Any State or service delivery area desiring to receive such a grant for planning and program development associated with a replication effort shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

[(C) CONTENTS.—Each application described in subparagraph (A) or (B) shall contain—

[(i) a description of the program proposed for replication and available evidence of the success of the program in improving the employment prospects of economically disadvantaged youth and adults, and dis-

located workers, within each such service delivery area; and

[(ii) in the case of applications described in subparagraph (A), an assurance that the organization will enter into an agreement with the service delivery areas in which the program is to be replicated, to participate in the replication program.

[(4) GRANT LIMITATIONS.—

[(A) LIMITATION.—In any 3-year period the Secretary shall not approve grants for the same replication activities in more than 10 States or communities. During such 3-year period, the results of such limited replication efforts shall be carefully evaluated and examined by the Secretary regarding the advisability of replicating the model program in more than 10 States or communities or for longer than 3 years.

[(B) WAIVER.—The Secretary may waive the limitation set forth in subparagraph (A) for a program if immediate replication efforts on a larger scale are warranted by extensive evaluation of the program prior to designation as a model program under this subsection.

[(5) COORDINATION.—To the extent possible, the Secretary shall coordinate the activities assisted under the replication grant program conducted under this subsection with the activities of the Network under subsection (b). The Secretary shall ensure that information on the programs replicated under this subsection shall be available through the Network.

[(d) MANAGEMENT CAPABILITY.—

[(1) GRANTS.—From the amounts reserved under section 3(c)(2)(B)(ii)(III) for each fiscal year to carry out this subsection, the Secretary may award grants to States for the purpose of assisting the States in carrying out the activities described in section 202(c)(1)(A).

[(2) ELIGIBILITY.—A State that receives an amount under section 202(c)(1)(A) for a fiscal year that is less than $500,000 shall be eligible to receive a grant under this subsection for the fiscal year.

[(3) AMOUNT OF GRANT.—The amount of a grant awarded to a State for a fiscal year under paragraph (1) shall not exceed the lesser of—

[(A) $100,000; or

[(B) the difference obtained by subtracting from $500,000 the amount received by the State for the fiscal year under section 202(c)(1)(A).

[(4) AWARD OF GRANTS.—In determining whether to award a grant to a State under paragraph (1), and in determining the amount of such a grant, the Secretary shall take into account the demonstrated need of the State to receive such a grant, as indicated by—

[(A) the number of service delivery areas in the State; and

[(B) the demonstrated insufficiency of resources of the State to administer State responsibilities under sections 121 and 122.

[(5) APPLICATION.—To be eligible to receive a grant under this subsection for a fiscal year, a State shall submit an application at such time, in such manner, and containing such information as the Secretary may require, including sufficient information to enable the Secretary to make the determinations described in paragraph (4).

[(6) USE OF FUNDS.—The Secretary shall make available to carry out subsections (b) and (c) any amounts reserved under section 3(c)(2)(B)(ii)(III) for a fiscal year and not expended to make grants under paragraph (1) for such year.

[GUIDANCE ON ELIGIBILITY VERIFICATION

[SEC. 454. (a) ESTABLISHMENT.—The Secretary shall provide guidance and technical assistance, to States and service delivery areas, relating to the documentation required to verify the eligibility of participants under parts A, B, and C of title II of this Act, particularly the hard-to-serve individuals specified in section 203(b) and subsections (b) and (d) of section 263. Such documentation shall, to the extent practicable, be uniform and standard.

[(b) GUIDANCE.—The guidance provided pursuant to subsection (a), while maintaining program integrity, shall—

[(1) limit the documentation burden to the minimum necessary to adequately verify such eligibility; and

[(2) ensure, to the extent practicable, that the documentation requirements shall not discourage the participation of eligible individuals.

[(c) CONTENTS.—The guidance provided pursuant to subsection (a) shall specifically address income eligibility, assessment, the determination regarding whether an individual is a hard-to-serve individual, and specific uniform or standardized documentation forms or procedures (including simplified standardized forms, automated intake procedures, and self-certification documents) and other documentation proxies (such as JOBS and Job Corps eligibility forms).

[(d) DATE.—The Secretary shall provide the guidance described in subsection (a) not later than December 18, 1992.

[UNIFORM REPORTING REQUIREMENTS

[SEC. 455. (a) FINDING.—Congress finds that closer coordination and more effective use of resources among a variety of employment and training programs can be facilitated if the programs have common data elements and definitions.

[(b) DATA ELEMENTS.—The Secretaries of Labor, Education, and Health and Human Services, in consultation with other appropriate departments and with the National Occupational Information Coordinating Committee, shall identify a core set of consistently defined data elements for employment and training programs, including those funded under titles II, III, and IV of this Act, the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), the JOBS program, and title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

[(c) REPORT.—The Secretary shall prepare and submit to Congress not later than January 1, 1994, a report listing recommended

data elements and their definitions, and containing an analysis of the benefits of the adoption of the data elements and definitions.

[(d) CONSULTATION.—The Secretary shall consult with experts and practitioners, at the Federal, State, and local levels and in the various program areas, in fulfilling the requirements of this section. The Secretary shall also consult with the General Accounting Office in fulfilling the requirements of this section.

[NONTRADITIONAL EMPLOYMENT DEMONSTRATION PROGRAM

[SEC. 456. (a)(1) From funds available under this part for each of the fiscal years 1992, 1993, 1994, and 1995, the Secretary shall use $1,500,000 in each such fiscal year to make grants to States to develop demonstration and exemplary programs to train and place women in nontraditional employment.

[(2) The Secretary may award no more than 6 grants in each fiscal year.

[(b) In awarding grants pursuant to subsection (a), the Secretary shall consider—

[(1) the level of coordination between the Job Training Partnership Act and other resources available for training women in nontraditional employment;

[(2) the extent of private sector involvement in the development and implementation of training programs under the Job Training Partnership Act;

[(3) the extent to which the initiatives proposed by a State supplement or build upon existing efforts in a State to train and place women in nontraditional employment;

[(4) whether the proposed grant amount is sufficient to accomplish measurable goals;

[(5) the extent to which a State is prepared to disseminate information on its demonstration training programs; and

[(6) the extent to which a State is prepared to produce materials that allow for replication of such State's demonstration training programs.

[(c)(1) Each State receiving financial assistance pursuant to this section may use such funds to—

[(A) award grants to service providers in the State to train and otherwise prepare women for nontraditional employment;

[(B) award grants to service delivery areas that plan and demonstrate the ability to train, place, and retain women in nontraditional employment; and

[(C) award grants to service delivery areas on the basis of exceptional performance in training, placing, and retaining women in nontraditional employment.

[(2) Each State receiving financial assistance pursuant to subsection (c)(1)(A) may only award grants to—

[(A) community based organizations,

[(B) educational institutions, or

[(C) other service providers,

that have demonstrated success in occupational skills training.

[(3) Each State receiving financial assistance under this section shall ensure, to the extent possible, that grants are awarded for training, placing, and retaining women in growth occupations with increased wage potential.

[(4) Each State receiving financial assistance pursuant to subsection (c)(1)(B) or (c)(1)(C) may only award grants to service delivery areas that have demonstrated ability or exceptional performance in training, placing, and retaining women in nontraditional employment that is not attributable or related to the activities of any service provider awarded funds under subsection (c)(1)(A).

[(d) In any fiscal year in which a State receives a grant pursuant to this section such State may retain an amount not to exceed 10 percent of such grant to—

[(1) pay administrative costs,

[(2) facilitate the coordination of statewide approaches to training and placing women in nontraditional employment, or

[(3) provide technical assistance to service providers.

[(e) The Secretary shall provide for evaluation of the demonstration programs carried out pursuant to this section, including evaluation of the demonstration programs' effectiveness in—

[(1) preparing women for nontraditional employment, and

[(2) developing and replicating approaches to train and place women in nontraditional employment.

[PART E—LABOR MARKET INFORMATION

[LABOR MARKET INFORMATION; AVAILABILITY OF FUNDS

[SEC. 461. (a) The Secretary shall set aside, out of sums available to the Department for any fiscal year including sums available for this title, such sums as may be necessary to maintain a comprehensive system of labor market information on a national, regional, State, local, or other appropriate basis, which shall be made publicly available in a timely fashion.

[(b) Funds available for purposes of this part shall also be available for purposes of section 125 (relating to State labor market information).

[(c) Notwithstanding any other provision of law, funds available to other Federal agencies for carrying out chapter 35 of title 44, United States Code, the Carl D. Perkins Vocational Education Act, and the Act of June 6, 1933 (popularly known as the Wagner-Peyser Act), may be made available by the head of each such agency to assist in carrying out the provisions of this part.

[COOPERATIVE LABOR MARKET INFORMATION PROGRAM

[SEC. 462. (a) The Secretary shall develop and maintain for the Nation, State, and local areas, current employment data by occupation and industry, based on the occupational employment statistics program, including selected sample surveys, and projections by the Bureau of Labor Statistics of employment and openings by occupation.

[(b) The Secretary shall maintain descriptions of job duties, training and education requirements, working conditions, and characteristics of occupations.

[(c) In carrying out the provisions of this section, the Secretary shall assure that—

[(1) departmental data collecting and processing systems are consolidated to eliminate overlap and duplication;

[(2) the criteria of chapter 35 of title 44, United States Code, are met; and

[(3) standards of statistical reliability and national standardized definitions of employment, unemployment, and industrial and occupational definitions are used.

[(d)(1) The Secretary is authorized to develop data for an annual statistical measure of labor market related economic hardship in the Nation. Among the factors to be considered in developing such a measure are unemployment, labor force participation, involuntary part-time employment, and full-time employment at wages less than the poverty level.

[(2) The Secretary is authorized to develop and maintain, on national, State, local, and other appropriate bases, household budget data at different levels of living, including a level of adequacy, to reflect the differences of household living costs in regions and localities, both urban and rural.

[(3) The Secretary shall publish, at least annually, a report relating labor force status to earnings and income.

[(e) The Secretary shall develop and maintain statistical data relating to permanent lay-offs and plant closings. The Secretary shall publish a report based upon such data, as soon as practicable, after the end of each calendar year. Among the data to be included are—

[(1) the number of such closings;

[(2) the number of workers displaced;

[(3) the location of the affected facilities; and

[(4) the types of industries involved.

[(f)(1) The Secretary shall develop, in coordination with the Secretary of Agriculture, statistical data relating to permanent dislocation of farmers and ranchers due to farm and ranch failures. Among the data to be included are—

[(A) the number of such farm and ranch failures;

[(B) the number of farmers and ranchers displaced;

[(C) the location of the affected farms and ranches;

[(D) the types of farms and ranches involved; and

[(E) the identification of farm family members, including spouses, and farm workers working the equivalent of a full-time job on the farm who are dislocated by such farm and ranch failures.

[(2) The Secretary shall publish a report based upon such data as soon as practicable after the end of each calendar year. Such report shall include a comparison of data contained therein with data currently used by the Bureau of Labor Statistics in determining the Nation's annual employment and unemployment rates and an analysis of whether farmers and ranchers are being adequately counted in such employment statistics. Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacements of farmers and ranchers, not only on the individual farmer or rancher, but on the surrounding community.

[(g)(1) Taking into consideration research previously conducted by the National Commission for Employment Policy and other entities, the Commissioner of Labor Statistics, in cooperation with the States, shall determine appropriate procedures for establishing a nationwide database containing information on the quarterly earnings, establishment and industry affiliation, and geographic loca-

tion of employment, for all individuals for whom such information is collected by the States.

[(2) The Commissioner of Labor Statistics shall determine appropriate procedures for maintaining such information in a longitudinal manner and for making such information available for policy research or program evaluation purposes or both, while ensuring the confidentiality of information and the privacy of individuals.

[(3) The Secretary shall prepare and submit to the Congress, not later than 12 months after the date of enactment of the Job Training Reform Amendments of 1992, a report that shall describe the costs and benefits, including savings on program followup surveys, of a nationwide database containing the information described in paragraph (1) and a schedule that would allow for the establishment of such a database.

[SPECIAL FEDERAL RESPONSIBILITIES

[SEC. 463. (a) The Secretary, in cooperation with the Secretary of Commerce, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Education, the Secretary of Health and Human Services, and the Director of the Office of Management and Budget, through the National Occupational Information Coordinating Committee established under section 422 of the Carl D. Perkins Vocational Education Act, shall—

[(1) review the need for and the application of all operating national data collection and processing systems related to labor market information in order to identify gaps, overlap, and duplications, and integrate at the national level currently available data sources in order to improve the management of information systems;

[(2) maintain, assure timely review, and implement national standardized definitions with respect to terms, geographic areas, timing of collection, and coding measures related to labor market information, to the maximum extent feasible; and

[(3) provide technical assistance to the States in the development, maintenance, and utilization of labor market/occupational supply and demand information systems and projections of supply and demand as described in section 125, with special emphasis on assistance in the utilization of cost-efficient automated systems and improving access of individuals to career opportunities information in local and State labor markets.

[(b) The Secretary, in cooperation with the Secretary of Defense, shall assure the development of an integrated occupational supply and demand information system to be used by States and, in particular, in secondary and postsecondary educational institutions in order to assure young persons adequate information on career opportunities in the Armed Forces.

[(c) The Secretary and the Director of the Office of Management and Budget shall assure that, from the funds reserved for this part, sufficient funds are available to provide staff at the Federal level to assure the coordination functions described in this section.

[NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

[SEC. 464. (a)(1) Of the amounts available for this part for each fiscal year, $6,000,000 is authorized to be reserved for the National

Occupational Information Coordinating Committee (established pursuant to section 422 of the Carl D. Perkins Vocational Education Act).

[(2) In addition to the members required by such Act, the Committee shall include the Assistant Secretary of Commerce for Economic Development and the Assistant Secretary of Defense Force Management and Personnel.

[(3) Not less than 75 percent of the funds transferred by the Secretary to the National Occupational Information Coordinating Committee shall be used to support State occupational information coordinating committees and other organizational units designated under section 125 for carrying out State labor market information programs.

[(b) In addition to its responsibilities under the Carl D. Perkins Vocational Education Act, the National Occupational Information Coordinating Committee shall—

[(1) carry out the provisions of section 463;

[(2) give special attention to the career development and labor market information needs of youth and adults, including activities such as (A) assisting and encouraging States to adopt methods of translating national occupational outlook information into State and local terms; (B) assisting and encouraging the development of State occupational information systems, including career information delivery systems and the provision of technical assistance for programs of on-line computer systems and other facilities to provide career information at sites such as local schools, public employment service offices, and job training programs authorized under this Act; (C) in cooperation with educational agencies and institutions, encouraging programs providing career information, counseling, and employment services for postsecondary youth; and (D) in cooperation with State and local correctional agencies, encouraging programs of counseling and employment services for youth and adults in correctional institutions;

[(3) provide training and technical assistance, and continuing support to State occupational information coordinating committees, in the development, maintenance, and use of occupational supply and demand information systems, with special emphasis on the use of cost efficient automated systems for delivering occupational information to planners and administrators of education and training programs and on improving the access of such planners and administrators to occupational information systems;

[(4) publish at least annually a report on the status of occupational information capabilities at the State and national levels, which may include recommendations for improvement of occupational information production and dissemination capabilities;

[(5) conduct research and demonstration projects designed to improve any aspect of occupational and career information systems and coordination and compatibility of human resources data systems operated by Federal agencies or the States, including systems to assist economic development activities and,

where appropriate, provide support to States in the implementation of such system improvements;

[(6) provide technical assistance for programs designed to encourage public and private employers to list all available job opportunities with occupational information and career counseling programs conducted by administrative entities and with local public employment service offices and to encourage cooperation and contact among such employers and such administrative entities and public employment service offices; and

[(7) provide assistance to units of general local government and private industry councils to familiarize them with labor market information resources available to meet their needs.

[(c) All funds available to the National Occupational Information Coordinating Committee under this Act, under section 422 of the Carl D. Perkins Vocational Education Act, and under section 12 of the Career Education Act may be used by the Committee to carry out any of its functions and responsibilities authorized by law.

[JOB BANK PROGRAM

[SEC. 465. The Secretary is authorized to establish and carry out a nationwide computerized job bank and matching program (including the listing of all suitable employment openings with local offices of the State employment service agencies by Federal contractors and subcontractors and providing for the affirmative action as required by section 2012(a) of title 38, United States Code, on a regional, State, and local basis, using electronic data processing and telecommunications systems to the maximum extent possible for the purpose of identifying sources of available individuals and job vacancies, providing an expeditious means of matching the qualifications of unemployed, underemployed, and economically disadvantaged individuals with employer requirements and job opportunities, and referring and placing such individuals in jobs. An occupational information file may be developed, containing occupational projections of the numbers and types of jobs on regional, State, local, and other appropriate bases, as well as labor supply information by occupation.

[PART F—NATIONAL COMMISSION FOR EMPLOYMENT POLICY

[STATEMENT OF PURPOSE

[SEC. 471. The purpose of this part is to establish a National Commission for Employment Policy which shall have the responsibility for examining broad issues of development, coordination, and administration of employment and training programs, and for advising the President and the Congress on national employment and training issues. For the purpose of providing funds for the Commission, the Secretary shall reserve $2,000,000 of the sums appropriated for this title for each fiscal year.

[COMMISSION ESTABLISHED

[SEC. 472. (a) There is established a National Commission for Employment Policy (hereinafter in this part referred to as the "Commission"). The Commission shall be composed of 15 members, appointed by the President. The members of the Commission shall

be individuals who are nationally prominent and the Commission shall be broadly representative of agriculture, business, labor, commerce, education (including elementary, secondary, postsecondary, and vocational and technical education), veterans, current State and local elected officials, community-based organizations, assistance programs, and members of the general public with expertise in human resource development or employment and training policy. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups.

[(b) The term of office of each member of the Commission appointed by the President under subsection (a) shall be three years, except that—

[(1) any such member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and

[(2) of such members first taking office—

[(A) five shall serve for terms of one year;

[(B) five shall serve for terms of two years; and

[(C) five shall serve for terms of three years;

as designated by the President at the time of appointment.

[(c)(1) The Chairman shall be selected by the President.

[(2) The Commission shall meet not fewer than three times each year at the call of the Chairman.

[(3) A majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings. Any recommendation may be passed only by a majority of the members present. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

[(d) The Chairman (with the concurrence of the Commission) shall appoint a Director, who shall be chief executive officer of the Commission and shall perform such duties as are prescribed by the Chairman.

[FUNCTIONS OF THE COMMISSION

[SEC. 473. The Commission shall—

[(1) identify the employment goals and needs of the Nation, and assess the extent to which employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity programs, public assistance policies, employment-related tax policies, labor exchange policies, and other policies and programs under this Act and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs and achieving such goals;

[(2) develop and make appropriate recommendations designed to meet the needs and goals described in clause (1);

[(3) examine and evaluate the effectiveness of federally assisted employment and training programs (including programs assisted under this Act), with particular reference to the contributions of such programs to the achievement of objectives sought by the recommendations made under clause (2);

[(4) advise the Secretary on the development of national performance standards and the parameters of variations of such standards for programs conducted pursuant to this Act;

[(5) evaluate the impact of tax policies on employment and training opportunities;

[(6) examine and evaluate major Federal programs which are intended to, or potentially could, contribute to achieving major objectives of existing employment and training and related legislation or the objectives set forth in the recommendations of the Commission, and particular attention shall be given to the programs which are designed, or could be designed, to develop information and knowledge about employment and training problems through research and demonstration projects or to train personnel in fields (such as occupational counseling, guidance, and placement) which are vital to the success of employment and training programs;

[(7) identify the employment and training and vocational education needs of the Nation and assess the extent to which employment and training, vocational education, rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs.

[(8) study and make recommendations on how, through policies and actions in the public and private sectors, the Nation can attain and maintain full employment, with special emphasis on the employment difficulties faced by the segments of the labor force that experience differentially high rates of unemployment;

[(9) identify and assess the goals and needs of the Nation with respect to economic growth and work improvements, including conditions of employment, organizational effectiveness and efficiency, alternative working arrangements, and technological changes;

[(10) evaluate the effectiveness of training provided with Federal funds in meeting emerging skill needs; and

[(11) study and make recommendations on the use of advanced technology in the management and delivery of services and activities conducted under this Act.

[ADMINISTRATIVE PROVISIONS

[SEC. 474. (a) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

[(1) prescribe such rules and regulations as may be necessary;

[(2) appoint and fix the compensation of such staff personnel as the Chairman deems necessary, and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and the General Schedule pay rates, appoint not to exceed five additional professional personnel;

[(3) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code;

[(4) accept voluntary and uncompensated services of professional personnel, consultants, and experts, notwithstanding any other provision of law;

[(5) accept in the name of the United States and employ or dispose of gifts or bequests to carry out the functions of the Commission under this title;

[(6) enter into contracts and make such other arrangements and modifications, as may be necessary;

[(7) conduct such studies, hearings, research activities, demonstration projects, and other similar activities as the Commission deems necessary to enable the Commission to carry out its functions under this title;

[(8) use the services, personnel, facilities, and information of any department, agency, and instrumentality of the executive branch of the Federal Government and the services, personnel, facilities, and information of State and local public agencies and private research agencies, with the consent of such agencies, with or without reimbursement therefor; and

[(9) make advances, progress, and other payments necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

[(b) Upon request made by the Chairman of the Commission, each department, agency, and instrumentality of the executive branch of the Federal Government is authorized and directed to make its services, personnel, facilities, and information (including computer-time, estimates, and statistics) available to the greatest practicable extent to the Commission in the performance of its functions under this Act.

[REPORTS

[SEC. 475. The Commission shall make at least annually a report of its findings and recommendations to the President and to the Congress. The Commission may make such interim reports or recommendations to the Congress, the President, the Secretary, or to the heads of other Federal departments and agencies, and in such form, as it may deem desirable. The Commission shall include in any report made under this section any minority or dissenting views submitted by any member of the Commission.

[PART G—TRAINING TO FULFILL AFFIRMATIVE ACTION OBLIGATIONS

[AFFIRMATIVE ACTION

[SEC. 481. (a) A contractor subject to the affirmative action obligations of Executive Order 11246, as amended, issued September 24, 1965, may establish or participate in training programs pursuant to this section for individuals meeting the eligibility criteria established in sections 203(a)(1), 401, and 402, which are designed to assist such contractors in meeting the affirmative action obligations of such Executive order. To qualify under this section, such a training program shall contain—

[(1) a description of the jobs in the contractor's work force or in the service delivery area, for which the contractor has determined there is a need for training;

[(2) a description of the recruiting, training, or other functions that the contractor, or the organization that will be engaged to perform the training, will perform and the steps that will be taken to insure that eligible individuals will—

[(A) be selected for participation in training,

[(B) be trained in necessary skills, and

[(C) be referred for job openings,

in accordance with the objectives of such Executive order;

[(3) whenever an organization other than the contractor will perform the training, a description of the demonstrated effectiveness of the organization as a provider of employment and training services;

[(4) a description of how the contractor will monitor the program to keep an accurate accounting of all trainees, including (A) whether the trainees successfully complete the training program, and (B) whether the trainees are or are not placed; and

[(5) an estimation of the cost of the program and an assurance that the contractor will assume all costs of the program or the pro rata share of costs to the contractor of the program.

[(b)(1)(A) If the training proposal is designed to meet the needs of the community rather than, or in addition to, the employment needs of the contractor, and has not been approved by another Federal agency, the program shall be submitted to the private industry council established under section 102 for a determination that there is a need for such training in the community.

[(B) Individuals trained under any program satisfying the requirements of this section may be included by the private industry council in its performance accomplishments and the wage gains of such individuals shall be included in determining the compliance of the job training program of the private industry council with applicable standards.

[(2) The Director of the Office of Federal Contract Compliance Programs, Department of Labor, shall promulgate regulations setting forth how the Office will determine, during a compliance review, the degree to which a training program will satisfy the contractor's affirmative action obligations. The training and placement of trainees with employers other than the contractor may be considered in evaluating such contractor's overall good faith efforts, but in no event may placement of trainees with employers other than the contractor be permitted to affect that contractor's affirmative action obligations respecting its work force. The content of the training program will not be subject to review or regulation by the Office of Federal Contract Compliance Programs. If during a compliance review the Director of the Office of Federal Contract Compliance Programs determines that a training program does not comply with its regulations, the Director shall—

[(A) notify the contractor of the disapproval,

[(B) set forth the reasons for the disapproval, and

[(C) provide a list of recommendations which, if accepted, will qualify the training program under this section.

[(3) A contractor who has a training program which contains the criteria set forth in subsection (a) and which is in accordance with regulations promulgated under paragraph (2) of this subsection

shall continue to meet the affirmative action obligations of Executive Order 11246, as amended, but the contractors required to maintain a written affirmative action program need only maintain an abbreviated affirmative action program, the content and length of which shall be determined by the Director of the Office of Federal Contract Compliance Programs, to satisfy the written affirmative action program portion of their obligations under Executive Order 11246, as amended. Successful performance or operation of a training program meeting the criteria set forth in subsection (a) shall create a presumption that the contractor has made a good faith effort to meet its affirmative action obligations to the degree specified by the Director under paragraph (2) of this subsection, but that presumption shall not be applicable to the satisfaction of other affirmative action obligations not directly related to the training and hiring requirements of this section, or other affirmative action obligations not affected by this section. For the purpose of the preceding sentence, "successful performance or operation" means training and placing in jobs a number of individuals which bears a reasonable relationship to the number of job openings in the contractors's facilities or in the relevant labor market area.

[(c) Nothing in this section may be interpreted—

[(1) to compel contractor involvement in such programs,

[(2) to establish the exclusive criteria by which a contractor can be found to have fulfilled its affirmative action obligations,

[(3) to provide authority for imposing any additional obligations on contractors not participating in such training activities,

[(4) to permit the Office of Federal Contract Compliance Programs to intervene or interfere with the authority and responsibilities of the private industry councils,

[(5) to restrict or limit the authority of the Secretary to investigate the employment practices of any Government contractor, to initiate such investigation by the Director, to determine whether any nondiscrimination contractual provisions have been violated, or to enforce Executive Order 11246, or

[(6) to prohibit the Secretary or the Director, or other authorized officers of the United States, from requesting or compelling any contractor preparing and maintaining a short form affirmative action plan under subsection (b) to provide information necessary to conduct a compliance review or to provide data necessary to determine whether any violation of Executive Order 11246 has occurred.

[PART H—YOUTH FAIR CHANCE PROGRAM

[SEC. 491. STATEMENT OF PURPOSE.

[It is the purpose of the Youth Fair Chance program under this part to—

[(1) ensure access to education and job training assistance for youth residing in high poverty areas of urban and rural communities;

[(2) provide a comprehensive range of education, training, and employment services to disadvantaged youth who are not currently served or are underserved by Federal education and job training programs;

[(3) enable communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within the community; and

[(4) facilitate the coordination of comprehensive services to serve youth in such communities.

[SEC. 492. PROGRAM AUTHORIZED.

[(a) ESTABLISHMENT OF PROGRAM.—The Secretary is authorized to establish a national program of Youth Fair Chance grants to pay the Federal share attributable to this part of providing comprehensive services to youth living in high poverty areas in the cities and rural areas of the Nation.

[(b) ELIGIBILITY FOR GRANTS.—

[(1) RECIPIENTS.—The Secretary may only award grants under this part to—

[(A) the service delivery area (on behalf of the participating community) in which a target area is located;

[(B) in the case of a grant involving a target area located in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; or

[(C) in the case of a grant involving a target area located in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[(2) NUMBER OF GRANTS.—

[(A) IN GENERAL.—The Secretary may award not more than 25 grants during the first fiscal year that the program is authorized.

[(B) INDIAN RESERVATIONS AND ALASKA NATIVE VILLAGES.—In awarding grants under this part during the first 5 fiscal years that the program is assisted, the Secretary shall award—

[(i) at least 1 grant to a grantee or consortium described in paragraph (1)(B); and

[(ii) at least 1 grant to a grantee or consortium described in paragraph (1)(C).

[(c) RENEWABILITY OF GRANTS.—

[(1) IN GENERAL.—Grants awarded under this part shall be for a 1-year period. Such a grant shall be renewable for each of the 2 succeeding fiscal years if the Secretary determines the grant recipient complied with conditions of the grant during the previous fiscal year.

[(2) EXTENSION.—The Secretary may extend the renewal period set forth in paragraph (1) for an additional 2 fiscal years on reapplication.

[(d) FACTORS FOR AWARDS.—In awarding grants under this part, the Secretary shall consider the quality of the proposed project, the goals to be achieved, the likelihood of successful implementation, the extent of community support, other Federal and non-Federal funds available for similar purposes, and additional State, local, or private resources that will be provided. The Secretary shall give priority to participating communities with the highest poverty rates.

[SEC. 493. APPLICATION.

[(a) ELIGIBILITY TO APPLY.—Participating communities that have the highest concentrations of poverty, as determined by the Secretary based on the latest Bureau of the Census estimates, shall be eligible to apply for a Youth Fair Chance grant.

[(b) CONTENTS OF APPLICATION.—

[(1) IN GENERAL.—Each participating community desiring a grant under this part shall, through the individuals set forth in subsection (c), submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

[(2) CONTENTS.—Each such application shall—

[(A) include a comprehensive plan for the Youth Fair Chance initiative designed to achieve identifiable goals for youth in the target area;

[(B) set forth measurable program goals and outcomes, which may include increasing the proportion of—

[(i) youth completing high school or its equivalent;

[(ii) youth entering into postsecondary institutions, apprenticeships, or other advanced training programs;

[(iii) youth placed in jobs; or

[(iv) youth participating in education, training, and employment services;

[(C) include supporting goals for the target area such as increasing security and safety, or reducing the number of drug-related arrests;

[(D) provide assurances that the applicant will comply with the terms of the agreement described in section 494;

[(E) demonstrate how the participating community will make use of the resources, expertise, and commitment of institutions of higher education, educational agencies, and vocational and technical schools and institutes;

[(F) provide an assurance that all youth in the target areas will have access to a coordinated and comprehensive range of education and training opportunities that serve the broadest range of youth interests and needs and simultaneously mobilizes the diverse range of education and training providers in the participating community;

[(G) provide assurances that the youth in the target area will have access to supportive services necessary for successful participation, including such services as child care, transportation, and assistance in resolving personal or family crises, such as crises related to substance abuse, homelessness, migration, and family violence;

[(H) include a description of a system of common intake procedures or sites, individualized assessment, and case management to be used by the program;

[(I) demonstrate how the participating community will make use of the resources, expertise, and commitment of such programs and service providers as—

[(i) community-based organizations providing vocational skills, literacy skills, remedial education, and general equivalency preparation, including commu-

nity-based organizations serving youth with limited-English proficiency;

[(ii) youth corps programs, including youth conservation and human service corps;

[(iii) Job Corps centers;

[(iv) apprenticeship programs; and

[(v) other projects and programs funded under this Act;

[(J) include an estimate of the expected number of youth in the target area to be served;

[(K) include a description of the resources available in the participating community from private, local government, State, and Federal sources that will be used to achieve the goals of the program;

[(L) include an estimate of funds required to ensure access to appropriate education, training, and support services for all youth in the target area who seek such opportunities; and

[(M) provide evidence of support for accomplishing the stated goals of the participating community from—

[(i) local elected officials;

[(ii) the local school system;

[(iii) appropriate postsecondary education and training institutions;

[(iv) the applicable private industry council;

[(v) local community leaders;

[(vi) business;

[(vii) labor organizations; and

[(viii) other appropriate organizations.

[(c) SUBMISSION OF APPLICATION.—The application for funds described in subsection (b) may only be submitted to the Secretary on behalf of a participating community by—

[(1) the mayor of a city or the chief elected official in a metropolitan statistical area, after the Governor of the State has had an opportunity to comment on the application;

[(2) the chief elected official of a nonmetropolitan county or the designated chief elected official of contiguous nonmetropolitan counties, after the Governor of the State has had an opportunity to comment on the application; or

[(3) a grantee or consortium described in subparagraph (B) or (C) of section 492(b)(1) in applications for Native American or migrant or seasonal farmworker communities, respectively.

[SEC. 494. GRANT AGREEMENT.

[(a) IN GENERAL.—Each grant recipient receiving a grant under this part on behalf of a participating community shall enter into an agreement with the Secretary.

[(b) CONTENTS.—Each such agreement shall—

[(1) designate a target area that—

[(A) will be the focus of the demonstration project; and

[(B) shall have a population of—

[(i) not more than 25,000; or

[(ii) in an appropriate case, not more than 50,000, except that in the event that the population of an area from which a high school draws a substantial portion of its

enrollment exceeds either limit, the target area may encompass such boundary;

[(2) contain assurances that funds provided under this part will be used to support education, training, and supportive activities selected from a set of youth program models designated by the Secretary or from alternative models described in the application and approved by the Secretary, such as—

[(A) nonresidential learning centers;

[(B) alternative schools;

[(C) combined activities including summer remediation, work experience and work readiness training, and school-to-work, apprenticeship, or postsecondary education programs;

[(D) teen parent programs;

[(E) special programs administered by community colleges;

[(F) youth centers;

[(G) initiatives aimed at increased rural student enrollment in postsecondary institutions;

[(H) public-private collaborations to assure private sector employment and continued learning opportunities for youth; and

[(I) initiatives, such as youth corps programs, that combine community and youth service opportunities with education and training activities;

[(3) provide that funds received under this part will be used for services to youth ages 14 through 30 at the time of enrollment;

[(4) contain assurances that the local educational agency and any other educational agency that operates secondary schools in the target area shall provide such activities and resources as are necessary to achieve the educational goals specified in the application;

[(5) contain assurances that the participating community will provide such activities and local resources as are necessary to achieve the goals specified in the application;

[(6) contain assurances that the participating community will undertake outreach and recruitment efforts in the target area to encourage, to the maximum extent possible, participation by the disadvantaged youth who are currently unserved, or underserved, by education and training programs, including targeted measures specifically designed to enlist the participation of youth, particularly males, under the jurisdiction of the child welfare, juvenile justice, and criminal justice systems;

[(7) provide that the participating community will carry out special efforts to establish coordination with Federal, State, or local programs that serve the target population;

[(8) provide assurances that funds provided under this part for a fiscal year will be used only to pay the Federal share attributable to this part of the cost of programs and services not otherwise available in the target area and will supplement, and not supplant, funding from other local, State, and Federal sources available to youth in the target area during the previous year; and

[(9) permit funds provided under this part to be used to support paid work experience programs if such programs are combined with other education and training activities.

[SEC. 495. JOB GUARANTEES.

[(a) PROGRAM AUTHORITY.—The Secretary shall permit a reasonable number of the grant recipients under this part to enter into an agreement to provide, in accordance with this section, a job guarantee program to youths meeting prior school attendance and performance standards.

[(b) GUARANTEE AGREEMENTS.—A grant recipient providing such a job guarantee program shall enter into an agreement with the Secretary, which agreement shall—

[(1) provide that the program be available to youth age 16 to 19 who undertake a commitment to continue and complete their high school education;

[(2) require the grant recipient to guarantee employment to each youth undertaking the commitment if such youth meets school attendance and performance standards for the previous school semester, as established by the Secretary in consultation with the Secretary of Education;

[(3) provide that the grant recipient will make additional services available to support the undertaking of any such youth, which shall include counseling, job development and placement, and supportive services (including child care and transportation);

[(4) specify the conditions under which funds provided under this part may be used to provide wage subsidies of up to 50 percent through employers, which conditions shall—

[(A) encourage subsidies to employers who provide advanced or specialized training, or who provide a structured and integrated learning experience involving the school and employer; and

[(B) limit the duration of such subsidies to not more than 1 year;

[(5) require that the employment provided to any such youth shall not exceed 15 hours per week during the school year;

[(6) permit employment to continue through the summer following high school graduation, or until the youth reaches age 19, whichever is later; and

[(7) contain such other terms and conditions as the Secretary requires by regulation.

[(c) SELECTION OF GRANT RECIPIENTS.—In determining which grant recipients to permit to enter an agreement under this section, the Secretary shall seek to target funds to areas with the highest poverty rates.

[(d) YOUTH ELIGIBILITY.—All youth, regardless of income, residing in an eligible high poverty area shall be eligible to participate in the job guarantee program.

[(e) PRIVATE FUNDS.—Nothing in this section shall be construed to prohibit the grant recipient from raising funds to augment such grant if such funds are utilized under the conditions of the grant, except that such funds shall not be used for administration.

[SEC. 496. PAYMENTS; FEDERAL SHARE.

[(a) PAYMENTS REQUIRED.—In any fiscal year, the amount of a grant awarded under this part shall be based on the size of the target area and the extent of the poverty in such area, and shall be of sufficient size and scope to carry out an effective program under this part.

[(b) FEDERAL SHARE.—The Federal share attributable to this part of the cost of providing comprehensive services as provided in section 492(a) shall be not less than 70 percent for each fiscal year a grant recipient receives assistance under this Act.

[(c) OTHER FEDERAL SOURCES.—In providing for the remaining share of such cost, each grant recipient may provide not more than 20 percent of such cost from Federal sources other than funds received pursuant to this part.

[(d) NON-FEDERAL SHARE.—A grant recipient shall provide non-Federal funds in an amount not less than 10 percent of such cost, an in-kind contribution equivalent to such percent (as determined by the Secretary), or a combination thereof.

[SEC. 497. REPORTING.

[The Secretary is authorized to establish such reporting procedures as are necessary to carry out the purposes of this part.

[SEC. 498. FEDERAL RESPONSIBILITIES.

[(a) IN GENERAL.—The Secretary shall provide assistance to participating communities in implementing the projects assisted under this part.

[(b) INDEPENDENT EVALUATION.—

[(1) IN GENERAL.—The Secretary shall provide for a thorough, independent evaluation of the Youth Fair Chance program to assess the outcomes of youth participating in programs assisted under this part.

[(2) EVALUATION MEASURES.—In conducting the evaluation described in paragraph (1) the Secretary shall include an assessment of—

[(A) the impact on youth residing in target areas, including the rates of school completion, enrollment in advanced education or training, and employment of the youth;

[(B) the extent to which participating communities fulfilled the goal of guaranteed access to appropriate education, training, and supportive services to all eligible youth residing in target areas who seek to participate;

[(C) the effectiveness of guaranteed access to comprehensive services combined with outreach and recruitment efforts in enlisting the participation of previously unserved or underserved youth residing in target areas;

[(D) the effectiveness of efforts to integrate service delivery in target areas, including systems of common intake, assessment, and case management; and

[(E) the feasibility of extending guaranteed access to comprehensive education, training and support services for youth in all areas of the United States, including possible approaches to incremental extension of such access over time.

[(c) REPORT.—The Secretary shall prepare a report detailing the results of the independent evaluation described in subsection (b) and shall submit such report to the Congress not later than December 31, 1996, along with an analysis of expenditures made, results achieved, and problems in the operations and coordination of programs assisted under this part.

[(d) RESERVATION OF FUNDS.—The Secretary may reserve not more than 5 percent of the amount appropriated under this part in each fiscal year to carry out the provisions of this section.

[SEC. 498A. DEFINITIONS.

[For the purposes of this part—

[(1) PARTICIPATING COMMUNITY.—The term "participating community"—

[(A) in the case of a community conducting a project in an urban area, means a city in a metropolitan statistical area;

[(B) in the case of a community conducting a project in a rural area, means a nonmetropolitan county or contiguous nonmetropolitan counties;

[(C) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; or

[(D) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[(2) HIGH POVERTY AREA.—The term "high poverty area" means an urban census tract, a nonmetropolitan county, a Native American Indian reservation, or an Alaska Native village, with a poverty rate of 30 percent or more, as determined by the Bureau of the Census, or a migrant or seasonal farmworker community.

[(3) TARGET AREA.—The term "target area" means a high poverty area or set of contiguous high poverty areas that will be the focus of the program in each participating community.

[PART I—MICROENTERPRISE GRANTS PROGRAM

[SEC. 499. MICROENTERPRISE GRANTS.

[(a) PROGRAM AUTHORITY.—From the amount appropriated to carry out this section for fiscal years 1993 through 1997, the Secretary of Labor shall make grants of not more than $500,000 per year to not more than 10 States per year to implement and enhance community-based microenterprise activities. Such grants shall be an amount adequate to ensure that the activities will be of sufficient size and scope to produce substantial benefits. Such activities shall be for the benefit of economically disadvantaged persons.

[(b) USE OF FUNDS.—Such funds shall be used, notwithstanding section 141(q)—

[(1) to train program staff in such entrepreneurial activities as business plan development, business management, resource inventory design, and marketing approaches, and other activi-

ties necessary to provide effective entry level training to persons developing a microenterprise;

[(2) to provide to owners or potential owners of a microenterprise such technical assistance (including technical assistance with respect to business planning, securing funding, marketing, and production of marketing materials) and other assistance as may be necessary to develop microenterprise activities; and

[(3) to provide microenterprise support (such as peer support programs and counseling).

[(c) APPLICATION AND SELECTION.—The Secretary shall award grants competitively under this section on the basis of—

[(1) the State commitment, as evidenced by existing or proposed related programs and support;

[(2) evidence of ability to conduct and monitor the microenterprise activities;

[(3) evidence of linkage to private, community-based credit and technical assistance providers; and

[(4) size of the non-Federal match.

[(d) TIMING.—Not later than April 1 of any fiscal year, a State may submit to the Secretary an application. Not later than the following June 1, the Secretary shall approve not more than 10 of the applications. Not later than the following July 1, the Secretary shall authorize the applicant to begin the programs. The Secretary may consider making multiyear grants.

[(e) MATCHING REQUIREMENT.—

[(1) IN GENERAL.—No State shall receive a grant under this section unless the State agrees to provide, to carry out the microenterprise programs, non-Federal contributions in an amount equal to 100 percent of Federal funds provided under such grant.

[(2) DETERMINATION.—The non-Federal contribution may be in cash or in-kind, fairly evaluated, including plant, equipment, or services.

[(f) REPORTS.—Each State receiving a grant under this section shall, for each fiscal year for which funds are received, submit to the Secretary a report that describes—

[(1) the programs that have been established and developed with such funds, including a description of the persons participating and the microenterprises developed;

[(2) the quantitative and qualitative benefits of such programs; and

[(3) the contributions of such programs to economic self-sufficiency and economic development.

[(g) DEFINITIONS.—As used in this section:

[(1) MICROENTERPRISE.—The term "microenterprise" means a commercial enterprise if—

[(A) the enterprise has 5 or fewer employees, 1 or more of whom owns the enterprise; and

[(B) each of the owners of the enterprise is economically disadvantaged.

[(2) STATE.—The term "State" includes—

[(A) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee

designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; and

[(B) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[PART J—DISASTER RELIEF EMPLOYMENT ASSISTANCE

[SEC. 499A. GENERAL AUTHORITY.

[(a) QUALIFICATION FOR FUNDS.—Funds appropriated to carry out this part shall be made available in a timely manner by the Secretary to the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Disaster Relief Act of 1974 (42 U.S.C. 5122 (1) and (2)) (referred to in this part as the "disaster area").

[(b) SUBSTATE ALLOCATION.—Not less than 80 percent of the funds made available to any Governor under subsection (a) shall be allocated by the Governor to units of general local government located, in whole or in part, within such disaster areas. The remainder of such funds may be reserved by the Governor for use, in concert with State agencies, in cleanup, rescue, repair, renovation, and rebuilding activities associated with such major disaster.

[(c) COORDINATION.—Funds made available under this part to Governors and units of general local government shall be expended in consultation with—

[(1) agencies administering programs for disaster relief provided under the Disaster Relief Act of 1974; and

[(2) the administrative entity and the private industry council in each service delivery area within which disaster employment programs will be conducted under this part.

[SEC. 499B. USE OF FUNDS.

[(a) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds made available under this part to any unit of general local government in a disaster area—

[(1) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

[(2) may be expended through public and private agencies and organizations engaged in such projects.

[(b) ELIGIBLE PARTICIPANTS.—An individual shall be eligible to be offered disaster employment under this part if such individual is—

[(1)(A) eligible to participate or enroll, or is a participant or enrolled, under title III of this Act, other than an individual who is actively engaged in a training program; or

[(B) eligible to participate in programs or activities assisted under section 401 or 402; and

[(2) unemployed as a consequence of the disaster.

[(c) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

[(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to promote the fiscal integrity of programs conducted with funds made available under this part.

[SEC. 499C. DEFINITIONS.

[As used in this part, the term "unit of general local government" includes—

[(1) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; and

[(2) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[TITLE V—JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM

[SEC. 501. STATEMENT OF PURPOSE.

[It is the purpose of this title to provide incentives to reduce welfare dependency, promote self-sufficiency, increase child support payments, and increase employment and earnings of individuals by providing to each participating State a bonus for providing job training to—

[(1) absent parents of children receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), who subsequent to such training pay child support for their children; and

[(2) blind or disabled individuals receiving supplemental security income under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), who subsequent to such training are successfully placed in and retain employment.

[SEC. 502. PAYMENTS.

[(a) IN GENERAL.—For each program year for which funds are appropriated to carry out this title, the Secretary shall pay to each participating State the amount that State is eligible to receive under this title.

[(b) RATABLE REDUCTIONS.—If the amount so appropriated is not sufficient to pay each State the amount each State is eligible to receive, the Secretary shall ratably reduce the amount paid to each State.

[(c) RATABLE INCREASES.—If any additional amount is made available for carrying out this title for any program year after the application of subsection (b), such additional amount shall be allocated among the States by increasing such payments in the same manner as they were reduced, except that no such State shall be paid an amount that exceeds the amount that the State is eligible to receive under this title.

[(d) REPROGRAMMING.—If the amount appropriated for a program year is in excess of the amount necessary to pay each State the amount each State is eligible to receive, the Secretary shall allot the excess amount to the States for allocation to the service delivery areas in accordance with section 202 to carry out part A of title II.

[SEC. 503. AMOUNT OF INCENTIVE BONUS.

[The amount of the incentive bonus paid to each State shall be the sum of—

[(1) an amount equal to the total of the amounts of child support paid by each individual eligible under section 506(1) within the State, for up to 2 years after the termination of the individual from activities provided under this Act; and

[(2) an amount equal to the total reduction in the Federal contribution to the amounts received under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) by each individual eligible under section 506(2) within the State, for up to 2 years after the termination of the individual from activities provided under this Act.

[SEC. 504. USE OF INCENTIVE BONUS FUNDS.

[(a) IN GENERAL.—

[(1) ALLOCATION.—

[(A) ADMINISTRATIVE COSTS.—During any program year, the Governor may use an amount not to exceed 5 percent of the total bonus payments of a State for administrative costs incurred under this title, including data and information collection and compilation, recordkeeping, or the preparation of applications for incentive bonuses.

[(B) DISTRIBUTION OF PAYMENTS.—The amount of incentive bonus payments that remains after the deduction of administrative costs under subparagraph (A) shall be distributed to service delivery areas and Job Corps centers within the State in accordance with an agreement between the Governor and representatives of such areas and centers. Such agreement shall reflect an equitable method of distribution that is based on the degree to which the efforts of such area or center contributed to the qualification of the State for an incentive bonus payment under this title.

[(2) SPECIAL RULE.—Not more than 10 percent of the amounts received under this title in any program year by each service delivery area and Job Corps center may be used for the administrative costs of establishing and maintaining systems necessary for operation of programs under this title, including the costs of providing incentive payments described in subsection (b), technical assistance, data and information collection and compilation, management information systems, postprogram followup activities, and research and evaluation activities. The balance of funds not so expended shall be used by each service delivery area for activities described in sections 204 and 264, and by each Job Corps center for activities authorized under part B of title IV.

[(b) INCENTIVE PAYMENTS TO SERVICE PROVIDERS.—Each service delivery area or Job Corps center may make incentive payments to service providers, including participating State and local agencies, and community-based organizations, that demonstrate effectiveness in delivering employment and training services to individuals such as those described in section 506.

[(c) APPLICATION OF SECTION RELATING TO ADMINISTRATIVE ADJUDICATIONS.—Section 166 (relating to administrative adjudication) shall apply to the distribution of incentive bonus payments under this section.

[SEC. 505. NOTICE AND APPLICATION.

[(a) NOTICE OF INTENT TO PARTICIPATE.—Any State seeking to participate in the incentive bonus program established under this title shall notify the Secretary of the intent of the State to participate not later than 30 days before the beginning of the first program year of participation.

[(b) APPLICATION.—

[(1) IN GENERAL.—Any State seeking to receive an incentive bonus under this title shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require in order to ensure compliance with this title.

[(2) CONTENTS.—Each such application shall contain, at a minimum—

[(A) a list of the eligible individuals in the State who satisfied the requirements of section 506 during the program year;

[(B) the amount of the incentive bonus attributable to each eligible individual and due the State under section 503; and

[(C) certification that documentation is available to verify the eligibility of participants and the amount of the incentive bonus claimed by the State.

[(c) NOTICE OF APPROVAL OR DENIAL.—The Secretary shall promptly inform a State after receipt of the application as to whether or not the application of the State has been approved.

[SEC. 506. ELIGIBILITY FOR INCENTIVE BONUSES.

[An individual shall be eligible to participate in a program established under this title if—

[(1) the individual—

[(A) was an absent parent of any child receiving aid to families with dependent children under part A of title IV of the Social Security Act at the time such individual was determined to be eligible to participate in activities provided under this Act;

[(B) has participated in education, training or other activities (including the Job Corps) provided under this Act; and

[(C) pays child support for a child specified in subparagraph (A) following termination from activities provided under this Act; or

[(2) the individual—

[(A) is blind or disabled;

[(B) was receiving benefits under title XVI of the Social Security Act (relating to supplemental security income) at the time such individual was determined to be eligible to participate in activities under this Act;

[(C) has participated in education, training, or other activities (including the Job Corps) provided under this Act; and

[(D) earns from employment a wage or income.

[SEC. 507. INFORMATION AND DATA COLLECTION.

[(a) TECHNICAL ASSISTANCE.—In order to facilitate the collection, exchange, and compilation of data and information required by this title, the Secretary is authorized to provide technical assistance to the States. Such assistance may include cost-effective methods for using State and Federal records to which the Secretary has lawful access.

[(b) JOINT REGULATIONS.—

[(1) IN GENERAL.—The Secretary and the Secretary of Health and Human Services shall jointly issue regulations regarding the sharing, among public agencies participating in the programs assisted under this title, of the data and information necessary to fulfill the requirements of this title.

[(2) SUBJECTS.—Such regulations shall ensure—

[(A) the availability of information necessary to verify the eligibility of participants and the amount of the incentive bonus payable; and

[(B) the maintenance of confidentiality of the information so shared in accordance with Federal and State privacy laws.

[SEC. 508. EVALUATION AND REPORT.

[(a) EVALUATION.—

[(1) IN GENERAL.—The Secretary shall conduct or provide for an evaluation of the incentive bonus program assisted under this title.

[(2) CONSIDERATIONS.—The Secretary shall consider—

[(A) whether the program results in increased service under this Act to absent parents of children receiving aid to families with dependent children under part A of title IV of the Social Security Act and to recipients of supplemental security income under title XVI of the Social Security Act;

[(B) whether the program results in increased child support payments;

[(C) whether the program is administratively feasible and cost effective;

[(D) whether the services provided to other eligible participants under part A of title II are affected by the implementation and operation of the incentive bonus program; and

[(E) such other factors as the Secretary determines to be appropriate.

[(b) REPORT TO CONGRESS.—Not later than January 1, 1997, the Secretary shall submit a report to the appropriate committees of the Congress on the effectiveness of the incentive bonus program

assisted under this title. Such report shall include an analysis of the costs of such program and the results of program activities.

[SEC. 509. IMPLEMENTING REGULATIONS.

[The Secretary shall promulgate regulations implementing this title not later than January 31, 1993.

[TITLE VI—MISCELLANEOUS PROVISIONS

[AMENDMENTS TO THE WAGNER-PEYSER ACT

[SEC. 601. (a) The Act of June 6, 1933, known as the Wagner-Peyser Act (29 U.S.C. 49 et seq.), is amended by striking out all that precedes section 4 of such Act and inserting in lieu thereof the following:

["SECTION 1. In order to promote the establishment and maintenance of a national system of public employment offices, the United States Employment Service shall be established and maintained within the Department of Labor.

["SEC. 2. For purposes of this Act—

["(1) the term 'chief elected official or officials' has the same meaning given that term under the Job Training Partnership Act;

["(2) the term 'private industry council' has the same meaning given that term under the Job Training Partnership Act;

["(3) the term 'Secretary' means the Secretary of Labor;

["(4) the term 'service delivery area' has the same meaning given that term under the Job Training Partnership Act; and

["(5) the term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

["SEC. 3. (a) The United States Employment Service shall assist in coordinating the State public employment services throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the States.

["(b) It shall be the duty of the Secretary of Labor to assure that unemployment insurance and employment service offices in each State, as appropriate, upon request of a public agency administering or supervising the administration of a State plan approved under part A of title IV of the Social Security Act or of a public agency charged with any duty or responsibility under any program or activity authorized or required under part D of title IV of such Act, shall (and, notwithstanding any other provision of law, is authorized to) furnish to such agency making the request, from any data contained in the files of any such office, information with respect to any individual specified in the request as to (1) whether such individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received by such individual, (2) the current (or most recent) home address of such individual, and (3) whether such individual has refused an offer of employment and, if so, a descrip-

tion of the employment so offered and the terms, conditions, and rate of pay therefor.".

[(b) Section 5 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections:

[“(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which—

[“(1) except in the case of Guam, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act and is found to be in compliance with section 303 of the Social Security Act, as amended,

[“(2) is found to have coordinated the public employment services with the provision of unemployment insurance claimant services, and

[“(3) is found to be in compliance with this Act,

such amounts as the Secretary determines to be necessary for allotment in accordance with section 6.

[“(c)(1) Beginning with fiscal year 1985 and thereafter appropriations for any fiscal year for programs and activities assisted or conducted under this Act 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) Funds obligated for any program year may be expended by the State during that program year and the two succeeding program years and no amount shall be deobligated on account of a rate of expenditure which is consistent with the program plan.

[“(3)(A) Appropriations for fiscal year 1984 shall be available both to fund activities for the period between October 1, 1983, and July 1, 1984, and for the program year beginning July 1, 1984.

[“(B) There are authorized to be appropriated such additional sums as may be necessary to carry out the provisions of this paragraph for the transition to program year funding.".

[(c) Such Act is amended by adding at the end of section 5 the following new sections:

[“SEC. 6. (a) From the amounts appropriated pursuant to section 5 for each fiscal year, the Secretary shall first allot to Guam and the Virgin Islands an amount which, in relation to the total amount available for the fiscal year, is equal to the allotment percentage which each received of amounts available under this Act in fiscal year 1983.

[“(b)(1) Subject to paragraphs (2), (3), and (4) of this subsection, the Secretary shall allot the remainder of the sums appropriated and certified pursuant to section 5 of this Act for each fiscal year among the States as follows:

[“(A) two-thirds of such sums shall be allotted on the basis of the relative number of individuals in each civilian labor force in each State as compared to the total number of such individuals in all States; and

[“(B) one-third of such sums shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor.

[“(2) No State’s allotment under this section for any fiscal year shall be less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary shall determine the allotment percentage for each State (including Guam and the Virgin Islands) for fiscal year 1984 which is the percentage that the State received under this Act for fiscal year 1983 of the total amounts available for payments to all States for such fiscal year. For each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received under this Act for the preceding fiscal year of the total amounts available for allotments for all States for such fiscal year.

[“(3) For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) which is less than 0.28 percent of the total amount available for allotments for all States.

[“(4) The Secretary shall reserve such amount, not to exceed 3 percent of the sums available for allotments under this section for each fiscal year, as shall be necessary to assure that each State will have a total allotment under this section sufficient to provide staff and other resources necessary to carry out employment service activities and related administrative and support functions on a statewide basis.

[“(5) The Secretary shall, not later than March 15, of fiscal year 1983 and each succeeding fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each such fiscal year, provide final planning estimates, showing each State’s projected allocation for the following year.

[“SEC. 7. (a) Ninety percent of the sums allotted to each State pursuant to section 6 may be used—

[“(1) for job search and placement services to job seekers including counseling, testing, occupational and labor market information, assessment, and referral to employers;

[“(2) for appropriate recruitment services and special technical services for employers; and

[“(3) for any of the following activities:

[“(A) evaluation of programs;

[“(B) developing linkages between services funded under this Act and related Federal or State legislation, including the provision of labor exchange services at education sites;

[“(C) providing services for workers who have received notice of permanent layoff or impending layoff, or workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures;

[“(D) developing and providing labor market and occupational information;

[“(E) developing a management information system and compiling and analyzing reports therefrom; and

[“(F) administering the work test for the State unemployment compensation system and providing job finding and placement services for unemployment insurance claimants.

[“(b) Ten percent of the sums allotted to each State pursuant to section 6 shall be reserved for use in accordance with this subsection by the Governor of each such State to provide—

[“(1) performance incentives for public employment service offices and programs, consistent with performance standards established by the Secretary, taking into account direct or indirect placements (including those resulting from self-directed job search or group job each activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors;

[“(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and the appropriate private industry council and chief elected official or officials or other public agencies or private nonprofit organizations; and

[“(3) the extra costs of exemplary models for delivering services of the types described in subsection (a).

[“(c) In addition to the services and activities otherwise authorized by this Act, the United States Employment Service or any State agency designated under this Act may perform such other services and activities as shall be specified in contracts for payment or reimbursement of the costs thereof made with the Secretary of Labor or with any Federal, State, or local public agency, or administrative entity under the Job Training Partnership Act, or private nonprofit organization.”.

[“(d) Section 8 of such Act is amended—

[“(1) by striking out “Director” each place it appears and inserting in lieu thereof “Secretary of Labor”;

[“(2) by designating the first sentence thereof as subsection (a);

[“(3) by designating the second and third sentences thereof as subsection (d);

[“(4) by designating the fourth sentence thereof as subsection (e); and

[“(5) by inserting after subsection (a) as amended by clause (1) of this subsection the following subsections:

[“(b) Prior to submission of such plans to the Secretary—

[“(1) the employment service shall develop jointly with each appropriate private industry council and chief elected official or officials for the service delivery area (designated under the Job Training Partnership Act) those components of such plans applicable to such area;

[“(2) such plans shall be developed taking into consideration proposals developed jointly by the appropriate private industry council and chief elected official or officials in the service delivery area affected;

[“(3) such plans shall be transmitted to the State job training coordinating council (established under such Act) which shall certify such plans have been jointly agreed to by the employment service and appropriate private industry council and chief elected official or officials; and (b) that such plans are consistent with the Governor’s coordination and special services plan under the Job Training Partnership Act;

[“(4) if the State job training coordinating council does not certify that such plans meet the requirements of clauses (A) and (B) of paragraph (3), such plans shall be returned to the employment service for a period of thirty days for it to consider, jointly with the appropriate private industry council and chief elected official or officials, the council’s recommendations for modifying such plans; and

[“(5) if the employment service and the appropriate private industry council and chief elected official or officials fail to reach agreement upon such components of such plans to be submitted finally to the Secretary, such plans submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any appropriate disagreeing private industry council and chief elected official or officials affected, and the State job training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

[“(c) The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of such plans submitted.”;

[(e) Section 9 of such Act is amended to read as follows:

[“SEC. 9. (a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under this Act. The Director of the Office of Management and Budget, in consultation with the Comptroller General of the United States, shall establish guidance for the proper performance of audits. Such guidance shall include a review of fiscal controls and fund accounting procedures established by States under this section.

[“(2) At least once every two years, the State shall prepare or have prepared an independent financial and compliance audit of funds received under this Act.

[“(3) Each audit shall be conducted in accordance with applicable auditing standards set forth in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

[“(b)(1) The Comptroller General of the United States shall evaluate the expenditures by States of funds received under this Act in order to assure that expenditures are consistent with the provisions of this Act and to determine the effectiveness of the State in accomplishing the purposes of this Act. The Comptroller General shall conduct evaluations whenever determined necessary and shall periodically report to the Congress on the findings of such evaluations.

[“(2) Nothing in this Act shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

[“(3) For the purpose of evaluating and reviewing programs established or provided for by this Act, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State.

[“(c) Each State shall repay to the Untied States amounts found not to have been expended in accordance with this Act. No such finding shall be made except after notice and opportunity for a fair hearing. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this Act.”.

[(f) Section 10 of such Act is amended to read as follows:

[“SEC. 10. (a) Each State shall keep records that are sufficient to permit the preparation of reports required by this Act and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

[“(b)(1) The Secretary may investigate such facts, conditions, practices, or other matters which the Secretary finds necessary to determine whether any State receiving funds under this Act or any official of such State has violated any provision of this Act.

[“(2)(A) In order to evaluate compliance with the provisions of this Act, the Secretary shall conduct investigations of the use of funds received by States under this Act.

[“(B) In order to insure compliance with the provisions of this Act, the Comptroller General of the United States may conduct investigations of the use of funds received under this Act by any State.

[“(3) In conducting any investigation under this Act, the Secretary or the Comptroller General of the United States may not request new compilation of information not readily available to such State.

[“(c) Each State receiving funds under this Act shall—

[“(1) make such reports concerning its operations and expenditures in such form and containing such information as shall be prescribed by the Secretary, and

[“(2) establish and maintain a management information system in accordance with guidelines established by the Secretary designed to facilitate the compilation and analysis of programmatic and financial data necessary for reporting, monitoring, and evaluating purposes.”.

[(g) Section 11(a) of such Act is amended by adding to the end thereof the following new sentence: “Nothing in this section shall be construed to prohibit the Governor from carrying out functions of such State advisory council through the State job training coordinating council in accordance with section 122(c) of the Job Training Partnership Act.”.

[(h) Such Act is amended by adding at the end thereof the following new sections:

[“SEC. 13. (a) The Secretary is authorized to establish performance standards for activities under this Act which shall take into account the differences in priorities reflected in State plans.

[“(b) Nothing in this Act shall be construed to prohibit the referral of any applicant to private agencies as long as the applicant is not charged a fee.

[“SEC. 14. There are authorized to be appropriated such sums as may be necessary to enable the Secretary to provide funds through reimbursable agreements with the States to operate statistical programs which are essential for development of estimates of the gross

national product and other national statistical series, including those related to employment and unemployment.

[“SEC. 15. This Act may be cited as the ‘Wagner-Peyser Act’.”.

AMENDMENTS TO PART C OF TITLE IV OF THE SOCIAL SECURITY ACT

[“SEC. 602. (a) Section 432(d) of the Social Security Act is amended to read as follows:

[“(d) In providing the training and employment services and opportunities required by this part, the Secretary of Labor shall, to the maximum extent feasible, assure that such services and opportunities are provided by using all authority available under this or any other Act. In order to assure that the services and opportunities so required are provided, the Secretary of Labor (1) shall assure, when appropriate, that registrants under this part are referred for training and employment services under the Job Training Partnership Act, and (2) may use the funds appropriated under this part to provide programs required by this part through such other Acts to the same extent and under the same conditions (except as regards the Federal matching percentage) as if appropriated under such other Act and, in making use of the programs of other Federal, State, or local agencies (public or private), the Secretary of Labor may reimburse such agencies for services rendered to individuals under this part to the extent that such services and opportunities are not otherwise available on a nonreimbursable basis.”.

[(b)(1) Section 432(f) of such Act is amended—

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

[“(f)(1) The Secretary of Labor shall utilize the services of each private industry council (as established under the Job Training Partnership Act) to identify and provide advice on the types of jobs available or likely to become available in the service delivery area of such council.”;

[(B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2); and

[(C) by striking out “Labor Market Advisory Council” in such paragraph and inserting in lieu there of “private industry council”.

[(2) Section 433(b)(2) of such Act is amended by striking out “Labor Market Advisory Council (established pursuant to section 432(f))” and inserting in lieu thereof “private industry council under the Job Training Partnership Act”.

[(c)(1) Section 432(b)(1)(A) of such Act is amended by inserting before the comma at the end thereof the following: “, which may include intensive job search services, including participation in group job search activities”.

[(2) Section 433(a) of such Act is amended by striking out “unemployed fathers” and inserting in lieu thereof “unemployed parents who are the principal earners (as defined in section 407)”.

[(3) Section 433 of such Act is amended by adding at the end thereof the following new subsection:

[(i) In planning for activities under this section, the chief executive officers of each State shall make every effort to coordinate such activities with activities provided by the appropriate private indus-

try council and chief elected official or officials under the Job Training Partnership Act.''.

[EARNINGS DISREGARD

[SEC. 603. (a) Section 402(a)(8)(A) of the Social Security Act is amended—

[(1) by striking out ''and'' at the end of clause (iii);

[(2) in clause (iv), by striking out ''already disregarded under the preceding provisions of this paragraph'' and inserting in lieu thereof ''disregarded under any other clause of this subparagraph''; and

[(3) by adding at the end thereof the following new clause;

[''(v) may disregard the income of any dependent child applying for or receiving aid to families with dependent children which is derived from a program carried out under the Job Training Partnership Act (as originally enacted), but only in such amounts, and for such period of time (not to exceed six months with respect to earned income) as the Secretary may provide in regulations; and''.

[(b) Section 402(a)(18) of such Act is amended by inserting '', other than paragraph (8)(A)(v)'' after ''without application of paragraph (8)''.

[ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT

[SEC. 604. The Secretary shall insure that each individual participating in any program established under this Act, or receiving any assistance or benefit under this Act, has not violated section 3 of the Military Selective Service Act (50 U.S.C. App. 453) by not presenting and submitting to registration as required pursuant to such section. The Director of the Selective Service System shall cooperate with the Secretary in carrying out this section.

[STATE JOB BANK SYSTEMS

[SEC. 605. (a)(1) The Secretary shall carry out the purposes of this section with sums appropriated pursuant to paragraph (2) for any fiscal year.

[(2) There are authorized to be appropriated to carry out this section $50,000,000 for fiscal year 1989 and such sums as may be necessary for each succeeding fiscal year.

[(b) The Secretary shall make such sums available through the United States Employment Service for the development and implementation of job bank systems in each State. Such systems shall be designed to use computerized electronic data processing and telecommunications systems for such purposes as—

[(1) identifying job openings and referring jobseekers to job openings, with continual updating of such information;

[(2) providing information on occupational supply and demand; and

[(3) utilization of such systems by career information delivery systems (including career counseling programs in schools).

[(c) Wherever possible, computerized data systems developed with assistance under this section shall be capable of utilizing software compatible with other systems (including management infor-

mation systems and unemployment insurance and other income maintenance programs) used in the administration of employment and training programs. In developing such systems, special consideration shall be given to the advice and recommendations of the State occupational information coordinating committees (established under section 422(b) of the Carl D. Perkins Vocational Education Act), and other users of such systems for the various purposes described in subsection (b) of this section.

[TITLE VII—STATE HUMAN RESOURCE INVESTMENT COUNCIL

[SEC. 701. ESTABLISHMENT AND FUNCTIONS.

[(a) IN GENERAL.—Each State may, in accordance with the requirements of this title, establish a single State human resource investment council (in this title referred to as the "State Council") that—

[(1) shall review the provision of services and the use of funds and resources under applicable Federal human resource programs and advise the Governor on methods of coordinating such provision of services and use of funds and resources consistent with the laws and regulations governing such programs;

[(2) shall advise the Governor on the development and implementation of State and local standards and measures relating to applicable Federal human resource programs and coordination of such standards and measures;

[(3) shall carry out the duties and functions prescribed for existing State councils described under the laws relating to the applicable Federal human resource programs;

[(4) may identify the human investment needs in the State and recommend to the Governor goals for meeting such needs;

[(5) may recommend to the Governor goals for the development and coordination of the human resource system in the State;

[(6) may prepare and recommend to the Governor a strategic plan to accomplish the goals developed pursuant to paragraphs (4) and (5); and

[(7) may monitor the implementation of and evaluate the effectiveness of the strategic plan prepared pursuant to paragraph (6).

[(b) APPLICABLE FEDERAL HUMAN RESOURCE PROGRAM DEFINED.—

[(1) IN GENERAL.—(A) Except as provided in subparagraph (B), for purposes of this title, the term "applicable Federal human resource program" includes any program authorized under the provisions of law described under paragraph (2)(A) that the Governor and the head of the State agency responsible for the administration of such program jointly agree to include within the jurisdiction of the State Council.

[(B) With respect to a program authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) under paragraph (2)(A)(ii), the term "appli-

cable Federal human resource program" shall only apply to such program if, in addition to meeting the requirements of subparagraph (A), the State council on vocational education agrees to include such program under the jurisdiction of the State Council.

[(2) PROGRAMS.—In accordance with the requirements of paragraph (1), applicable Federal human resource programs—

[(A) may include the programs authorized under—

[(i) this Act;

[(ii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(iii) the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

[(iv) the Adult Education Act (20 U.S.C. 1201 et seq.);

[(v) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

[(vi) part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.); and

[(vii) the employment program established under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)); and

[(B) may not include programs authorized under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

[SEC. 702. COMPOSITION.

[(a) IN GENERAL.—Each State Council shall be composed as follows:

[(1) Each State Council shall include the head of each State agency responsible for the administration of an applicable Federal human resource program.

[(2)(A) Each State Council shall include one or more representatives, appointed by the Governor to the State Council for a minimum of 2 years, from each of the following:

[(i) Local public education.

[(ii) A postsecondary institution.

[(iii) A secondary or postsecondary vocational educational institution.

[(iv) A community-based organization.

[(B) The total number of representatives appointed under clause (i), (ii), and (iii) of subparagraph (A) shall constitute not less than 15 percent of the membership of the State Council.

[(3)(A) Each State Council shall include individuals, appointed by the Governor to the State Council for a minimum of 2 years, from among the following:

[(i) Representatives of business and industry, who shall constitute not less than 15 percent of the membership of the State Council, including individuals who are representatives of business and industry on private industry councils established within the State under section 102.

[(ii) Representatives of organized labor who—

[(I) shall be selected from among individuals nominated by recognized State labor federations; and

[(II) shall constitute not less than 15 percent of the membership of the State Council.

[(B) If the State labor federation fails to nominate a sufficient number of individuals under subclause (I) of subparagraph (A)(ii) to satisfy the requirement under subclause (II) of such subparagraph, individual workers may be included on the State Council to satisfy such requirement.

[(b) ADDITIONAL MEMBERS.—Each State Council may also include additional qualified members, who may be selected from—

[(1) representatives from local welfare agencies;

[(2) representatives from public housing agencies;

[(3) representatives from units of general local government or consortia of such units, appointed from nominations made by the chief elected officials of such units or consortia;

[(4) representatives from the State legislature;

[(5) representatives from any State or local program that receives funding under an applicable Federal human resource program that the Governor determines to have a direct interest in the utilization of human resources within the State; and

[(6) individuals who have special knowledge and qualifications with respect to special education and career development needs of hard-to-serve individuals.

[(c) ADDITIONAL REQUIREMENTS.—

[(1) PERCENTAGE LIMITATION.—None of the following categories of individuals may constitute more than 60 percent of the membership of each State Council:

[(A) Individuals selected under subsection (a)(1).

[(B) Individuals appointed under subsection (a)(2).

[(C) Individuals appointed under subsection (a)(3)(A)(i).

[(D) Individuals appointed under subsection (a)(3)(A)(ii).

[(E) Individuals selected under subsection (b).

[(2) EXPERTISE.—The Governor shall ensure that both the State Council and the staff of the State Council have sufficient expertise to effectively carry out the duties and functions of existing State councils described under the laws relating to the applicable Federal human resource programs. Such expertise shall include, where appropriate, knowledge of—

[(A) the long-term needs of individuals preparing to enter the workforce;

[(B) the needs of local, State, and regional labor markets; and

[(C) the methods for evaluating the effectiveness of vocational training programs in serving varying populations.

[SEC. 703. ADMINISTRATION.

[(a) FUNDING.—In order to carry out the functions of the State Council, each State establishing a State Council that meets the requirements of this title may—

[(1) use funds otherwise available for State councils under the applicable Federal human resource programs;

[(2) use funds otherwise available under the applicable Federal human resource programs, consistent with the laws and regulations governing such programs, including funds available to carry out section 123(a)(2)(D), except that, with respect to the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), such State may use funds

only to the extent provided under section 112(g) of such Act; and

[(3) use funds, services, personnel, facilities and information provided by State and local public agencies, with the consent of such agencies.

[(b) PERSONNEL.—Each State Council may obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions.

[(c) CERTIFICATION.—Each State shall certify to the Secretary the establishment and membership of the State Council at least 90 days before the beginning of each period of 2 program years for which a job training plan is submitted under this Act.

[(d) EQUITABLE FUNDING.—Each State agency participating in a State Council under this title is encouraged to provide funds to support such Council in a manner consistent with its representation on such Council.]

STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

TITLE I—GENERAL PROVISIONS

SECTION 101. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Stewart B. McKinney Homeless Assistance Act".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS

* * * * * * *

TITLE VII—EDUCATION, TRAINING, AND COMMUNITY SERVICES PROGRAMS

[Subtitle A—Adult Education for the Homeless

[Sec. 701. Amendment to Adult Education Act.
[Sec. 702. State literacy initiatives.]

* * * * * * *

[Subtitle C—Job Training for the Homeless

[Sec. 731. Demonstration program authorized.
[Sec. 732. State coordination with demonstration grant recipients.
[Sec. 733. Application.
[Sec. 734. Authorized activities.
[Sec. 735. Payments; Federal share; limitation.
[Sec. 736. Evaluation.
[Sec. 737. Definitions.]
Sec. 738. Homeless veterans' reintegration projects.
[Sec. 739. Authorization of appropriations; availability of funds.
[Sec. 740. Amendments to the Job Training Partnership Act.
[Sec. 741. Termination.]

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TITLE VII—EDUCATION, TRAINING, AND COMMUNITY SERVICES PROGRAMS

[Subtitle A—Adult Education for the Homeless

[SEC. 701. STATE LITERACY INITIATIVES.

[(a) GENERAL AUTHORITY.—

[(1) GRANTS.—The Secretary of Education is authorized to make grants to State educational agencies to enable each such agency to implement, either directly or through contracts and grants, a program of literacy training and academic remediation for adult homeless individuals within the State, which program shall—

[(A) include outreach activities; and

[(B) be coordinated with other agencies or organizations, such as community-based organizations, nonprofit literacy-action organizations, and recipients of funds under the Adult Education Act, title II of the Job Training Partnership Act, the Youth Fair Chance program under part H of title IV of the Job Training Partnership Act, the Volunteers in Service to America program under part A of title I of the Domestic Volunteer Service Act of 1973, part C of this title, or the Job Opportunity and Basic Skills program under part F of title IV of the Social Security Act.

[(2) ESTIMATES AND AMOUNTS.—The Secretary of Education, in awarding grants under this section, shall give special consideration to the estimates submitted in the application submitted under subsection (b) and make such awards in whatever amounts such Secretary determines will best serve the purposes of this section.

[(b) APPLICATION.—Each State educational agency desiring to receive a grant under this section shall submit to the Secretary of Education an application at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall include an estimate of the number of homeless individuals in the State and the number of such individuals expected to be served.

[(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the adult literacy training and academic remediation programs authorized by this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995 through 1999.

[(d) DEFINITION.—As used in this section, the term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau).]

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[Subtitle C—Job Training for the Homeless

[SEC. 731. DEMONSTRATION PROGRAM AUTHORIZED.

[(a) GENERAL AUTHORITY.—The Secretary of Labor shall, from funds appropriated pursuant to section 739, make grants for the Federal share of job training demonstration projects for homeless individuals in accordance with the provisions of this subtitle.

[(b) CONTRACT AUTHORITY.—The Secretary is authorized to enter into such contracts with State and local public agencies, private nonprofit organizations, private businesses, and other appropriate entities as may be necessary to carry out the provisions of this subtitle.

[SEC. 732. STATE COORDINATION WITH DEMONSTRATION GRANT RECIPIENTS.

[A State shall describe in the comprehensive plan required under section 401 how the State will coordinate projects conducted within a State under this subtitle with other services for homeless individuals assisted under this Act.

[SEC. 733. APPLICATION.

[(a) IN GENERAL.—Each applicant which desires to receive a demonstration grant under this subtitle shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall include—

[(1) a description of the activities for which assistance is sought;

[(2) plans for the coordination and outreach activities, particularly with case managers and care providers, designed to achieve referral of homeless individuals to the demonstration projects authorized by this subtitle or other related programs providing services necessary to address the multiple needs of homeless individuals;

[(3) plans to offer on the street or in-shelter outreach and assessment activities and where practicable, preemployment services, so as to increase the participation of homeless individuals in the demonstration project and to contract for, or provide, training services and activities;

[(4) a description of the standards by which performance may be measured under the demonstration project, together with assurances that a preliminary evaluation of the project will be completed not later than the end of the first year for which assistance is sought;

[(5) assurances that the recipient of demonstration grants under this subtitle will pay the non-Federal share of the activities for which assistance is sought from non-Federal sources; and

[(6) such additional assurances as the Secretary determines are necessary to insure compliance with the requirements of this subtitle.

[(b) SPECIAL CONSIDERATION.—

[(1) IN GENERAL.—In awarding grants under this subtitle, the Secretary of Labor may give special consideration to applicants that will implement projects that will serve areas of greatest need, including urban and rural areas, as demonstrated by—

[(A) the large number or concentration of homeless individuals in the project area relative to other similar areas of jurisdiction;

[(B) the high rates of poverty in the project area as determined by the census; or

[(C) the lack of available low cost or affordable housing within the project area, as measured by such indicators as high average local rents or vacancy rates.

[(2) HOLISTIC SERVICE APPROACH.—In awarding grants under this subtitle, the Secretary of Labor may give special consideration to applicants that will implement programs that include formal reciprocal referral agreements with other programs such as substance abuse counseling, local shelters, and subsidized housing that provide a holistic service approach on an individual case management basis.

[SEC. 734. AUTHORIZED ACTIVITIES.

[Demonstration grants under this subtitle may be used for—

[(1) basic skills instruction;

[(2) remedial education activities;

[(3) basic literacy instruction;

[(4) job search activities;

[(5) job counseling;

[(6) job preparatory training, including résumé writing and interviewing skills; and

[(7) any other activities described in section 204 of the Job Training Partnership Act which the grant recipient determines will contribute to carrying out the objectives of this subtitle;

for homeless individuals.

[SEC. 735. PAYMENTS; FEDERAL SHARE; LIMITATION.

[(a) PAYMENTS.—The Secretary shall pay to each applicant having an application approved under section 733 the Federal share of the cost of activities described in the application.

[(b) FEDERAL SHARE.—

[(1)(A) The Federal share for each fiscal year shall be not less than 50 percent nor more than 90 percent.

[(B) The Federal share shall be determined by the Secretary for each recipient under this subtitle based upon the ability of the recipient to meet the non-Federal share of the cost of the program for which assistance is sought.

[(2) The non-Federal share of payments under this subtitle may be in cash or in kind fairly evaluated, including plant equipment or services.

[(c) LIMITATION.—The Secretary may not make grants in any State in an aggregate in excess of 15 percent of the amount appropriated to carry out this subtitle in each fiscal year.

[SEC. 736. EVALUATION.

[(a) DEMONSTRATION PROJECT RESPONSIBILITY.—The Secretary shall evaluate each project assisted under this subtitle at the end

of the first fiscal year for which funds are appropriated under this subtitle. The Secretary shall submit the findings of the evaluations to the Interagency Council. Not later than 6 months before the termination date specified in section 741, the Secretary shall prepare and submit a final report of the evaluations required by this subsection to the President, to the Congress, and to the Interagency Council.

[(b) CONTENTS OF EVALUATIONS.—Each evaluation required by this section shall include—

[(1) the number of homeless individuals served;

[(2) the number of homeless individuals placed in jobs;

[(3) the average length of training time under the project;

[(4) the average training cost under the project; and

[(5) the average retention rate of placements of homeless individuals after training with assistance made under this subtitle.

[(c) EVALUATION BY INTERAGENCY COUNCIL.—

[(1) The Interagency Council shall evaluate each project receiving assistance under this subtitle.

[(2) The Interagency Council shall prepare and publish a report of its findings in the annual report of the Council. The evaluation of the demonstration projects authorized by this subtitle shall include a determination of the relative effectiveness of programs assisted under this subtitle together with recommendations, including recommendations for legislation, to the Congress on job training programs for homeless individuals to be established on a national basis.

[SEC. 737. DEFINITIONS.

[As used in this subtitle—

[(1) the term "applicant" means public agencies, private nonprofit organizations, private businesses, and other appropriate entities;

[(2) the term "Interagency Council" means the Interagency Council on the Homeless;

[(3) the term "local public agency" means any public agency of a general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

[(4) the term "Secretary" means the Secretary of Labor; and

[(5) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.]

SEC. 738. HOMELESS VETERANS' REINTEGRATION PROJECTS.

(a) GENERAL AUTHORITY.—The Secretary, using funds appropriated and made available for the purpose of carrying out this section, shall conduct, directly or through grant or contract, such programs as the Secretary determines appropriate to expedite the reintegration of homeless veterans into the labor force. Notwithstanding any other provision of law, the amount so appropriated shall be available for distribution in such manner as the Assistant Secretary of Labor for Veterans' Employment and Training considers appropriate and shall remain available until expended.

(b) AUTHORITY TO MONITOR THE EXPENDITURE OF FUNDS.—The Secretary is authorized to obtain such information as the Secretary considers appropriate to enable the Secretary to monitor and evaluate the distribution and expenditure of funds appropriated pursuant to the authorization contained in subsection (a). Such information shall be furnished to the Secretary in such form as the Secretary considers appropriate for the purpose of this subsection.

(c) ADMINISTRATION THROUGH THE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—The Secretary shall administer the program provided for by this section through the Assistant Secretary of Labor for Veterans' Employment and Training.

(d) DEFINITION.—As used in this section, the term "homeless veteran" means a homeless individual who is a veteran within the meaning of section 101(2) of title 38, United States Code.

(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section the following amounts:

(A) $10,000,000 for fiscal year 1993.

(B) $12,000,000 for fiscal year 1994.

(C) $14,000,000 for fiscal year 1995.

(2) Funds obligated for any fiscal year to carry out this section may be expended in that fiscal year and the succeeding fiscal year.

[SEC. 739. AUTHORIZATION OF APPROPRIATIONS.

[(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle the following amounts:

(1) $14,000,000 for fiscal year 1991, of which $2,200,000 shall be available only to carry out section 738.

[(2) $15,000,000 for fiscal year 1992, of which $2,200,000 shall be available only to carry out section 738.

[(3) $14,800,000 for fiscal year 1993, of which $2,200,000 shall be available to carry out section 738.

[(b) RATABLE REDUCTION.—If for any fiscal year the appropriation is less than the amount authorized in paragraph (1) to carry out the provisions of this subtitle, the amount available in such fiscal year for the programs under this subtitle other than section 738 and for the program under section 738 shall be ratably reduced.

[(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to require the Secretary to carry out the provisions of this subtitle from funds appropriated for programs other than funds appropriated for this subtitle.

[SEC. 740. AMENDMENTS TO THE JOB TRAINING PARTNERSHIP ACT.

[(a) DEFINITION.—Section 4(8) of the Job Training Partnership Act (29 U.S.C. 1503(8)) is amended—

[(1) by redesignating clauses (D) and (E) as clauses (E) and (F), respectively; and

[(2) by inserting after clause (C) the following:

["(D) qualifies as a homeless individual under section 103 of the Stewart B. McKinney Homeless Assistance Act;".

[(b) SERVICE REQUIREMENT.—Section 141(e) of the Job Training Partnership Act (29 U.S.C. 1551(e)) is amended by inserting before

the period at the end the following: ", including exceptions necessary to permit services to homeless individuals who cannot prove residence within the service delivery area".

[SEC. 741. TERMINATION.

[The provisions of this subtitle other than sections 738 and 740 shall terminate on October 1, 1993.]

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MINORITY VIEWS

Many of us voted to report this bill. We did so in the spirit of bi-partisan cooperation that has characterized the activities of this committee in the past. By voting to report, we did not mean to imply that we agreed with everything in the legislation. The bill this committee has reported is still a work-in-progress. But it is a work that is progressing, and it is moving closer to what we consider a good job training bill should look like.

Many of the concerns that we expressed during the course of this bill's development—the need for a dedicated school funding stream, the need for some form of a within State allocation formula, the need for better targeting for adult training services, the need to preserve the rights of States to organize themselves in ways that are appropriate to each individual State, the importance of retaining a strong employment service through a continued Wagner-Peyser Act, and the importance of not altering existing trade adjustment programs for dislocated workers—have been addressed in this bill.

However, we are dismayed that the majority, in its report, rejected suggestions we made that would have enhanced this spirit of bipartisanship. For instance, we suggested that the majority explicitly acknowledge the contributions President Clinton has made toward improving the nations's job training system. That suggestion was summarily rejected. We fail to understand why.

President Clinton has embraced many of the provisions contained in this bill. He has made the use of career grants one of the linchpins of his job training initiatives. One-stop centers are a central element of his job training reform proposals. Including all the appropriate State and local interests in the development of State and local job training plans—the collaborative process that is at the heart of this bill—is one of the major reforms made by President Clinton's School-to-Work Opportunities Act enacted last year with the support of a bi-partisan Congress. Yet the majority has decided in its report not to give the President the credit he deserves for advancing these initiatives.

We are also dismayed by the "union bashing" that pollutes the Committee report. We see no reason why this report should be used by the majority to settle political scores with the labor movement. Whatever one may think of that movement, the fact of the matter is that organized labor and the right of working men and women to organize in order to represent themselves at the bargaining table are realities of economic life in this country.

The majority should respect, and be willing to acknowledge, that right, and not use the committee report to add unnecessary and previously undiscussed distinctions regarding who should represent employees. By making these distinctions, the majority is following a path that is unprecedented in this committee. The majority is

using the committee report to define provisions in the bill advanced by the minority. We cannot recall previous examples of this occurring. We think this is a terrible precedent for the majority to establish in its committee reports. We, the minority Members, advanced the notion of placing employee representatives on the workforce boards. Thus, if anyone should define who we mean by the term "employee representatives," it is us. We reject the manipulation of our suggestion by the majority so it could inject its anti-labor animus into the committee report.

We also think the majority is setting a bad precedent by trying to use the committee report to rewrite the history of what occurred during the committee mark-up. We take particular exception to the discussion in the committee report regarding the Hoekstra amendment. We voted on the Hoekstra amendment in the form in which it was presented to the Members. That amendment was clear on its face. If the amendment had been written to reflect what Mr. Hoekstra apparently now hopes it had done, we would not have approved it by a voice vote. And we think there is a strong possibility that the "new" Hoekstra amendment would have failed. To use the committee report now to explain what had been hoped for, but never voted on, is in our opinion a misuse and abuse of that report.

We intend to continue to work with the majority to improve this bill as we proceed through the legislative process. Nevertheless, we still have some concerns we wish to highlight. And, unless the following concerns are met, we do not think the bill best represents the job training reform initiative we intend it to be.

SCHOOL-TO-WORK OPPORTUNITIES

The bill would repeal the School-to-Work Opportunities Act, effective October 1, 1996. The School-to-Work Act is one of the most important pieces of education reform legislation enacted by Congress in recent years. It was enacted last year with bi-partisan support and has been embraced by the business community. We fail to comprehend why the majority wants to repeal this law.

School-to-Work is not a separate program serving youth, but is an investment in reform. It provides States, localities, and Indian tribes with venture capital for creating systems that will enable all students to make a successful transition from school to postsecondary education and high-skilled, high-wage careers. School-to-work systems, as the States are implementing them, combine challenging academic and technical instruction, bridge the gap between secondary and postsecondary education, and include a strong focus on work-based instruction with the involvement of employers.

As a seed money program, School-to-Work was never intended to involve a long-term commitment of Federal funds. Rather, the legislation provides for no appropriations after fiscal year 1999, and the Act sunsets after 2001. Over time, States and localities should be able to complete the implementation of their school-to-work system using other education and training funding. But by terminating the program abruptly after 1996, the Congress would suspend State and local efforts at a critical point in the developmental process, when venture capital is still badly needed. At that point, 8 States will have completed the first three years of their five-year

development grants, some 20 more will be only two years into the process, and others will have barely gotten started at all.

Experience shows that Federal discretionary grants accomplish little if they are terminated midway through a grant period. There will be very little return on the Federal investment if we do not continue the School-to-Work venture capital grants through at least fiscal year 1998. When this bill reaches the floor, we will be seeking changes in the bill to provide for such continuation.

TARGETING OF FUNDS FOR YOUTH PROGRAMS

A major justification for Federal involvement in employment development programs is to ensure that youth living in impoverished communities have the same educational and training opportunities as those living in more affluent areas. The Congress, in enacting the 1990 Perkins Act amendments, mandated precise targeting of vocational education funds, at both the secondary and post-secondary levels, after national evaluations had found that States were spreading funds too thinly and providing a major portion of the funding to educational institutions in wealthy areas. The 1990 amendments have been effective; Perkins Act funds are now reasonably well-targeted.

Under H.R. 1617, States would have to take local poverty rates into account in making allocations, but they would have unlimited authority to determine the extent to which poverty would be a factor and what other factors to use. This is exactly the type of loophole that, according to the research, States abused in the past.

In committee, we supported Rep. Green's (TX) sub-State formula amendment, a reasonable compromise that would have ensured some targeting, although not as significant as in the current Perkins Act or in the Administration's "Career Preparation Education Reform" bill. Unfortunately, the Green compromise was not accepted.

Title IV of the reported bill also fails to provide for adequate targeting of adult literacy funds. The current Adult Education Act requires States to give preference to entities that serve educationally disadvantaged adults, particularly in areas with a high proportion of adults who have not completed high school. H.R. 1605, the Clinton Administration's "Adult Education and Family Literacy Reform" bill would strengthen targeting by adding a poverty factor to the State allocation formula and by giving a priority, within States, to eligible entities that serve areas with high concentrations of poverty or limited English proficiency. H.R. 1617, by contrast, would eliminate even the very modest targeting requirements of current law.

In sum, the funding distribution provisions of the bill need to be improved as the measure moves through Congress.

VOCATIONAL REHABILITATION

Vocational rehabilitation is one of the most important mechanisms for enabling individuals with disabilities to obtain productive employment, live independently, and thrive in mainstream society. Yet H.R. 1617 would disrupt the current rehabilitation system by limiting State flexibility, diluting accountability, and creating un-

even access to services. Our rather extensive dissenting views on this issue are included separately in this report.

In committee, we supported an amendment offered by Rep. Major Owens (NY) which would have simplified current law and consolidated programs, while ensuring continuation of the most vital aspects of the rehabilitation system. We also supported an amendment offered by Rep. Gene Green (TX) which would have deleted all changes to the Rehabilitation Act from this legislation, permitting those changes to be considered on a more careful basis. We join the voices of the 49 disability organizations that have especially spoken out against this title of the bill. The provisions affecting vocational rehabilitation require major revision.

PROGRAMS FOR AT-RISK POPULATIONS

Under the current Perkins Act, each State must use at least 10.5 percent of its Basic Grant allocation for programs for single parents, displaced homemakers, and single pregnant women, and at least 3 percent must be used for sex equity programs. Previous Congresses adopted these requirements after the General Accounting Office (GAO) and other sources reported that vocational programs had perpetuated outmoded sexual stereotypes and that displaced homemakers, and other women with significant and unique needs, were not adequately served by those programs. The current set-aside programs have achieved widespread success in preparing women for employment, including employment in nontraditional careers.

In committee, we supported an amendment by Rep. Patsy Mink (HI) which would have ensured that the efforts in this important area continued under this bill. However, the amendment was not acceptable to the majority. This is another flaw in the legislation that should be corrected.

We are also concerned about the bill's lack of focus on out-of-school youth, a disadvantaged population traditionally served by employment development programs. The bill does not include any dedicated funding for young people who are out of school, and the funding available for "at-risk'youth" could be spent entirely on the easier-to-serve, in-school population. In committee, we supported an amendment offered by Rep. Xavier Becerra (CA) which would have targeted all of the at-risk funds on out-of-school youth. We regret that the majority did not accept that amendment.

AUTHORIZATION LEVELS

The bill would authorize, for Title II through IV, approximately $4.57 billion for fiscal year 1997. This amount is a reduction of almost 23 percent from the roughly $6 billion available for Perkins Act, JTPA, Adult Education Act, and other affected programs in 1995. While we agree with the majority on the need to eliminate the Federal budget deficit, it is unconscionable to expect programs which provide sorely needed services to disadvantaged populations to bear the burden of achieving budget savings. Education and training programs can enable participants to achieve economic success which, in turn, would result in increased tax revenues, a lower cost for social services, and eventually less, cost to the government.

We are dismayed by the apparent willingness of the new majority to so passively submit to the whims of the budget and appropriations process. We should not forget that we are not the Budget or Appropriations Committees. Our responsibility is to frame an accurate portrait of what is really needed to get the job done. If we do not set a target, but instead allow our authorization levels to be influenced by other committees, we cannot establish a reliable blueprint for the construction of the job training system that this country needs to remain a strong and productive economic power. The authorization levels in H.R. 1617 are inadequate.

At committee, we supported an amendment offered by Rep. Lynn Woolsey (CA) which would have increased the authorizations to the levels requested by President Clinton in his fiscal year 1996 budget. We believe the President set out a good blueprint for progress in that budget. Unfortunately, the majority decided to ignore the President's vision and to oppose the Woolsey amendment.

LOCAL DECISION-MAKING

Although the majority claims that H.R. 1617 represents a positive step in transferring resources and decision-making for job training and vocational education closer to the individuals being served, we think this bill actually could reduce local and individual accountability because it centralizes too much control in the hands of one set of decision-makers: the State governors. We also think the bill could actually result in the undermining of State organizational decisions and in the lessening of the ability of local officials to develop job training programs most suitable for local needs. Both of these issues run counter to what the majority contends is its intent.

At the committee level we worked with the majority to make it clear that this bill in no way was intended to negate, supersede, or interfere with State organizational decisions. We think it is important to recognize that States have the right to decide how best to structure their own education and job training systems. In no way should H.R. 1617 be interpreted, in our opinion, as imposing a preferred federal method or system on the States. We still have concerns that parts of the bill may be interpreted by some to give governors the authority to bypass the rigid restrictions that have been placed in the bill. We intend to revisit this issue as the bill moves through the Congress.

On a similar note, we are also concerned that some may interpret this bill as giving governors the authority to bypass the local decision-making process. If job training programs are to meet the needs of local communities, we cannot permit a situation to exist where governors second-guess decisions appropriately made at the local community level. Governors do not always know, or carry out, what is best for local communities. This bill, in our opinion, must foster strong local involvement and local decision-making. If there is any confusion or disagreement on this point, we intend to work torward clarification.

In sum, H.R. 1617, as reported, does not hit the mark. We intend to keep working with the majority to improve this legislation so that it becomes a measure that will have a profound and positive

impact on the educational and career opportunities of all Americans.

WILLIAM L. CLAY.
DALE E. KILDEE.
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DISSENTING VIEWS

With an unemployment rate of more than 69 percent, no group of Americans has a more compelling and urgent need for high-quality services to assist them in improving their employability than Americans with disabilities. For this reason, we are dismayed by both the process used by the Committee to address the concerns of people with disabilities in this legislation and by the poor quality of the final product. Americans with disabilities deserve better.

We find it disturbing that even as the majority has been professing its commitment to "empowering" people with disabilities, it has denied people with disabilities an opportunity to participate meaningfully in the development of this critical legislation. Title V makes the most far-reaching changes in Federal vocational rehabilitation programs in more than 75 years, but not a single hearing has been held by the Committee on the actual provisions of the legislation. The general oversight hearing held by the Subcommittee on Postsecondary Education, Training and Lifelong Learning on the Rehabilitation Act earlier this year did not elicit any calls for comprehensive reform or sweeping revisions in the law. The majority of witnesses warmly praised current law. To make matters worse, the text of the bill was only available to the public moments before the Committee marked up H.R. 1617. In contrast, during the 102nd Congress when the Committee last considered substantive amendments to the Rehabilitation Act of 1973, it held five legislative hearings and provided significant opportunities for persons with disabilities and other members of the public to review the pending legislation and offer comments and suggestions on how it could be improved. The Committee majority, in other words, may preach the gospel of empowerment, but it certainly does not practice it.

This is unfortunate because hearings and an open and informed deliberative process would doubtlessly have improved the quality of Title V and helped the Committee to craft legislative provisions which would be more likely to accomplish the sponsors' stated objectives. Expanding consumer choice and integrating vocational rehabilitation services into a comprehensive "one-stop" system are worthwhile goals which we fully support. In its current form, however, Title V not only will not advance these objectives, it will erode the quality and reduce the availability of rehabilitation services for persons with disabilities. Perhaps inadvertently, in its quest to create a "seamless" job training system, this Committee has instead reported a bill which rends deep holes in the nation's vocational rehabilitation system.

From its inception, Federal aid for vocational rehabilitation services has been provided in the form of a block grant to the States. National performance and quality standards have been established, but the States have been given broad discretion in determining

how best to meet them. For reasons which are unclear to us, Title V abandons that tradition by mandating that each State scrap its current approach to providing rehabilitation services and now follow a new and extraordinarily prescriptive "one-size-fits-all" service delivery model. Funding for services provided on a statewide basis and through public agencies is sharply limited, denying States the flexibility they need to tailor their delivery systems to address the State's unique geographic and demographic characteristics and service needs. The preponderance of Federal funds are instead required to be funneled through a host of new local bureaucracies that each State is mandated to create.

Why did the Committee select this particular model to be the "one-size-fits-all" template each State must follow? We frankly do not know. Although States currently take a variety of different approaches to delivering rehabilitation services, not a single state delivers services in a manner which even remotely resembles the detailed model dictated by Title V. Most elements of the model seem to have been chosen arbitrarily or because they seem to "look good on paper". As a result, this newly prescriptive "one-size-fits-all" model may not, in fact, "fit" any State at all. It may well be administratively unworkable. Neither we, nor the Committee majority, can know for sure.

Perversely, States like New York, Kentucky, and Wisconsin which are already providing rehabilitation services through an integrated "one-stop" system would be forced to dismantle their systems and attempt to reconstruct them according to this new, congressionally-imposed model. Other States may be able to accomplish the goals of the CAREERS Act through less convoluted and cumbersome means that those dictated by Title V but would be blocked from doing so. Innovation and creativity would be stifled under the heavy-handed, multiple, micro-mandates set out in Title V. One size fits all and Washington knows best.

What is most alarming, however, is the damage this prescriptive service delivery model would do to the quality and availability of rehabilitation services in our communities. Under current law, eligible individuals are guaranteed access to the same quality and range of rehabilitation services no matter where they reside in the State. This guarantee would be eliminated under Title V. Instead, the ability of individuals to access a needed service would depend on three factors: (1) whether the workforce development board in their community had decided to support the service; (2) whether the workforce development area could afford to support the service with the flat sum of funds allocated to them by formula by the State; and (3) whether there was a private provider within the community who was qualified to provide the service.

The proponents of Title V like to describe this new approach as "consumer-driven". It is hardly that. The model erects so many new barriers to access that the only place most consumers will be able to drive is straight into a brick wall.

Workforce development boards should have authority to tailor their job training strategies to meet local economic needs and to assure that individuals are provided job-specific training which matches available jobs within the community. But since few rehabilitation services are job-specific, it makes little sense to give these

boards broad discretion over the scope of rehabilitation services they offer. An individual's need for speech therapy is determined by that person's disability, not by where he or she resides within the State.

Similarly problematic is the allocation of Federal rehabilitation funds to communities within the State according to a formula which is based on the number of persons with disabilities who reside in the community. The underlying premise here—that the cost of providing rehabilitation services to every individual is roughly equal—is false. A rural community may have a small number of residents with disabilities, but the needs of those individuals may be severe and require intensive services whose costs exceed the lump per-capita sum allocated by the State. One size does not fit all.

Finally, the delivery model dictated by Title V is based on the false assumption that there is a vast universe of qualified, private providers of rehabilitative services operating in every community. This is plainly absurd. Individuals who live in rural areas or who require highly-specialized services are now predominantly served by public, generally State-supported, providers. In 21 states, for example, there is not a single private provider of rehabilitation services for the blind. State agencies now fill this gap by providing the necessary services for the blind directly. How the blind residents of these States will continue to receive the services they need under the rigid Title V model is unclear. We reiterate: one size does not fit all.

For all of these reasons, we join the more than 45 national organizations representing both persons with disabilities and providers of rehabilitative services in expressing our strong opposition to Title V of this legislation. The diverse community of persons with disabilities rarely speaks in one voice, but on this legislation there has been unanimity: not a single disability-related organization has endorsed the provisions of Title V.

When H.R. 1617 is considered by the House, we will support amendments to remedy the myriad problems with the flawed and destructive "one size fits all" approach taken by the majority. We wholeheartedly endorse the majority's desire to maximize consumer choice and integrate vocational rehabilitation services into a comprehensive "one-stop" workforce development system. Where we differ is on the need for Congress to micromanage how States achieve these goals.

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ADDITIONAL VIEWS

While we appreciate the efforts of Chairman Goodling to provide services to the migrant and seasonal farmworkers through the inclusion of language in Title III of the bill, we are greatly concerned that the language both fails to ensure that migrant students would receive the same educational services now provided by HEP and CAMP and would create needless administrative problems. There are several problems with the language, which make it an unacceptable substitute for the current HEP–CAMP provisions under the Higher Education Act of 1965.

Providing funds for the Secretary of Labor to provide the Secretary of Education to make grants creates convoluted layers of bureaucracy for administering the programs. The transferring of funds from one Department to another is unnecessarily cumbersome, creating complexities where none exist and leading to new regulations from two Departments. The language goes against the objective of the Careers Act to streamline programs.

The language allowing the transferring of funds back to the Department of Education indicates there is an accurate perception that HEP and CAMP are education, not labor programs. Therefore, it is illogical to include them in a Department of Labor training block grant.

HEP and CAMP are extremely successful programs. Their effectiveness was documented in the final report of the National Commission on Migrant Education, titled, "Invisible Children: A Portrait of Migrant Education in the United States." For example, the report credits CAMP with helping to "reverse some of the devastating effects of the migratory lifestyle that makes it difficult for migrant children to complete high school, much less college." The specific activities required under the HEP and CAMP programs are not delineated in the bill; thus, the language becomes meaningless and will not necessarily produce results similar to those demonstrated by existing HEP and CAMP programs.

There is no evidence that the current academic-based models for HEP and CAMP would be maintained in an adult training environment. Traditional colleges and universities would have little incentive to compete for the new grants, if they believe them to be "training" programs authorized under the Department of Labor. It is already too tempting to "track" migrant youth into job training (non-academic) programs. Consolidating HEP and CAMP into a Department of Labor training program would only increase that tracking activity and deny needed academic opportunities to youth who are already severely disadvantaged.

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ADDITIONAL VIEWS BY JAMES C. GREENWOOD

I strongly support H.R. 1617, the CAREERS Act. The United States currently has a fragmented workforce preparation program. H.R. 1617 addresses this problem by consolidating vocational education, adult education, vocational rehabilitation and job training programs into block grants to the states to allow for the development of creative and comprehensive workforce preparation programs designed to meet the needs of local communities.

During the Committee's consideration of H.R. 1617, I missed several roll call votes due to a simultaneous mark-up in the House Commerce Committee, and my participation in the floor debate on the American Overseas Interests Act (H.R. 1561).

Had I been present for roll call vote number one, Congressman Owens' amendment to delete Title V, the Vocational Rehabilitation Consolidation Grant, and insert a substitute, I would have voted "No". Had I been present for roll call vote number two, Congressman Green's amendment to delete Title V, the Vocational Rehabilitation Consolidation Grant, I would have voted "No". In both instances, I was voting in the House Commerce Committee on the Telecommunications Act of 1995 (H.R. 1555).

Had I been present for roll call vote number four, the Riggs/Roukema amendment to insert standards and accountability provisions in Title I, I would have voted "Aye". Had I been present on roll call vote number five, the Woolsey amendment to increase the authorization levels of the block grants contained in the bill, I would have voted "No". Had I been present for roll call vote number six, Congressman Becerra's amendment to remove "in-school" from the definition of "at-risk" in Title II, I would have voted "No". In each instance, I was detained on the House floor during consideration of the Morella Amendment to the Smith Amendment on the international family planning provisions contained in H.R. 1561, the American Overseas Interests Act.

Had I been present for roll call vote number seven, to Report the bill, I would have voted "Aye". At the time, I was meeting with the Speaker of the House on health care issues.

I believe this important legislation will enable the states and localities to create innovative workforce development systems that will enable people to gain the proper training and skills to get jobs that they will keep. If the United States is to remain competitive in the world market, we need to develop a comprehensive workforce training program that allows on-the-job training and placement services. I am confident that H.R. 1617, if enacted, will establish a workforce preparation system that will allow us to reduce the number of dislocated workers and people on welfare as

well as keep our competitive edge in the international marketplace. I support H.R. 1617.

JAMES C. GREENWOOD.

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