

105TH CONGRESS
1ST SESSION

S. 1186

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

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1997

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

A BILL

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

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

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

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Workforce Investment Partnership Act of 1997”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

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

Sec. 101. Short title.

- Sec. 102. Findings and purpose.
- Sec. 103. Voluntary selection and participation.

Subtitle A—Vocational Education

CHAPTER 1—FEDERAL PROVISIONS

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

CHAPTER 2—STATE PROVISIONS

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

CHAPTER 3—LOCAL PROVISIONS

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

Subtitle B—Tech-Prep Education

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

Subtitle C—General Provisions

- Sec. 161. Administrative provisions.
- Sec. 162. Evaluation, improvement, and accountability.
- Sec. 163. National activities.
- Sec. 164. National assessment of vocational education programs.
- Sec. 165. National research center.
- Sec. 166. Data systems.

Subtitle D—Authorization of Appropriations

- Sec. 171. Authorization of appropriations.

Subtitle E—Repeal

- Sec. 181. Repeal.

TITLE II—ADULT EDUCATION AND LITERACY

- Sec. 201. Short title.
- Sec. 202. Findings and purpose.

3

Subtitle A—Adult Education and Literacy Programs

CHAPTER 1—FEDERAL PROVISIONS

- Sec. 211. Reservation; grants to States; allotments.
- Sec. 212. Performance measures and expected levels of performance.
- Sec. 213. National leadership activities.

CHAPTER 2—STATE PROVISIONS

- Sec. 221. State administration.
- Sec. 222. State distribution of funds; State share.
- Sec. 223. State leadership activities.
- Sec. 224. State plan.
- Sec. 225. Programs for corrections education and other institutionalized individuals.

CHAPTER 3—LOCAL PROVISIONS

- Sec. 231. Grants and contracts for eligible providers.
- Sec. 232. Local application.
- Sec. 233. Local administrative cost limits.

CHAPTER 4—GENERAL PROVISIONS

- Sec. 241. Administrative provisions.
- Sec. 242. Priorities and preferences.
- Sec. 243. Incentive grants.
- Sec. 244. Evaluation, improvement, and accountability.
- Sec. 245. National Institute for Literacy.
- Sec. 246. Authorization of appropriations.

Subtitle B—Repeal

- Sec. 251. Repeal.

TITLE III—WORKFORCE INVESTMENT AND RELATED ACTIVITIES

Subtitle A—Workforce Investment Activities

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

- Sec. 301. General authorization.
- Sec. 302. State allotments.
- Sec. 303. Statewide partnership.
- Sec. 304. State plan.

CHAPTER 2—ALLOCATIONS TO LOCAL WORKFORCE INVESTMENT AREAS

- Sec. 306. Within State allocations.
- Sec. 307. Local workforce investment areas.
- Sec. 308. Local workforce investment partnerships and youth partnerships.
- Sec. 309. Local plan.

CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES AND PROVIDERS

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

CHAPTER 4—GENERAL PROVISIONS

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

Subtitle B—Job Corps

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

Subtitle C—National Programs

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

Subtitle D—Administration

- Sec. 371. Requirements and restrictions.
- Sec. 372. Prompt allocation of funds.
- Sec. 373. Monitoring.
- Sec. 374. Fiscal controls; sanctions.

- Sec. 375. Reports; recordkeeping; investigations.
- Sec. 376. Administrative adjudication.
- Sec. 377. Judicial review.
- Sec. 378. Nondiscrimination.
- Sec. 379. Administrative provisions.
- Sec. 380. State legislative authority.

Subtitle E—Repeals and Conforming Amendments

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

TITLE IV—WORKFORCE INVESTMENT-RELATED ACTIVITIES

Subtitle A—Wagner-Peyser Act

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

Subtitle B—Linkages With Other Programs

- Sec. 421. Trade Act of 1974.
- Sec. 422. National Apprenticeship Act.
- Sec. 423. Veterans' employment programs.
- Sec. 424. Older Americans Act of 1965.

TITLE V—GENERAL PROVISIONS

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

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

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

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

1 (A) who have attained 16 years of age or
 2 who are beyond the age of compulsory school
 3 attendance under State law;

4 (B) who are not enrolled in secondary
 5 school; and

6 (C) who—

7 (i) lack sufficient mastery of basic
 8 educational skills to enable the individuals
 9 to function effectively in society;

10 (ii) do not possess a secondary school
 11 diploma or its recognized equivalent; or

12 (iii) are unable to speak, read, or
 13 write the English language.

14 (3) AREA VOCATIONAL EDUCATION SCHOOL.—

15 The term “area vocational education school”
 16 means—

17 (A) a specialized public secondary school
 18 used exclusively or principally for the provision
 19 of vocational education for individuals who seek
 20 to study and prepare for entering the labor
 21 market;

22 (B) the department of a public secondary
 23 school exclusively or principally used for provid-
 24 ing vocational education in not fewer than 5
 25 different occupational fields to individuals who

1 are available for study in preparation for enter-
2 ing the labor market;

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

13 (D) the department or division of a junior
14 college, community college, or university operat-
15 ing under the policies of the eligible agency and
16 that provides vocational education in not fewer
17 than 5 different occupational fields leading to
18 immediate employment but not necessarily lead-
19 ing to a baccalaureate degree, if the department
20 or division admits as regular students both indi-
21 viduals who have completed public secondary
22 school and individuals who have left public sec-
23 ondary school.

24 (4) CHIEF ELECTED OFFICIAL.—The term
25 “chief elected official” means the chief elected execu-

1 tive officer of a unit of general local government in
2 a local area.

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

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

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

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

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

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

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

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

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

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

14 (C) was self-employed (including employ-
 15 ment as a farmer, a rancher, or a fisherman)
 16 but is unemployed as a result of general eco-
 17 nomic conditions in the community in which the
 18 individual resides or because of natural disas-
 19 ters; or

20 (D) is a displaced homemaker.

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

1 (A) has been dependent on the income of
2 another family member but is no longer sup-
3 ported by that income; and

4 (B) is unemployed or underemployed and
5 is experiencing difficulty in obtaining or up-
6 grading employment.

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

13 (9) EDUCATIONAL SERVICE AGENCY.—The
14 term “educational service agency” means a regional
15 public multiservice agency authorized by State stat-
16 ute to develop and manage a service or program,
17 and provide the service or program to a local edu-
18 cational agency.

19 (10) ELEMENTARY SCHOOL; LOCAL EDU-
20 CATIONAL AGENCY.—The terms “elementary school”
21 and “local educational agency” have the meanings
22 given the terms in section 14101 of the Elementary
23 and Secondary Education Act of 1965 (20 U.S.C.
24 8801).

1 (11) ELIGIBLE AGENCY.—The term “eligible
2 agency” means—

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

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

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

21 (B) in the case of adult education and lit-
22 eracy activities or requirements described in
23 title II—

24 (i) the individual, entity, or agency in
25 a State or an outlying area responsible for

1 administering or setting policy for adult
 2 education and literacy in the State or out-
 3 lying area, respectively, pursuant to the
 4 law of the State or outlying area, respec-
 5 tively; or

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

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

19 (A) an institution of higher education;

20 (B) a local educational agency providing
 21 education at the postsecondary level;

22 (C) an area vocational education school
 23 providing education at the postsecondary level;

24 (D) a postsecondary educational institution
 25 controlled by the Bureau of Indian Affairs or

operated by or on behalf of any Indian tribe that is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination Act or the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452 et seq.); and

(E) a consortium of 2 or more of the entities described in subparagraphs (A) through (D).

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

(A) in title II, means—

- (i) a local educational agency;
- (ii) a community-based organization;
- (iii) an institution of higher education;
- (iv) a public or private nonprofit agency;
- (v) a consortium of such agencies, organizations, or institutions; or
- (vi) a library; and

(B) in title III, used with respect to—

- (i) training services (other than on-the-job training), means a provider who is identified in accordance with section 312;

1 (ii) youth activities, means a provider
 2 who is awarded a grant in accordance with
 3 section 313; or

4 (iii) other workforce investment activi-
 5 ties, means a public or private entity se-
 6 lected to be responsible for such activities,
 7 in accordance with subtitle A of title III,
 8 such as a one-stop customer service center
 9 operator designated or certified under sec-
 10 tion 311.

11 (14) EMPLOYMENT AND TRAINING ACTIVITY.—
 12 The term “employment and training activity” means
 13 an activity described in section 314(b)(1) or sub-
 14 section (c)(1) or (d) of section 315, carried out for
 15 an adult or dislocated worker.

16 (15) ENGLISH LITERACY PROGRAM.—The term
 17 “English literacy program” means a program of in-
 18 struction designed to help individuals of limited
 19 English proficiency achieve competence in the Eng-
 20 lish language.

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

23 (17) INDIVIDUAL WITH A DISABILITY.—

24 (A) IN GENERAL.—The term “individual
 25 with a disability” means an individual with any

1 disability (as defined in section 3 of the Ameri-
 2 cans with Disabilities Act of 1990 (42 U.S.C.
 3 12102)).

4 (B) INDIVIDUALS WITH DISABILITIES.—
 5 The term “individuals with disabilities” means
 6 more than 1 individual with a disability.

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

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

14 (B) who lives in a family or community en-
 15 vironment where a language other than English
 16 is the dominant language.

17 (19) INSTITUTION OF HIGHER EDUCATION.—
 18 Except for purposes of subtitle B of title I, the term
 19 “institution of higher education” has the meaning
 20 given the term in section 1201(a) of the Higher
 21 Education Act of 1965 (20 U.S.C. 1141(a)).

22 (20) LITERACY.—

23 (A) IN GENERAL.—The term “literacy”
 24 means an individual’s ability to read, write, and
 25 speak in English, compute, and solve problems,

1 at levels of proficiency necessary to function on
2 the job and in society.

3 (B) WORKPLACE LITERACY PROGRAM.—

4 The term “workplace literacy program” means
5 a program of literacy activities that is offered
6 in the workplace for the purpose of improving
7 the productivity of the workforce through the
8 improvement of literacy skills.

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

12 (22) LOCAL PARTNERSHIP.—In title III, the
13 term “local partnership” means a local workforce in-
14 vestment partnership established under section
15 308(a).

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

19 (24) LOW-INCOME INDIVIDUAL.—In paragraph
20 (49) and title III, the term “low-income individual”
21 means an individual who—

22 (A) receives, or is a member of a family
23 that receives, cash payments under a Federal,
24 State, or local income-based public assistance
25 program;

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

11 (i) the poverty line, for an equivalent
12 period; or

13 (ii) 70 percent of the lower living
14 standard income level, for an equivalent
15 period;

16 (C) is a member of a household that re-
17 ceives (or has been determined within the 6-
18 month period prior to application for the pro-
19 gram involved to be eligible to receive) food
20 stamps pursuant to the Food Stamp Act of
21 1977 (7 U.S.C. 2011 et seq.);

22 (D) qualifies as a homeless individual, as
23 defined in subsections (a) and (c) of section
24 103 of the Stewart B. McKinney Homeless As-
25 sistance Act (42 U.S.C. 11302);

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

4 (F) in cases permitted by regulations of
 5 the Secretary of Labor, is an individual with a
 6 disability whose own income meets the require-
 7 ments of a program described in subparagraph
 8 (A) or of subparagraph (B), but who is a mem-
 9 ber of a family whose income does not meet
 10 such requirements.

11 (25) LOWER LIVING STANDARD INCOME
 12 LEVEL.—The term “lower living standard income
 13 level” means that income level (adjusted for re-
 14 gional, metropolitan, urban, and rural differences
 15 and family size) determined annually by the Sec-
 16 retary of Labor based on the most recent lower liv-
 17 ing family budget issued by the Secretary of Labor.

18 (26) NONTRADITIONAL EMPLOYMENT.—In ti-
 19 tles I and III, the term “nontraditional employ-
 20 ment” refers to occupations or fields of work for
 21 which individuals from one gender comprise less
 22 than 25 percent of the individuals employed in each
 23 such occupation or field of work.

24 (27) ON-THE-JOB TRAINING.—The term “on-
 25 the-job training” means training in the public or pri-

1 vate sector that is provided to a paid participant
2 while engaged in productive work in a job that—

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

5 (B) provides reimbursement to employers
6 of up to 50 percent of the wage rate of the par-
7 ticipant, for the extraordinary costs of provid-
8 ing the training and additional supervision re-
9 lated to the training; and

10 (C) is limited in duration as appropriate to
11 the occupation for which the participant is
12 being trained.

13 (28) OUT-OF-SCHOOL YOUTH.—The term “out-
14 of-school youth” means—

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

16 (B) a youth who has received a secondary
17 school diploma or its equivalent but is basic lit-
18 eracy skills deficient, unemployed, or under-
19 employed.

20 (29) OUTLYING AREA.—The term “outlying
21 area” means the United States Virgin Islands,
22 Guam, American Samoa, the Commonwealth of the
23 Northern Mariana Islands, the Republic of the Mar-
24 shall Islands, the Federated States of Micronesia,
25 and the Republic of Palau.

1 (30) PARTICIPANT.—The term “participant”,
2 used with respect to an activity carried out under
3 title III, means an individual participating in the ac-
4 tivity.

5 (31) POSTSECONDARY EDUCATIONAL INSTITU-
6 TION.—The term “postsecondary educational institu-
7 tion” means—

8 (A) an institution of higher education that
9 provides not less than a 2-year program of in-
10 struction that is acceptable for credit toward a
11 bachelor’s degree;

12 (B) a tribally controlled community college;
13 or

14 (C) a nonprofit educational institution of-
15 fering certificate or apprenticeship programs at
16 the postsecondary level.

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

23 (33) PUBLIC ASSISTANCE.—In title III, the
24 term “public assistance” means Federal, State, or

1 local government cash payments for which eligibility
2 is determined by a needs or income test.

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

13 (A) the establishment of onsite contact
14 with employers and employee representatives—

15 (i) immediately after the State is noti-
16 fied of a current or projected permanent
17 closure or mass layoff; or

18 (ii) in the case of a disaster, imme-
19 diately after the State is made aware of
20 mass job dislocation as a result of such
21 disaster;

22 (B) the provision of information and access
23 to available employment and training activities;

24 (C) assistance in establishing a labor-man-
25 agement committee, voluntarily agreed to by

labor and management, with the ability to devise and implement a strategy for assessing the employment and training needs of dislocated workers and obtaining services to meet such needs;

(D) the provision of emergency assistance adapted to the particular closure, layoff, or disaster; and

(E) the provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance.

(35) SCHOOL DROPOUT.—The term “school dropout” means an individual who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.

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

(37) SECRETARY.—

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

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

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

6 (39) STATE EDUCATIONAL AGENCY.—The term
7 “State educational agency” means the State board
8 of education or other agency or officer primarily re-
9 sponsible for the State supervision of public elemen-
10 tary or secondary schools, or, if there is no such
11 agency or officer, an agency or officer designated by
12 the Governor or by State law.

13 (40) STATE PERFORMANCE MEASURE.—In title
14 III, the term “State performance measure” means a
15 performance measure established under section
16 321(a).

17 (41) STATEWIDE PARTNERSHIP.—The term
18 “statewide partnership” means a partnership estab-
19 lished under section 303.

20 (42) SUPPORTIVE SERVICES.—In title III, the
21 term “supportive services” means services such as
22 transportation, child care, dependent care, housing,
23 and needs-based payments, that are necessary to en-
24 able an individual to participate in employment and
25 training activities or youth activities.

1 (43) TRIBALLY CONTROLLED COMMUNITY COL-
 2 LEGE.—The term “tribally controlled community
 3 college” means an institution that receives assistance
 4 under the Tribally Controlled Community College
 5 Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or
 6 the Navajo Community College Act (25 U.S.C. 640a
 7 et seq.).

8 (44) UNIT OF GENERAL LOCAL GOVERN-
 9 MENT.—In title III, the term “unit of general local
 10 government” means any general purpose political
 11 subdivision of a State that has the power to levy
 12 taxes and spend funds, as well as general corporate
 13 and police powers.

14 (45) VETERAN; RELATED DEFINITIONS.—

15 (A) VETERAN.—The term “veteran”
 16 means an individual who served in the active
 17 military, naval, or air service, and who was dis-
 18 charged or released from such service under
 19 conditions other than dishonorable.

20 (B) DISABLED VETERAN.—The term “dis-
 21 abled veteran” means—

22 (i) a veteran who is entitled to com-
 23 pensation under laws administered by the
 24 Secretary of Veterans Affairs; or

1 (ii) an individual who was discharged
2 or released from active duty because of
3 service-connected disability.

4 (C) RECENTLY SEPARATED VETERAN.—
5 The term “recently separated veteran” means
6 any veteran who applies for participation under
7 title III within 48 months of the discharge or
8 release from active military, naval, or air serv-
9 ice.

10 (D) VIETNAM ERA VETERAN.—The term
11 “Vietnam era veteran” means a veteran any
12 part of whose active military, naval, or air serv-
13 ice occurred between August 5, 1964, and May
14 7, 1975.

15 (46) VOCATIONAL EDUCATION.—The term “vo-
16 cational education” means organized education
17 that—

18 (A) offers a sequence of courses that pro-
19 vides individuals with the academic knowledge
20 and skills the individuals need to prepare for
21 further education and for careers in current or
22 emerging employment sectors; and

23 (B) includes competency-based applied
24 learning that contributes to the academic
25 knowledge, higher-order reasoning and problem-

1 solving skills, work attitudes, general employ-
 2 ability skills, and occupation-specific skills, of
 3 an individual.

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

8 (48) WORKFORCE INVESTMENT ACTIVITY.—The
 9 term “workforce investment activity” means an em-
 10 ployment and training activity, a youth activity, and
 11 an activity described in section 314.

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

15 (A) is not less than age 14 and not more
 16 than age 21;

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

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

20 (i) Deficient in basic literacy skills.

21 (ii) A school dropout.

22 (iii) Homeless, a runaway, or a foster
 23 child.

24 (iv) Pregnant or a parent.

25 (v) An offender.

1 (vi) An individual who requires addi-
 2 tional assistance to complete an edu-
 3 cational program, or to secure and hold
 4 employment.

5 (50) YOUTH ACTIVITY.—The term “youth activ-
 6 ity” means an activity described in section 316, car-
 7 ried out for youth.

8 (51) YOUTH PARTNERSHIP.—The term “youth
 9 partnership” means a partnership established under
 10 section 308(i).

11 **TITLE I—VOCATIONAL, TECHNO-** 12 **LOGICAL, AND TECH-PREP** 13 **EDUCATION**

14 **SEC. 101. SHORT TITLE.**

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

17 **SEC. 102. FINDINGS AND PURPOSE.**

18 (a) FINDINGS.—Congress finds that—

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

22 (A) a combination of strong basic and ad-
 23 vanced academic skills;

24 (B) computer and other technical skills;

25 (C) theoretical knowledge;

1 (D) communications, problem-solving,
2 teamwork, and employability skills; and

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

5 (2) students participating in vocational edu-
6 cation can achieve challenging academic and tech-
7 nical skills, and may learn better and retain more,
8 when the students learn in context, learn by doing,
9 and have an opportunity to learn and understand
10 how academic, vocational, and technological skills
11 are used outside the classroom;

12 (3)(A) many high school graduates in the Unit-
13 ed States do not complete a rigorous course of study
14 that prepares the graduates for completing a 2-year
15 or 4-year college degree or for entering high-skill,
16 high-wage careers;

17 (B) adult students are an increasingly diverse
18 group and often enter postsecondary education un-
19 prepared for academic and technical work; and

20 (C) certain individuals often face great chal-
21 lenges in acquiring the knowledge and skills needed
22 for successful employment;

23 (4) community colleges, technical colleges, and
24 area vocational education schools are offering adults
25 a gateway to higher education, and access to quality

1 certificates and degrees that increase their skills and
2 earnings, by—

3 (A) ensuring that the academic, vocational,
4 and technological skills gained by students ade-
5 quately prepare the students for the workforce;
6 and

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

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

16 (6) the Federal Government can assist States
17 and localities by carrying out nationally significant
18 research, program development, demonstration, dis-
19 semination, evaluation, data collection, professional
20 development, and technical assistance activities that
21 support State and local efforts regarding vocational
22 education; and

23 (7) through a performance partnership with
24 States and localities based on clear programmatic
25 goals, increased State and local flexibility, improved

1 accountability, and performance measures, the Fed-
2 eral Government will provide to States and localities
3 financial assistance for the improvement and expan-
4 sion of vocational education for students participat-
5 ing in vocational education.

6 (b) PURPOSE.—The purpose of this title is to make
7 the United States more competitive in the world economy
8 by developing more fully the academic, vocational, and em-
9 ployability skills of secondary students and postsecondary
10 students who elect to enroll in vocational education pro-
11 grams, by—

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

14 (2) promoting the development of services and
15 activities that integrate academic, vocational, and
16 technological instruction, and that link secondary
17 and postsecondary education for participating voca-
18 tional education students;

19 (3) increasing State and local flexibility in pro-
20 viding services and activities designed to develop, im-
21 plement, and improve vocational education, including
22 tech-prep education; and

23 (4) disseminating national research, and provid-
24 ing professional development and technical assist-

1 ance, that will improve vocational education pro-
2 grams, services, and activities.

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

4 No funds made available under this title shall be
5 used—

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

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

11 **Subtitle A—Vocational Education**

12 **CHAPTER 1—FEDERAL PROVISIONS**

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

14 (a) RESERVATIONS AND STATE ALLOTMENT.—

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

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

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

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

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

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

3 (C) 1.3 percent of the sum shall be used
 4 to carry out sections 116, 163, 164, 165, and
 5 166, of which not less than 0.65 percent of the
 6 sum shall be available to carry out section 116.

7 (2) STATE ALLOTMENT FORMULA.—Subject to
 8 paragraphs (3) and (4), from the remainder of the
 9 sums appropriated under section 171 and not re-
 10 served under paragraph (1) for a fiscal year, the
 11 Secretary shall allot to a State for the fiscal year—

12 (A) an amount that bears the same ratio
 13 to 50 percent of the sums being allotted as the
 14 product of the population aged 15 to 19 inclu-
 15 sive, in the State in the fiscal year preceding
 16 the fiscal year for which the determination is
 17 made and the State's allotment ratio bears to
 18 the sum of the corresponding products for all
 19 the States;

20 (B) an amount that bears the same ratio
 21 to 20 percent of the sums being allotted as the
 22 product of the population aged 20 to 24, inclu-
 23 sive, in the State in the fiscal year preceding
 24 the fiscal year for which the determination is
 25 made and the State's allotment ratio bears to

1 the sum of the corresponding products for all
 2 the States;

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

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

18 (3) MINIMUM ALLOTMENT.—

19 (A) IN GENERAL.—Notwithstanding any
 20 other provision of law and subject to subpara-
 21 graphs (B) and (C), and paragraph (4), no
 22 State shall receive for a fiscal year under this
 23 subsection less than $\frac{1}{2}$ of 1 percent of the
 24 amount appropriated under section 171 and not
 25 reserved under paragraph (1) for such fiscal

1 year. Amounts necessary for increasing such
 2 payments to States to comply with the preced-
 3 ing sentence shall be obtained by ratably reduc-
 4 ing the amounts to be paid to other States.

5 (B) REQUIREMENT.—Due to the applica-
 6 tion of subparagraph (A), for any fiscal year,
 7 no State shall receive more than 150 percent of
 8 the amount the State received under this sub-
 9 section for the preceding fiscal year (or in the
 10 case of fiscal year 1999 only, under section 101
 11 of the Carl D. Perkins Vocational and Applied
 12 Technology Education Act, as such section was
 13 in effect on the day before the date of enact-
 14 ment of this Act).

15 (C) SPECIAL RULE.—

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

20 (I) 150 percent of the amount
 21 that the State received in the preced-
 22 ing fiscal year (or in the case of fiscal
 23 year 1999 only, under section 101 of
 24 the Carl D. Perkins Vocational and
 25 Applied Technology Education Act, as

1 such section was in effect on the day
2 before the date of enactment of this
3 Act); and

4 (II) the amount calculated under
5 clause (ii).

6 (ii) AMOUNT.—The amount calculated
7 under this clause shall be determined by
8 multiplying—

9 (I) the number of individuals in
10 the State counted under paragraph
11 (2) in the preceding fiscal year; by

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

22 (4) HOLD HARMLESS.—

23 (A) IN GENERAL.—No State shall receive
24 an allotment under this section for a fiscal year
25 that is less than the allotment the State re-

1 ceived under part A of title I of the Carl D.
2 Perkins Vocational and Applied Technology
3 Education Act (20 U.S.C. 2311 et seq.) (as
4 such part was in effect on the day before the
5 date of enactment of this Act) for fiscal year
6 1997.

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

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

1 and shall be deemed to be part of the State's allotment
 2 for the year in which the amount is obligated.

3 (c) ALLOTMENT RATIO.—

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

6 (A) 0.50; and

7 (B) the quotient obtained by dividing the
 8 per capita income for the State by the per cap-
 9 ita income for all the States (exclusive of the
 10 Commonwealth of Puerto Rico), except that—

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

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

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

23 (3) DEFINITION OF PER CAPITA INCOME.—For
 24 the purpose of this section, the term “per capita in-
 25 come” means, with respect to a fiscal year, the total

1 personal income in the calendar year ending in such
 2 year, divided by the population of the area concerned
 3 in such year.

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

8 **SEC. 112. PERFORMANCE MEASURES AND EXPECTED LEV-**
 9 **ELS OF PERFORMANCE.**

10 (a) ESTABLISHMENT OF PERFORMANCE MEAS-
 11 URES.—After consultation with eligible agencies, local
 12 educational agencies, eligible institutions, and other inter-
 13 ested parties (including representatives of business and
 14 representatives of labor organizations), the Secretary shall
 15 establish and publish performance measures described in
 16 this subsection to assess the progress of each eligible agen-
 17 cy in achieving the following:

- 18 (1) Student mastery of academic skills.
- 19 (2) Student mastery of job readiness skills.
- 20 (3) Student mastery of vocational skill pro-
 21 ficiencies for students in vocational education pro-
 22 grams, that are necessary for the receipt of a sec-
 23 ondary school diploma or its recognized equivalent,
 24 or a secondary school skill certificate.

1 (4) Receipt of a postsecondary degree or certifi-
2 cate.

3 (5) Placement in, retention in, and completion
4 of, secondary school education (as determined under
5 State law) and postsecondary education, and place-
6 ment and retention in employment and in military
7 service, including for the populations described in
8 section 124(c)(16).

9 (6) Participation in and completion of nontradi-
10 tional vocational education programs.

11 (7) Other performance measures as determined
12 by the Secretary.

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

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

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

20 (1) shall award a grant in the amount of
21 \$500,000 to Guam for vocational education and
22 training for the purpose of providing direct edu-
23 cational services related to vocational education, in-
24 cluding—

1 (A) teacher and counselor training and re-
 2 training;

3 (B) curriculum development; and

4 (C) improving vocational education pro-
 5 grams in secondary schools and institutions of
 6 higher education, or improving cooperative edu-
 7 cation programs involving both secondary
 8 schools and institutions of higher education;

9 (2) shall award a grant in the amount of
 10 \$600,000 to the United States Virgin Islands for vo-
 11 cational education for the purpose described in para-
 12 graph (1); and

13 (3) shall award a grant in the amount of
 14 \$190,000 to each of American Samoa and the Com-
 15 monwealth of the Northern Mariana Islands for vo-
 16 cational education for the purpose described in para-
 17 graph (1).

18 (b) SPECIAL RULE.—

19 (1) IN GENERAL.—From funds reserved under
 20 section 111(a)(1)(A) and not awarded under sub-
 21 section (a), the Secretary shall make available the
 22 amount awarded to the Republic of the Marshall Is-
 23 lands, the Federated States of Micronesia, and the
 24 Republic of Palau under section 101A of the Carl D.
 25 Perkins Vocational and Applied Technology Edu-

1 cation Act (as such section was in effect on the day
2 before the date of enactment of this Act) to award
3 grants under the succeeding sentence. From the
4 amount made available under the preceding sen-
5 tence, the Secretary shall award grants, to Guam,
6 American Samoa, the Commonwealth of the North-
7 ern Mariana Islands, the Republic of the Marshall
8 Islands, the Federated States of Micronesia, or the
9 Republic of Palau for the purpose described in sub-
10 section (a)(1).

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

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

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

1 Educational Laboratory regarding activities assisted
2 under this subsection.

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

4 (a) DEFINITIONS; AUTHORITY OF SECRETARY.—

5 (1) DEFINITIONS.—For the purpose of this sec-
6 tion—

7 (A) the term “Act of April 16, 1934”
8 means the Act entitled “An Act authorizing the
9 Secretary of the Interior to arrange with States
10 or territories for the education, medical atten-
11 tion, relief of distress, and social welfare of In-
12 dians, and for other purposes”, enacted April
13 16, 1934 (48 Stat. 596; 25 U.S.C. 452 et seq.);

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

18 (C) the term “Hawaiian native” means
19 any individual any of whose ancestors were na-
20 tives, prior to 1778, of the area which now com-
21 prises the State of Hawaii.

22 (2) AUTHORITY.—From the funds reserved pur-
23 suant to section 111(a)(1)(B), the Secretary shall
24 award grants and enter into contracts for Indian
25 and Hawaiian native programs in accordance with

1 this section, except that such programs shall not in-
2 clude secondary school programs in Bureau funded
3 schools.

4 (b) INDIAN PROGRAMS.—

5 (1) AUTHORITY.—

6 (A) IN GENERAL.—Except as provided in
7 subparagraph (B), from the funds reserved pur-
8 suant to section 111(a)(1)(B)(i), the Secretary
9 is directed—

10 (i) upon the request of any Indian
11 tribe, or a tribal organization serving an
12 Indian tribe, which is eligible to contract
13 with the Secretary of the Interior for the
14 administration of programs under the In-
15 dian Self-Determination Act (25 U.S.C.
16 450 et seq.) or under the Act of April 16,
17 1934; or

18 (ii) upon an application received from
19 a Bureau funded school offering post-
20 secondary or adult education programs
21 filed at such time and under such condi-
22 tions as the Secretary may prescribe,
23 to make grants to or enter into contracts with
24 any Indian tribe or tribal organization, or to
25 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 purpose of, this title.

(B) REQUIREMENTS.—The grants or contracts described in subparagraph (A), shall be subject to the following:

(i) TRIBAL ORGANIZATIONS.—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 (25 U.S.C. 450f) 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 subsection.

(ii) BUREAU FUNDED SCHOOLS.—Such grants to Bureau funded schools shall not be subject to the requirements of the Indian Self-Determination Act (25 U.S.C. 450f et seq.) or the Act of April 16, 1934.

(C) APPLICATION.—Any Indian tribe, tribal organization, or Bureau funded school eligi-

1 ble to receive assistance under this paragraph
2 may apply individually or as part of a consor-
3 tium with another such Indian tribe, tribal or-
4 ganization, or Bureau funded school.

5 (D) PERFORMANCE MEASURES AND EVAL-
6 UATION.—Any Indian tribe, tribal organization,
7 or Bureau funded school that receives assist-
8 ance under this section shall—

9 (i) establish performance measures
10 and expected level of performance to be
11 achieved by students served under this sec-
12 tion; and

13 (ii) evaluate the quality and effective-
14 ness of activities and services provided
15 under this subsection.

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

20 (F) RESTRICTIONS.—The Secretary may
21 not place upon grants awarded or contracts en-
22 tered into under this paragraph any restrictions
23 relating to programs other than restrictions
24 that apply to grants made to or contracts en-
25 tered into with States pursuant to allotments

under section 111(a). The Secretary, in awarding grants and entering into contracts under this paragraph, shall ensure that the grants and contracts will improve vocational education programs, and shall give special consideration to—

(i) grants or contracts which involve, coordinate with, or encourage tribal economic development plans; and

(ii) applications from tribally controlled community colleges that—

(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.

(G) STIPENDS.—

(i) IN GENERAL.—Funds received pursuant to grants or contracts described

1 in subparagraph (A) may be used to pro-
2 vide stipends to students who are enrolled
3 in vocational education programs and who
4 have acute economic needs which cannot be
5 met through work-study programs.

6 (ii) AMOUNT.—Stipends described in
7 clause (i) shall not exceed reasonable
8 amounts as prescribed by the Secretary.

9 (2) MATCHING.—If sufficient funding is avail-
10 able, the Bureau of Indian Affairs shall expend an
11 amount equal to the amount made available under
12 this subsection, relating to programs for Indians, to
13 pay a part of the costs of programs funded under
14 this subsection. During each fiscal year the Bureau
15 of Indian Affairs shall expend no less than the
16 amount expended during the prior fiscal year on vo-
17 cational education programs, services, and activities
18 administered either directly by, or under contract
19 with, the Bureau of Indian Affairs, except that in no
20 year shall funding for such programs, services, and
21 activities be provided from accounts and programs
22 that support other Indian education programs. The
23 Secretary and the Assistant Secretary of the Interior
24 for Indian Affairs shall prepare jointly a plan for the
25 expenditure of funds made available and for the

1 evaluation of programs assisted under this sub-
 2 section. Upon the completion of a joint plan for the
 3 expenditure of the funds and the evaluation of the
 4 programs, the Secretary shall assume responsibility
 5 for the administration of the program, with the as-
 6 sistance and consultation of the Bureau of Indian
 7 Affairs.

8 (3) SPECIAL RULE.—Programs funded under
 9 this subsection shall be in addition to such other
 10 programs, services, and activities as are made avail-
 11 able to eligible Indians under other provisions of this
 12 Act.

13 (c) HAWAIIAN NATIVE PROGRAMS.—From the funds
 14 reserved pursuant to section 111(a)(1)(B)(ii), the Sec-
 15 retary is directed, to award grants or enter into contracts
 16 with organizations primarily serving and representing Ha-
 17 waiian natives which are recognized by the Governor of
 18 the State of Hawaii to plan, conduct, and administer pro-
 19 grams, or portions thereof, which are authorized by and
 20 consistent with the purpose of this title, for the benefit
 21 of Hawaiian natives.

22 **SEC. 115. TRIBALLY CONTROLLED POSTSECONDARY VOCA-**
 23 **TIONAL INSTITUTIONS.**

24 (a) IN GENERAL.—It is the purpose of this section
 25 to provide grants for the operation and improvement of

1 tribally controlled postsecondary vocational institutions to
 2 ensure continued and expanded educational opportunities
 3 for Indian students, and to allow for the improvement and
 4 expansion of the physical resources of such institutions.

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

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

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

15 (2) demonstrate adherence to stated goals, a
 16 philosophy, or a plan of operation which fosters indi-
 17 vidual Indian economic and self-sufficiency oppor-
 18 tunity, including programs that are appropriate to
 19 stated tribal goals of developing individual entrepre-
 20 neurships and self-sustaining economic infrastruc-
 21 tures on reservations;

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

23 (4) hold accreditation with or be a candidate for
 24 accreditation by a nationally recognized accrediting

1 authority for postsecondary vocational education;
2 and

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

5 (d) GRANT REQUIREMENTS.—

6 (1) APPLICATIONS.—Any tribally controlled
7 postsecondary vocational institution that desires to
8 receive a grant under this section shall submit an
9 application to the Secretary. Such application shall
10 include a description of recordkeeping procedures for
11 the expenditure of funds received under this section
12 that will allow the Secretary to audit and monitor
13 programs.

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

17 (3) CONSULTATION.—In awarding grants under
18 this section, the Secretary shall, to the extent prac-
19 ticable, consult with the boards of trustees of, and
20 the tribal governments chartering, the institutions
21 desiring the grants.

22 (4) LIMITATION.—Amounts made available
23 through grants under this section shall not be used
24 in connection with religious worship or sectarian in-
25 struction.

1 (e) USES OF GRANTS.—

2 (1) IN GENERAL.—The Secretary shall, subject
3 to the availability of appropriations, provide for each
4 program year to each tribally controlled vocational
5 institution having an application approved by the
6 Secretary, an amount necessary to pay expenses as-
7 sociated with—

8 (A) the maintenance and operation of the
9 program, including development costs, costs of
10 basic and special instruction (including special
11 programs for individuals with disabilities and
12 academic instruction), materials, student costs,
13 administrative expenses, boarding costs, trans-
14 portation, student services, daycare and family
15 support programs for students and their fami-
16 lies (including contributions to the costs of edu-
17 cation for dependents), and student stipends;

18 (B) capital expenditures, including oper-
19 ations and maintenance, and minor improve-
20 ments and repair, and physical plant mainte-
21 nance costs, for the conduct of programs fund-
22 ed under this section; and

23 (C) costs associated with repair, upkeep,
24 replacement, and upgrading of the instructional
25 equipment.

1 (2) ACCOUNTING.—Each institution receiving a
 2 grant under this section shall provide annually to
 3 the Secretary an accurate and detailed accounting of
 4 the institution’s operating and maintenance expenses
 5 and such other information concerning costs as the
 6 Secretary may reasonably require.

7 (f) EFFECT ON OTHER PROGRAMS.—

8 (1) IN GENERAL.—Except as specifically pro-
 9 vided in this Act, eligibility for assistance under this
 10 section shall not preclude any tribally controlled
 11 postsecondary vocational institution from receiving
 12 Federal financial assistance under any program au-
 13 thorized under the Higher Education Act of 1965
 14 (20 U.S.C. 1001 et seq.) or any other applicable
 15 program for the benefit of institutions of higher edu-
 16 cation or vocational education.

17 (2) PROHIBITION ON ALTERATION OF GRANT
 18 AMOUNT.—The amount of any grant for which trib-
 19 ally controlled postsecondary vocational institutions
 20 are eligible under this section shall not be altered be-
 21 cause of funds allocated to any such institution from
 22 funds appropriated under the Act of November 2,
 23 1921 (commonly known as the “Snyder Act”) (42
 24 Stat. 208, chapter 115; 25 U.S.C. 13).

1 (3) PROHIBITION ON CONTRACT DENIAL.—No
2 tribally controlled postsecondary vocational institu-
3 tion for which an Indian tribe has designated a por-
4 tion of the funds appropriated for the tribe from
5 funds appropriated under such Act of November 2,
6 1921, may be denied a contract for such portion
7 under the Indian Self-Determination and Education
8 Assistance Act (25 U.S.C. 450b et seq.) (except as
9 provided in that Act), or denied appropriate contract
10 support to administer such portion of the appro-
11 priated funds.

12 (g) NEEDS ESTIMATE AND REPORT ON FACILITIES
13 AND FACILITIES IMPROVEMENT.—

14 (1) NEEDS ESTIMATE.—The Secretary shall,
15 based on the most accurate data available from the
16 institutions and Indian tribes whose Indian students
17 are served under this section, and in consideration
18 of employment needs, economic development needs,
19 population training needs, and facilities needs, pre-
20 pare an actual budget needs estimate for each insti-
21 tution eligible under this section for each subsequent
22 program year, and submit such budget needs esti-
23 mate to Congress in such a timely manner as will
24 enable the appropriate committees of Congress to
25 consider such needs data for purposes of the unin-

1 interrupted flow of adequate appropriations to such in-
 2 stitutions. Such data shall take into account the
 3 goals and requirements of the Personal Responsibil-
 4 ity and Work Opportunity Reconciliation Act of
 5 1996 (Public Law 104–193; 110 Stat. 2105).

6 (2) STUDY OF TRAINING AND HOUSING
 7 NEEDS.—

8 (A) IN GENERAL.—The Secretary shall
 9 conduct a detailed study of the training, hous-
 10 ing, and immediate facilities needs of each insti-
 11 tution eligible under this section. The study
 12 shall include an examination of—

13 (i) training equipment needs;

14 (ii) housing needs of families whose
 15 heads of households are students and
 16 whose dependents have no alternate source
 17 of support while such heads of households
 18 are students; and

19 (iii) immediate facilities needs.

20 (B) REPORT.—The Secretary shall report
 21 to Congress not later than July 1, 1999, on the
 22 results of the study required by subparagraph
 23 (A).

24 (C) CONTENTS.—The report required by
 25 subparagraph (B) shall include the number,

1 type, and cost of meeting the needs described
2 in subparagraph (A), and rank each institution
3 by relative need.

4 (D) PRIORITY.—In conducting the study
5 required by subparagraph (A), the Secretary
6 shall give priority to institutions that are receiv-
7 ing assistance under this section.

8 (3) LONG-TERM STUDY OF FACILITIES.—

9 (A) IN GENERAL.—The Secretary shall
10 provide for the conduct of a long-term study of
11 the facilities of each institution eligible for as-
12 sistance under this section.

13 (B) CONTENTS.—The study required by
14 subparagraph (A) shall include a 5-year projec-
15 tion of training facilities, equipment, and hous-
16 ing needs and shall consider such factors as
17 projected service population, employment, and
18 economic development forecasting, based on the
19 most current and accurate data available from
20 the institutions and Indian tribes affected.

21 (B) SUBMISSION.—The Secretary shall
22 submit to Congress a detailed report on the re-
23 sults of such study not later than the end of the
24 18-month period beginning on the date of en-
25 actment of this Act.

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

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

7 (2) TRIBALLY CONTROLLED POSTSECONDARY
8 VOCATIONAL INSTITUTION.—The term “tribally con-
9 trolled postsecondary vocational institution” means
10 an institution of higher education that—

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

14 (B) offers technical degrees or certificate
15 granting programs.

16 **SEC. 116. INCENTIVE GRANTS.**

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

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

21 (2) the State performance measures established
22 under title III.

23 (b) PRIORITY.—In awarding incentive grants under
24 this section, the Secretary shall give priority to those
25 States submitting a State unified plan as described in sec-

tion 501 that is approved by the appropriate Secretaries as described in such section.

(c) USE OF FUNDS.—A State that receives an incentive grant under this section shall use the funds made available through the grant to carry out innovative programs as determined by the State.

CHAPTER 2—STATE PROVISIONS

SEC. 121. STATE ADMINISTRATION.

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

(1) the development, submission, and implementation of the State plan;

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

(3) consultation with other appropriate agencies, groups, and individuals that are involved in the development and implementation of activities assisted under this subtitle, such as employers, parents, students, teachers, labor organizations, State and local elected officials, and local program administrators.

SEC. 122. STATE USE OF FUNDS.

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

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

3 (2) not more than 10 percent of the funds, or
4 \$300,000, whichever is greater, of which—

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

10 (B) the remainder may be used to—

11 (i) develop the State plan;

12 (ii) review local applications;

13 (iii) monitor and evaluate program ef-
14 fectiveness;

15 (iv) provide technical assistance; and

16 (v) assure compliance with all applica-
17 ble Federal laws, including required serv-
18 ices and activities for individuals who are
19 members of populations described in sec-
20 tion 124(c)(16); and

21 (3) 1 percent of the funds, or the amount the
22 State expended under the Carl D. Perkins Voca-
23 tional and Applied Technology Education Act (20
24 U.S.C. 2301 et seq.) for vocational education pro-
25 grams for criminal offenders for the fiscal year

1 1997, whichever is greater, to carry out programs
2 for criminal offenders.

3 (b) REMAINDER.—From funds allotted to each State
4 under section 111(a) for each fiscal year and not reserved
5 under subsection (a), the eligible agency shall determine
6 the portion of the funds that will be available to carry out
7 sections 131 and 132.

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

12 **SEC. 123. STATE LEADERSHIP ACTIVITIES.**

13 (a) MANDATORY.—Each eligible agency shall use the
14 funds reserved under section 122(a)(1) to conduct pro-
15 grams, services, and activities that further the develop-
16 ment, implementation, and improvement of vocational
17 education within the State and that are integrated, to the
18 maximum extent possible, with challenging State academic
19 standards, including—

20 (1) providing comprehensive professional devel-
21 opment (including initial teacher preparation) for vo-
22 cational, academic, guidance, and administrative
23 personnel, that—

1 (A) will help the teachers and personnel to
2 meet the expected levels of performance estab-
3 lished under section 112;

4 (B) reflects the eligible agency's assess-
5 ment of the eligible agency's needs for profes-
6 sional development; and

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

12 (2) developing and disseminating curricula that
13 are aligned, as appropriate, with challenging State
14 academic standards, and vocational and techno-
15 logical skills;

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

19 (4) promoting gender equity in secondary and
20 postsecondary vocational education;

21 (5) supporting tech-prep education activities;

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

24 (7) supporting partnerships among local edu-
25 cational agencies, institutions of higher education,

1 adult education providers, and, as appropriate, other
2 entities, such as employers, labor organizations, par-
3 ents, and local partnerships, to enable students to
4 achieve to challenging State academic standards,
5 and vocational and technological skills; and

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

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

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

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

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

21 (4) providing assistance to students who have
22 participated in services and activities under this sub-
23 title in finding an appropriate job and continuing
24 their education.

1 **SEC. 124. STATE PLAN.**

2 (a) STATE PLAN.—

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

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

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

23 (b) DEVELOPMENT OF PLAN.—The eligible agency
24 shall develop the State plan with representatives of sec-
25 ondary and postsecondary vocational education, and busi-

1 ness, in the State and shall also consult the Governor of
2 the State.

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

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

8 (2) describes the integration of academic edu-
9 cation with vocational education, and with techno-
10 logical education related to vocational education;

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

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

18 (5) describes how the eligible agency will pro-
19 vide local educational agencies, area vocational edu-
20 cation schools, and eligible institutions in the State
21 with technical assistance;

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

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

6 (8) describes how vocational education is
7 aligned with State and regional employment oppor-
8 tunities;

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

13 (10) describes how funds will be used to pro-
14 mote gender equity in secondary and postsecondary
15 vocational education;

16 (11) describes how funds will be used to im-
17 prove and expand the use of technology in instruc-
18 tion;

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

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

23 (14) describes how funds will be allocated and
24 used at the secondary and postsecondary level, any
25 consortia that will be formed among secondary

1 schools and eligible institutions, and how funds will
2 be allocated among the members of the consortia;

3 (15) describes how the eligible agency will en-
4 sure that the data reported to the eligible agency
5 from local educational agencies and eligible institu-
6 tions under this subtitle and the data the eligible
7 agency reports to the Secretary are complete, accu-
8 rate, and reliable;

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

12 (A) low-income individuals, including foster
13 children;

14 (B) individuals with disabilities;

15 (C) single parents and displaced home-
16 makers; and

17 (D) individuals with multiple barriers to
18 educational enhancement; and

19 (17) contains the description and information
20 specified in paragraphs (8) and (16) of section
21 304(b) concerning postsecondary students and
22 school dropouts.

23 (d) PLAN APPROVAL.—

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

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

7 (B) the State’s performance measures and
8 expected levels of performance under section
9 112 are sufficiently rigorous to meet the pur-
10 pose of this title.

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

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

19 (4) TIMEFRAME.—A State plan shall be deemed
20 approved if the Secretary has not responded to the
21 eligible agency regarding the plan within 90 days of
22 the date the Secretary receives the plan.

23 (e) ELIGIBLE AGENCY REPORT.—

24 (1) IN GENERAL.—The eligible agency shall an-
25 nually report to the Secretary regarding—

1 (A) the quality and effectiveness of the
 2 programs, services, and activities, assisted
 3 under this subtitle, based on the performance
 4 measures and expected levels of performance
 5 described in section 112; and

6 (B) the progress each population of indi-
 7 viduals described in section 124(c)(16) is mak-
 8 ing toward achieving the expected levels of per-
 9 formance.

10 (2) CONTENTS.—The eligible agency report
 11 also—

12 (A) shall include such information, in such
 13 form, as the Secretary may reasonably require,
 14 in order to ensure the collection of uniform
 15 data; and

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

17 **CHAPTER 3—LOCAL PROVISIONS**

18 **SEC. 131. DISTRIBUTION FOR SECONDARY SCHOOL VOCA-** 19 **TIONAL EDUCATION.**

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

1 (1) SEVENTY PERCENT.—From 70 percent of
2 such portion, each local educational agency shall be
3 allocated an amount that bears the same relation-
4 ship to such 70 percent as the amount such local
5 educational agency was allocated under section 1124
6 of the Elementary and Secondary Education Act of
7 1965 (20 U.S.C. 6333) for the preceding fiscal year
8 bears to the total amount received under such sec-
9 tion by all local educational agencies in the State for
10 such year.

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

22 (3) TEN PERCENT.—From 10 percent of such
23 portion, each local educational agency shall be allo-
24 cated an amount that bears the same relationship to
25 such 10 percent as the number of students enrolled

1 in schools and adults enrolled in training programs
2 under the jurisdiction of such local educational agen-
3 cy for the preceding fiscal year bears to the number
4 of students enrolled in schools and adults enrolled in
5 training programs under the jurisdiction of all local
6 educational agencies in the State for such year.

7 (b) MINIMUM ALLOCATION.—

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

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

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

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

24 (3) REALLOCATION.—Any amounts that are not
25 allocated by reason of paragraph (1) or (2) shall be

1 reallocated to local educational agencies that meet
2 the requirements of paragraph (1) or (2) in accord-
3 ance with the provisions of this section.

4 (c) LIMITED JURISDICTION AGENCIES.—

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

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

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

21 (1) IN GENERAL.—Each eligible agency shall
22 distribute the portion of funds made available for
23 any fiscal year by such entity for secondary school
24 vocational education activities under section 122(b)

1 to the appropriate area vocational education school
2 or educational service agency in any case in which—

3 (A) the area vocational education school or
4 educational service agency, and the local edu-
5 cational agency concerned—

6 (i) have formed or will form a consor-
7 tium for the purpose of receiving funds
8 under this section; or

9 (ii) have entered into or will enter into
10 a cooperative arrangement for such pur-
11 pose; and

12 (B)(i) the area vocational education school
13 or educational service agency serves an approxi-
14 mately equal or greater proportion of students
15 who are individuals with disabilities or are low-
16 income than the proportion of such students at-
17 tending the secondary schools under the juris-
18 diction of all of the local educational agencies
19 sending students to the area vocational edu-
20 cation school or the educational service agency;
21 or

22 (ii) the area vocational education school,
23 educational service agency, or local educational
24 agency demonstrates that the vocational edu-
25 cation school or educational service agency is

1 unable to meet the criterion described in clause
2 (i) due to the lack of interest by students de-
3 scribed in clause (i) in attending vocational edu-
4 cation programs in that area vocational edu-
5 cation school or educational service agency.

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

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

19 (B) such amount may be allocated on the
20 basis of an agreement between the local edu-
21 cational agency and the area vocational edu-
22 cation school or educational service agency.

23 (3) STATE DETERMINATION.—

24 (A) IN GENERAL.—For the purposes of
25 this subsection, the eligible agency may deter-

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

(i) eligibility for—

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

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

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

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

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

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

1 mination described in such subparagraph, the
2 eligible agency shall ensure that the data used
3 is not duplicative.

4 (4) APPEALS PROCEDURE.—The eligible agency
5 shall establish an appeals procedure for resolution of
6 any dispute arising between a local educational
7 agency and an area vocational education school or
8 an educational service agency with respect to the al-
9 location procedures described in this section, includ-
10 ing the decision of a local educational agency to
11 leave a consortium.

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

18 (A) form a consortium or enter into a co-
19 operative agreement with an area vocational
20 education school or educational service agency
21 offering secondary school vocational education
22 programs of sufficient size, scope, and quality
23 to be effective and that are accessible to stu-
24 dents who are individuals with disabilities or

1 are low-income, and are served by such local
2 educational agency; and

3 (B) transfer such allocation to the area vo-
4 cational education school or educational service
5 agency.

6 (e) SPECIAL RULE.—Each eligible agency distribut-
7 ing funds under this section shall treat a secondary school
8 funded by the Bureau of Indian Affairs within the State
9 as if such school were a local educational agency within
10 the State for the purpose of receiving a distribution under
11 this section.

12 **SEC. 132. DISTRIBUTION FOR POSTSECONDARY VOCA-**
13 **TIONAL EDUCATION.**

14 (a) DISTRIBUTION.—

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

21 (2) ALLOCATION.—Each eligible institution in
22 the State having an application approved under sec-
23 tion 134 for a fiscal year shall be allocated an
24 amount that bears the same relationship to the
25 amount of funds made available for postsecondary

1 vocational education under section 122(b) for the
2 fiscal year as the number of Pell Grant recipients
3 and recipients of assistance from the Bureau of In-
4 dian Affairs enrolled for the preceding fiscal year by
5 such eligible institution in vocational education pro-
6 grams that do not exceed 2 years in duration bears
7 to the number of such recipients enrolled in such
8 programs within the State for such fiscal year.

9 (3) MINIMUM ALLOCATION.—

10 (A) IN GENERAL.—Except as provided in
11 subparagraph (B), no eligible institution shall
12 receive an allocation under paragraph (2) un-
13 less the amount allocated to the eligible institu-
14 tion under paragraph (2) is not less than
15 \$65,000.

16 (B) WAIVER.—The eligible agency may
17 waive the application of subparagraph (A) in
18 any case in which the eligible institution is lo-
19 cated in a rural, sparsely populated area.

20 (C) REALLOCATION.—Any amounts that
21 are not allocated by reason of subparagraph (A)
22 or (B) shall be reallocated to eligible institu-
23 tions that meet the requirements of subpara-
24 graph (A) or (B) in accordance with the provi-
25 sions of this section.

1 (4) DEFINITION OF PELL GRANT RECIPIENT.—

2 The term “Pell Grant recipient” means a recipient
3 of financial aid under subpart 1 of part A of title
4 IV of the Higher Education Act of 1965 (20 U.S.C.
5 1070a).

6 (b) ALTERNATIVE ALLOCATION.—An eligible agency
7 may allocate funds made available for postsecondary edu-
8 cation under section 122(b) for a fiscal year using an al-
9 ternative formula if the eligible agency demonstrates to
10 the Secretary’s satisfaction that—

11 (1) the alternative formula better meets the
12 purpose of this title; and

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

17 (B) the alternative formula will result in such
18 a distribution.

19 **SEC. 133. LOCAL ACTIVITIES.**

20 (a) MANDATORY.—Funds made available to a local
21 educational agency or an eligible institution under this
22 subtitle shall be used—

23 (1) to conduct vocational education programs,
24 and technological education programs related to vo-
25 cational education, that further student achievement;

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

3 (3) to integrate academic education with voca-
4 tional education for students participating in voca-
5 tional education;

6 (4) to link secondary education (as determined
7 under State law) and postsecondary education, in-
8 cluding implementing tech-prep programs;

9 (5) to provide professional development activi-
10 ties to teachers, counselors, and administrators, in-
11 cluding—

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

14 (B) internship programs that provide busi-
15 ness experience to teachers; and

16 (C) programs designed to train teachers
17 specifically in the use and application of tech-
18 nology;

19 (6) to improve or expand the use of technology
20 in vocational instruction, including professional de-
21 velopment in the use of technology, which may in-
22 clude distance learning;

23 (7) to expand, improve, and modernize quality
24 vocational education programs;

1 (8) to provide access to quality vocational edu-
2 cation programs for students, including students
3 who are members of the populations described in
4 section 124(c)(16);

5 (9) to develop and implement performance man-
6 agement systems and evaluations; and

7 (10) to promote gender equity in secondary and
8 postsecondary vocational education.

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

12 (1) to carry out student internships;

13 (2) to provide guidance and counseling for stu-
14 dents participating in vocational education pro-
15 grams;

16 (3) to provide vocational education programs
17 for adults and school dropouts to complete their sec-
18 ondary school education;

19 (4) to acquire and adapt equipment, including
20 instructional aids;

21 (5) to support vocational student organizations;

22 (6) to provide assistance to students who have
23 participated in services and activities under this sub-
24 title in finding an appropriate job and continuing
25 their education; and

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

3 **SEC. 134. LOCAL APPLICATION.**

4 (a) IN GENERAL.—Each local educational agency or
5 eligible institution desiring assistance under this subtitle
6 shall submit an application to the eligible agency at such
7 time, in such manner, and accompanied by such informa-
8 tion as the eligible agency (in consultation with such other
9 educational entities as the eligible agency determines to
10 be appropriate) may require.

11 (b) CONTENTS.—Each application shall, at a mini-
12 mum—

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

16 (2) describe the process that will be used to
17 independently evaluate and continuously improve the
18 performance of the local educational agency or eligi-
19 ble institution, as appropriate; and

20 (3) describe how the local educational agency or
21 eligible institution, as appropriate, will consult with
22 students, parents, business, labor organizations, and
23 other interested individuals, in carrying out activities
24 under this subtitle.

1 **Subtitle B—Tech-Prep Education**

2 **SEC. 151. SHORT TITLE.**

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

5 **SEC. 152. PURPOSES.**

6 The purposes of this subtitle are—

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

14 (2) to provide, in a systematic manner, strong,
15 comprehensive links among secondary schools, post-
16 secondary educational institutions, and local or re-
17 gional employers, or labor organizations; and

18 (3) to support the use of contextual, authentic,
19 and applied teaching and curriculum based on each
20 State’s academic, occupational, and employability
21 standards.

22 **SEC. 153. DEFINITIONS.**

23 (a) In this subtitle:

24 (1) **ARTICULATION AGREEMENT.**—The term
25 “articulation agreement” means a written commit-

1 ment to a program designed to provide students with
 2 a non duplicative sequence of progressive achieve-
 3 ment leading to degrees or certificates in a tech-prep
 4 education program.

5 (2) COMMUNITY COLLEGE.—The term “commu-
 6 nity college”—

7 (A) has the meaning provided in section
 8 1201(a) of the Higher Education Act of 1965
 9 (20 U.S.C. 1141) for an institution which pro-
 10 vides not less than a 2-year program which is
 11 acceptable for full credit toward a bachelor’s de-
 12 gree; and

13 (B) includes tribally controlled community
 14 colleges.

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

17 (A) combines at a minimum 2 years of sec-
 18 ondary education (as determined under State
 19 law) and a minimum 2 years of postsecondary
 20 education in a nonduplicative, sequential course
 21 of study;

22 (B) integrates academic and vocational in-
 23 struction, and utilizes work-based and worksite
 24 learning where appropriate and available;

1 (C) provides technical preparation in a ca-
 2 reer field such as engineering technology, ap-
 3 plied science, a mechanical, industrial, or prac-
 4 tical art or trade, agriculture, health occupa-
 5 tions, business, or applied economics;

6 (D) builds student competence in mathe-
 7 matics, science, communications, economics,
 8 and workplace skills, through applied, contex-
 9 tual academics, and integrated instruction in a
 10 coherent sequence of courses;

11 (E) leads to an associate or a bacca-
 12 laurate degree or a certificate in a specific ca-
 13 reer field; and

14 (F) leads to placement in appropriate em-
 15 ployment or further education.

16 **SEC. 154. PROGRAM AUTHORIZED.**

17 (a) DISCRETIONARY AMOUNTS.—

18 (1) IN GENERAL.—For any fiscal year for
 19 which the amount appropriated under section 158 to
 20 carry out this subtitle is equal to or less than
 21 \$50,000,000, the Secretary shall award grants for
 22 tech-prep education programs to consortia of—

23 (A) local educational agencies, intermedi-
 24 ate educational agencies or area vocational edu-
 25 cation schools serving secondary school stu-

dents, or secondary schools funded by the Bureau of Indian Affairs;

(B)(i) nonprofit institutions of higher education that offer—

(I) a 2-year associate degree program, or a 2-year certificate program, and are qualified as institutions of higher education pursuant to section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)), including institutions receiving assistance under the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801 et seq.) and tribally controlled postsecondary vocational institutions; or

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

(ii) proprietary institutions of higher education which offer a 2-year associate degree

1 program and which are qualified as institutions
 2 of higher education pursuant to section 481(a)
 3 of the Higher Education Act of 1965 (20
 4 U.S.C. 1088(a)) if such proprietary institutions
 5 of higher education are not subject to a default
 6 management plan required by the Secretary; or
 7 (C) employers or labor organizations.

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

11 (b) STATE GRANTS.—

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

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

23 (3) AWARD BASIS.—From amounts made avail-
 24 able to each eligible agency under this subsection,
 25 the eligible agency shall award grants, on a competi-

1 tive basis or on the basis of a formula determined
2 by the eligible agency, for tech-prep education pro-
3 grams to consortia described in subsection (a).

4 (4) STATE APPLICATION.—Each eligible agency
5 desiring assistance under this subtitle shall submit
6 an application to the Secretary at such time, in such
7 manner, and accompanied by such information as
8 the Secretary may require.

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

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

13 (b) CONTENTS OF PROGRAM.—Any such tech-prep
14 program shall—

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

17 (2) consist of at least 2 years of secondary
18 school preceding graduation and 2 years or more of
19 higher education, or an apprenticeship program of at
20 least 2 years following secondary instruction, with a
21 common core of required proficiency in mathematics,
22 science, communications, and technologies designed
23 to lead to an associate or baccalaureate degree or a
24 certificate in a specific career field;

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

4 (A) meets challenging academic standards
 5 developed by the State;

6 (B) links secondary schools and 2-year
 7 postsecondary institutions, and where possible
 8 and practicable, 4-year institutions of higher
 9 education through nonduplicative sequences of
 10 courses in career fields;

11 (C) uses, where appropriate and available,
 12 work-based or worksite learning in conjunction
 13 with business and industry; and

14 (D) uses educational technology and dis-
 15 tance learning, as appropriate, to involve all the
 16 consortium partners more fully in the develop-
 17 ment and operation of programs.

18 (4) include a professional development program
 19 for academic, vocational, and technical teachers
 20 that—

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

23 (B) provides for joint training for teachers
 24 from all participants in the consortium;

1 (C) is designed to ensure that teachers
 2 stay current with the needs, expectations, and
 3 methods of business and industry;

4 (D) focuses on training postsecondary edu-
 5 cation faculty in the use of contextual and ap-
 6 plied curricula and instruction; and

7 (E) provides training in the use and appli-
 8 cation of technology;

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

11 (A) make tech-prep education opportuni-
 12 ties known to students interested in such activi-
 13 ties;

14 (B) ensure that such students successfully
 15 complete such programs;

16 (C) ensure that such students are placed in
 17 appropriate employment; and

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

20 (6) provide equal access to the full range of
 21 technical preparation programs to individuals who
 22 are members of populations described in section
 23 124(c)(16), including the development of tech-prep
 24 education program services appropriate to the needs
 25 of such individuals; and

1 (7) provide for preparatory services that assist
2 all participants in such programs.

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

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

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

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

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

23 **SEC. 156. APPLICATIONS.**

24 (a) **IN GENERAL.**—Each consortium that desires to
25 receive a grant under this subtitle shall submit an applica-

tion to the Secretary or the eligible agency, as appropriate,
 at such time and in such manner as the Secretary or the
 eligible agency, 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 subtitle.

(c) APPROVAL.—The Secretary or the eligible agency, as appropriate, shall approve applications based on the potential of the activities described in the application to create an effective tech-prep education program described in section 155.

(d) SPECIAL CONSIDERATION.—The Secretary or the eligible agency, as appropriate, shall give special consideration to applications that—

(1) provide for effective employment placement activities or the transfer of students to 4-year institutions of higher education;

(2) are developed in consultation with 4-year institutions of higher education;

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

(4) provide education and training in areas or skills where there are significant workforce short-

1 ages, including the information technology industry;
2 and

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

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

12 (f) **NOTICE.**—

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

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

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

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

5 **Subtitle C—General Provisions**

6 **SEC. 161. ADMINISTRATIVE PROVISIONS.**

7 (a) SUPPLEMENT NOT SUPPLANT.—Funds made
8 available under this title for vocational education activities
9 shall supplement, and shall not supplant, other public
10 funds expended to carry out vocational education and
11 tech-prep activities.

12 (b) MAINTENANCE OF EFFORT.—

13 (1) DETERMINATION.—No payments shall be
14 made under this title for any fiscal year to an eligi-
15 ble agency for vocational education or tech-prep ac-
16 tivities unless the Secretary determines that the fis-
17 cal effort per student or the aggregate expenditures
18 of the State for vocational education for the fiscal
19 year preceding the fiscal year for which the deter-
20 mination is made, equaled or exceeded such effort or
21 expenditures for vocational education for the second
22 fiscal year preceding the fiscal year for which the de-
23 termination is made.

24 (2) WAIVER.—The Secretary may waive the re-
25 quirements of this section, with respect to not more
26 than 5 percent of expenditures by any eligible agen-

17 SEC. 162. EVALUATION, IMPROVEMENT, AND ACCOUNT-
18 ABILITY.

(b) IMPROVEMENT ACTIVITIES.—If, after reviewing the evaluation, an eligible agency determines that a local

1 educational agency or eligible institution is not making
2 substantial progress in achieving the purpose of this title,
3 the eligible agency may work jointly with the local edu-
4 cational agency or eligible institution, respectively, to de-
5 velop an improvement plan. If, after not more than 2 years
6 of implementation of the improvement plan, the eligible
7 agency determines that the local educational agency or eli-
8 gible institution, respectively, is not making substantial
9 progress, the eligible agency shall take whatever corrective
10 action the eligible agency deems necessary, which may in-
11 clude termination of funding or the implementation of al-
12 ternative service arrangements, consistent with State law.
13 The eligible agency shall take corrective action under the
14 preceding sentence only after the eligible agency has pro-
15 vided technical assistance to the local educational agency
16 or eligible institution and shall ensure, to the extent prac-
17 ticable, that any corrective action the eligible agency takes
18 allows for continued services to and activities for individ-
19 uals served by the local educational agency or eligible in-
20 stitution, respectively.

21 (c) TECHNICAL ASSISTANCE.—If the Secretary deter-
22 mines that an eligible agency is not properly implementing
23 the eligible agency's responsibilities under section 124, or
24 is not making substantial progress in meeting the purpose
25 of this title, based on the performance measures and ex-

1 pected levels of performance under section 112 included
2 in the eligible agency's State plan, the Secretary shall
3 work with the eligible agency to implement improvement
4 activities.

5 (d) WITHHOLDING OF FEDERAL FUNDS.—If, after
6 a reasonable time, but not earlier than 1 year after imple-
7 menting activities described in subsection (c), the Sec-
8 retary determines that the eligible agency is not making
9 sufficient progress, based on the eligible agency's perform-
10 ance measures and expected levels of performance, the
11 Secretary, after notice and opportunity for a hearing, shall
12 withhold from the eligible agency all, or a portion, of the
13 eligible agency's grant funds under this subtitle. The Sec-
14 retary may use funds withheld under the preceding sen-
15 tence to provide, through alternative arrangements, serv-
16 ices, and activities within the State to meet the purpose
17 of this title.

18 **SEC. 163. NATIONAL ACTIVITIES.**

19 The Secretary may, directly or through grants, con-
20 tracts, or cooperative agreements, carry out research, de-
21 velopment, dissemination, evaluation, capacity-building,
22 and technical assistance activities that carry out the pur-
23 pose of this title.

1 **SEC. 164. NATIONAL ASSESSMENT OF VOCATIONAL EDU-**
2 **CATION PROGRAMS.**

3 (a) IN GENERAL.—The Secretary shall conduct a na-
4 tional assessment of vocational education programs as-
5 sisted under this title, through studies and analyses con-
6 ducted independently through competitive awards.

7 (b) INDEPENDENT ADVISORY PANEL.—The Sec-
8 retary shall appoint an independent advisory panel, con-
9 sisting of vocational education administrators, educators,
10 researchers, and representatives of labor organizations,
11 business, parents, guidance and counseling professionals,
12 and other relevant groups, to advise the Secretary on the
13 implementation of such assessment, including the issues
14 to be addressed and the methodology of the studies in-
15 volved, and the findings and recommendations resulting
16 from the assessment. The panel shall submit to the Com-
17 mittee on Education and the Workforce of the House of
18 Representatives, the Committee on Labor and Human Re-
19 sources of the Senate, and the Secretary an independent
20 analysis of the findings and recommendations resulting
21 from the assessment. The Federal Advisory Committee
22 Act (5 U.S.C. App.) shall not apply to the panel estab-
23 lished under this subsection.

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

1 (1) the effect of the vocational education pro-
2 grams assisted under this title on State and tribal
3 administration of vocational education programs and
4 on local vocational education practices, including the
5 capacity of State, tribal, and local vocational edu-
6 cation systems to address the purpose of this title;

7 (2) expenditures at the Federal, State, tribal,
8 and local levels to address program improvement in
9 vocational education, including the impact of Federal
10 allocation requirements (such as within-State dis-
11 tribution formulas) on the delivery of services;

12 (3) preparation and qualifications of teachers of
13 vocational and academic curricula in vocational edu-
14 cation programs, as well as shortages of such teach-
15 ers;

16 (4) participation in vocational education pro-
17 grams;

18 (5) academic and employment outcomes of vo-
19 cational education, including analyses of—

20 (A) the extent and success of integration
21 of academic and vocational curricula; and

22 (B) the degree to which vocational edu-
23 cation is relevant to subsequent employment or
24 participation in postsecondary education;

1 (6) employer involvement in, and satisfaction
2 with, vocational education programs; and

3 (7) the effect of performance measures, and
4 other measures of accountability, on the delivery of
5 vocational education services.

6 (d) CONSULTATION.—

7 (1) IN GENERAL.—The Secretary shall consult
8 with the Committee on Education and the Workforce
9 of the House of Representatives and the Committee
10 on Labor and Human Resources of the Senate in
11 the design and implementation of the assessment re-
12 quired under subsection (a).

13 (2) REPORTS.—The Secretary shall submit to
14 the Committee on Education and the Workforce of
15 the House of Representatives, the Committee on
16 Labor and Human Resources of the Senate, and the
17 Secretary—

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

20 (B) a final report, summarizing all studies
21 and analyses that relate to the assessment and
22 that are completed after the assessment, on or
23 before July 1, 2002.

24 (3) PROHIBITION.—Notwithstanding any other
25 provision of law or regulation, the reports required

1 by this subsection shall not be subject to any review
 2 outside of the Department of Education before their
 3 transmittal to the Committee on Education and the
 4 Workforce of the House of Representatives, the
 5 Committee on Labor and Human Resources of the
 6 Senate, and the Secretary, but the President, the
 7 Secretary, and the independent advisory panel estab-
 8 lished under subsection (b) may make such addi-
 9 tional recommendations to Congress with respect to
 10 the assessment as the President, the Secretary, or
 11 the panel determine to be appropriate.

12 **SEC. 165. NATIONAL RESEARCH CENTER.**

13 (a) GENERAL AUTHORITY.—

14 (1) IN GENERAL.—The Secretary, through
 15 grants, contracts, or cooperative agreements, may
 16 establish 1 or more national centers in the areas
 17 of—

18 (A) applied research and development; and

19 (B) dissemination and training.

20 (2) CONSULTATION.—The Secretary shall con-
 21 sult with the States prior to establishing 1 or more
 22 such centers.

23 (3) ELIGIBLE ENTITIES.—Entities eligible to
 24 receive funds under this section are institutions of
 25 higher education, other public or private nonprofit

1 organizations or agencies, and consortia of such in-
2 stitutions, organizations, or agencies.

3 (b) ACTIVITIES.—

4 (1) IN GENERAL.—The national center or cen-
5 ters shall carry out such activities as the Secretary
6 determines to be appropriate to assist State and
7 local recipients of funds under this title to achieve
8 the purpose of this title, which may include the re-
9 search and evaluation activities in such areas as—

10 (A) the integration of vocational and aca-
11 demic instruction, secondary and postsecondary
12 instruction;

13 (B) effective inservice and preservice
14 teacher education that assists vocational edu-
15 cation systems;

16 (C) performance measures and expected
17 levels of performance that serve to improve vo-
18 cational education programs and student
19 achievement;

20 (D) effects of economic changes on the
21 kinds of knowledge and skills required for em-
22 ployment or participation in postsecondary edu-
23 cation;

24 (E) longitudinal studies of student achieve-
25 ment; and

1 (F) dissemination and training activities
 2 related to the applied research and demonstra-
 3 tion activities described in this subsection,
 4 which may also include—

5 (i) serving as a repository for infor-
 6 mation on vocational and technological
 7 skills, State academic standards, and relat-
 8 ed materials; and

9 (ii) developing and maintaining na-
 10 tional networks of educators who facilitate
 11 the development of vocational education
 12 systems.

13 (2) REPORT.—The center or centers conducting
 14 the activities described in paragraph (1) annually
 15 shall prepare a report of key research findings of
 16 such center or centers and shall submit copies of the
 17 report to the Secretary, the Secretary of Labor, and
 18 the Secretary of Health and Human Services. The
 19 Secretary shall submit that report to the Committee
 20 on Education and the Workforce of the House of
 21 Representatives, the Committee on Labor and
 22 Human Resources of the Senate, the Library of
 23 Congress, and each eligible agency.

24 (c) REVIEW.—The Secretary shall—

1 (1) consult at least annually with the national
 2 center or centers and with experts in education to
 3 ensure that the activities of the national center or
 4 centers meet the needs of vocational education pro-
 5 grams; and

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

9 **SEC. 166. DATA SYSTEMS.**

10 (a) IN GENERAL.—The Secretary shall maintain a
 11 data system to collect information about, and report on,
 12 the condition of vocational education and on the effective-
 13 ness of State and local programs, services, and activities
 14 carried out under this title in order to provide the Sec-
 15 retary and Congress, as well as Federal, State, local, and
 16 tribal agencies, with information relevant to improvement
 17 in the quality and effectiveness of vocational education.
 18 The Secretary annually shall report to Congress on the
 19 Secretary’s analysis of performance data collected each
 20 year pursuant to this title.

21 (b) DATA SYSTEM.—In maintaining the data system,
 22 the Secretary shall ensure that the data system is compat-
 23 ible with other Federal information systems.

24 (c) ASSESSMENTS.—As a regular part of its assess-
 25 ments, the National Center for Education Statistics shall

1 collect and report information on vocational education for
 2 a nationally representative sample of students. Such as-
 3 sessment may include international comparisons.

4 **Subtitle D—Authorization of** 5 **Appropriations**

6 **SEC. 171. AUTHORIZATION OF APPROPRIATIONS.**

7 There are authorized to be appropriated to carry out
 8 subtitle (A), and sections 163, 164, 165, and 166, such
 9 sums as may be necessary for each of the fiscal years 1999
 10 through 2004.

11 **Subtitle E—Repeal**

12 **SEC. 181. REPEAL.**

13 (a) REPEAL.—The Carl D. Perkins Vocational and
 14 Applied Technology Education Act (20 U.S.C. 2301 et
 15 seq.) is repealed.

16 (b) REFERENCES TO CARL D. PERKINS VOCATIONAL
 17 AND APPLIED TECHNOLOGY EDUCATION ACT.—

18 (1) IMMIGRATION AND NATIONALITY ACT.—Sec-
 19 tion 245A(h)(4)(C) of the Immigration and Nation-
 20 ality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by
 21 striking “Vocational Education Act of 1963” and in-
 22 serting “Carl D. Perkins Vocational and Applied
 23 Technology Education Act of 1997”.

24 (2) NATIONAL DEFENSE AUTHORIZATION
 25 ACT.—Section 4461 of the National Defense Author-

1 ization Act for Fiscal Year 1993 (10 U.S.C. 1143
2 note) is amended—

3 (A) by striking paragraph (4); and

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

6 (3) ELEMENTARY AND SECONDARY EDUCATION
7 ACT OF 1965.—The Elementary and Secondary Edu-
8 cation Act of 1965 (20 U.S.C. 6301 et seq.) is
9 amended—

10 (A) in section 1114(b)(2)(C)(v) (20 U.S.C.
11 6314(b)(2)(C)(v)), by striking “Carl D. Perkins
12 Vocational and Applied Technology Education
13 Act,” and inserting “Carl D. Perkins Voca-
14 tional and Applied Technology Education Act of
15 1997”;

16 (B) in section 9115(b)(5) (20 U.S.C.
17 7815(b)(5)), by striking “Carl D. Perkins Voca-
18 tional and Applied Technology Education Act”
19 and inserting “Carl D. Perkins Vocational and
20 Applied Technology Education Act of 1997”;

21 (C) in section 14302(a)(2) (20 U.S.C.
22 8852(a)(2))—

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

1 (ii) by redesignating subparagraphs
 2 (D), (E), and (F) as subparagraphs (C),
 3 (D), and (E), respectively; and
 4 (D) in the matter preceding subparagraph
 5 (A) of section 14307(a)(1) (20 U.S.C.
 6 8857(a)(1)), by striking “Carl D. Perkins Voca-
 7 tional and Applied Technology Education Act”
 8 and inserting “Carl D. Perkins Vocational and
 9 Applied Technology Education Act of 1997”.

10 (4) EQUITY IN EDUCATIONAL LAND-GRANT STA-
 11 TUS ACT OF 1994.—Section 533(c)(4)(A) of the Eq-
 12 uity in Educational Land-Grant Status Act of 1994
 13 (7 U.S.C. 301 note) is amended by striking “(20
 14 U.S.C. 2397h(3)” and inserting “, as such section
 15 was in effect on the day preceding the date of enact-
 16 ment of the Carl D. Perkins Vocational and Applied
 17 Technology Education Act of 1997”.

18 (5) IMPROVING AMERICA’S SCHOOLS ACT OF
 19 1994.—Section 563 of the Improving America’s
 20 Schools Act of 1994 (20 U.S.C. 6301 note) is
 21 amended by striking “the date of enactment of an
 22 Act reauthorizing the Carl D. Perkins Vocational
 23 and Applied Technology Education Act (20 U.S.C.
 24 2301 et seq.)” and inserting “July 1, 1999”.

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

(A) by striking “subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act” and inserting “subparagraph (C) or (D) of section 2(3) of the Workforce Investment Partnership Act of 1997”; and

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

(7) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) (as amended by subsection (c)(5)) is further amended by striking “Carl D. Perkins Vocational Education Act” and inserting “Carl D. Perkins Vocational and Applied Technology Education Act of 1997”.

(8) VOCATIONAL EDUCATION AMENDMENTS OF 1968.—Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by

1 striking “section 3 of the Carl D. Perkins Vocational
2 Education Act” and inserting “the Carl D. Perkins
3 Vocational and Applied Technology Education Act of
4 1997”.

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

8 (A) in section 502(b)(1)(N)(i) (42 U.S.C.
9 3056(b)(1)(N)(i)), by striking “or the Carl D.
10 Perkins Vocational and Applied Technology
11 Education Act (20 U.S.C. 2301 et seq.)”; and

12 (B) in section 505(d)(2) (42 U.S.C.
13 3056c(d)(2))—

14 (i) by striking “employment and
15 training programs” and inserting
16 “workforce investment activities”; and

17 (ii) by striking “the Carl D. Perkins
18 Vocational and Applied Technology Edu-
19 cation Act (20 U.S.C. 2301 et seq.)” and
20 inserting “the Carl D. Perkins Vocational
21 and Applied Technology Education Act of
22 1997”.

1 **TITLE II—ADULT EDUCATION**
2 **AND LITERACY**

3 **SEC. 201. SHORT TITLE.**

4 This title may be cited as the “Adult Education and
5 Literacy Act”.

6 **SEC. 202. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds that—

8 (1) the National Adult Literacy Survey and
9 other studies have found that more than one-fifth of
10 American adults demonstrate very low literacy skills
11 that make it difficult for the adults to be economi-
12 cally self-sufficient, much less enter high-skill, high-
13 wage jobs;

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

18 (3) our Nation’s well-being is dependent on the
19 knowledge and skills of all of our Nation’s citizens.

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

- 1 (1) become literate and obtain the knowledge
- 2 and skills needed to compete in a global economy;
- 3 (2) complete a secondary school education; and
- 4 (3) have the education skills necessary to sup-
- 5 port the educational development of their children.

6 **Subtitle A—Adult Education and**

7 **Literacy Programs**

8 **CHAPTER 1—FEDERAL PROVISIONS**

9 **SEC. 211. RESERVATION; GRANTS TO STATES; ALLOT-**

10 **MENTS.**

11 (a) RESERVATION OF FUNDS FOR NATIONAL LEAD-
 12 ERSHIP ACTIVITIES.—From the amount appropriated for
 13 any fiscal year under section 246, the Secretary shall
 14 reserve—

- 15 (1) 1.5 percent to carry out section 213;
- 16 (2) 2 percent to carry out section 243; and
- 17 (3) 1.5 percent to carry out section 245.

18 (b) GRANTS TO STATES.—From the sum appro-
 19 priated under section 246 and not reserved under sub-
 20 section (a) for a fiscal year, the Secretary shall award a
 21 grant to each eligible agency having a State plan approved
 22 under section 224 in an amount equal to the sum of the
 23 initial allotment under subsection (c)(1) and the additional
 24 allotment under subsection (c)(2) for the eligible agency

1 for the fiscal year to enable the eligible agency to carry
2 out the activities assisted under this subtitle.

3 (c) ALLOTMENTS.—

4 (1) INITIAL ALLOTMENTS.—From the sum ap-
5 propriated under section 246 and not reserved under
6 subsection (a) for a fiscal year, the Secretary first
7 shall allot to each eligible agency having a State
8 plan approved under section 224 the following
9 amounts:

10 (A) \$100,000 in the case of an eligible
11 agency serving the United States Virgin Is-
12 lands, Guam, American Samoa, the Common-
13 wealth of the Northern Mariana Islands, the
14 Republic of the Marshall Islands, the Federated
15 States of Micronesia, and the Republic of
16 Palau.

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

19 (2) ADDITIONAL ALLOTMENTS.—From the sum
20 appropriated under section 246, not reserved under
21 subsection (a), and not allotted under paragraph (1),
22 for any fiscal year, the Secretary shall allot to each
23 eligible agency an amount that bears the same rela-
24 tionship to such sum as the number of qualifying
25 adults in the State or outlying area served by the el-

1 igible agency bears to the number of such adults in
2 all States and outlying areas.

3 (d) QUALIFYING ADULT.—For the purposes of this
4 subsection, the term “qualifying adult” means an adult
5 who—

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

7 (2) is beyond the age of compulsory school at-
8 tendance under the law of the State or outlying
9 area;

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

12 (4) is not enrolled in secondary school.

13 (e) SPECIAL RULE.—

14 (1) IN GENERAL.—From amounts made avail-
15 able under subsection (c) for the Republic of the
16 Marshall Islands, the Federated States of Microne-
17 sia, and the Republic of Palau, the Secretary shall
18 award grants to Guam, American Samoa, the Com-
19 monwealth of the Northern Mariana Islands, the Re-
20 public of the Marshall Islands, the Federated States
21 of Micronesia, or the Republic of Palau to carry out
22 activities described in this part in accordance with
23 the provisions of this subtitle that the Secretary de-
24 termines are not inconsistent with this subsection.

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

6 (3) TERMINATION OF ELIGIBILITY.—Notwith-
7 standing any other provision of law, the Republic of
8 the Marshall Islands, the Federated States of Micro-
9 nesia, and the Republic of Palau shall not receive
10 any funds under this part for any fiscal year that
11 begins after September 30, 2004.

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

18 (f) MAINTENANCE OF EFFORT.—

19 (1) IN GENERAL.—An eligible agency may re-
20 ceive a grant under this subtitle for any fiscal year
21 only if the Secretary finds that the amount expended
22 by the State for adult education and literacy, in the
23 second fiscal year preceding the fiscal year for which
24 the determination is made, was not less than 90 per-
25 cent of the amount expended for adult education and

1 literacy in the third fiscal year preceding the fiscal
 2 year for which the determination is made.

3 (2) WAIVER.—The Secretary may waive the re-
 4 quirements of this subsection for 1 fiscal year only
 5 if the Secretary determines that such a waiver is eq-
 6 uitable due to exceptional or uncontrollable cir-
 7 cumstances, such as a natural disaster or an unfore-
 8 seen and precipitous decline in the financial re-
 9 sources of the State.

10 (g) REALLOTMENT.—If the Secretary determines
 11 that any amount of a State's allotment under this section
 12 for any fiscal year will not be required for carrying out
 13 the program for which such amount has been allotted, the
 14 Secretary shall make such amount available for reallocot-
 15 ment to 1 or more States on the basis that the Secretary
 16 determines would best serve the purpose of this title.

17 **SEC. 212. PERFORMANCE MEASURES AND EXPECTED**
 18 **LEVELS OF PERFORMANCE.**

19 (a) ESTABLISHMENT OF PERFORMANCE MEAS-
 20 URES.—After consultation with eligible agencies, eligible
 21 providers, and other interested parties (including rep-
 22 resentatives of business, representatives of labor organiza-
 23 tions, and institutions of higher education), the Secretary
 24 shall establish and publish performance measures de-
 25 scribed in this subsection that assess the progress of each

1 eligible agency in enhancing and developing more fully the
 2 literacy skills of the adult population in the State or outly-
 3 ing area. The measures, at a minimum, shall include—

4 (1) demonstrated improvements in literacy skill
 5 levels in reading and writing the English language,
 6 numeracy, and problem solving;

7 (2) attainment of secondary school diplomas or
 8 their recognized equivalent;

9 (3) placement in, retention in, or completion of,
 10 postsecondary education, training, or unsubsidized
 11 employment; and

12 (4) other performance measures the Secretary
 13 determines necessary.

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

18 **SEC. 213. NATIONAL LEADERSHIP ACTIVITIES.**

19 (a) AUTHORITY.—From the amount reserved under
 20 section 211(a)(1) for any fiscal year, the Secretary may
 21 establish a program of national leadership and evaluation
 22 activities to enhance the quality of adult education and
 23 literacy nationwide.

24 (b) METHOD OF FUNDING.—The Secretary may
 25 carry out national leadership and evaluation activities di-

1 rectly or through grants, contracts, or cooperative
2 agreements.

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

5 (1) research, such as estimating the number of
6 adults functioning at the lowest levels of literacy
7 proficiency;

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

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

17 (4) evaluations and assessments, such as peri-
18 odic independent evaluations of activities assisted
19 under this subtitle and assessments of the condition
20 and progress of literacy in the United States;

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

1 (6) data collection, such as improvement of
 2 both local and State data systems through technical
 3 assistance and development of model performance
 4 data collection systems;

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

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

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

15 **CHAPTER 2—STATE PROVISIONS**

16 **SEC. 221. STATE ADMINISTRATION.**

17 (a) IN GENERAL.—Each eligible agency shall be re-
 18 sponsible for the State administration of activities under
 19 this subtitle, including—

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

22 (2) consultation with other appropriate agen-
 23 cies, groups, and individuals that are involved in, or
 24 interested in, the development and implementation
 25 of activities assisted under this subtitle; and

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

4 (b) STATE-IMPOSED REQUIREMENTS.—Whenever a
5 State imposes any rule or policy relating to the adminis-
6 tration and operation of activities funded under this sub-
7 title (including any rule or policy based on State interpre-
8 tation of any Federal law, regulation, or guideline), the
9 State shall identify the rule or policy as a State-imposed
10 requirement.

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

12 (a) STATE DISTRIBUTION OF FUNDS.—Each eligible
13 agency receiving a grant under this subtitle for a fiscal
14 year—

15 (1) shall use not less than 80 percent of the
16 grant funds to carry out section 225 and to award
17 grants and contracts under section 231 for the fiscal
18 year, of which not more than 10 percent of the sum
19 shall be available to carry out section 225 for the
20 fiscal year;

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

24 (3) shall use not more than 5 percent of the
25 grant funds, or \$80,000, whichever is greater, for

1 administrative expenses of the eligible agency for the
2 fiscal year.

3 (b) STATE SHARE REQUIREMENT.—

4 (1) IN GENERAL.—In order to receive a grant
5 from the Secretary under section 211(b) each eligi-
6 ble agency shall provide an amount equal to 25 per-
7 cent of the total amount of funds expended for adult
8 education in the State, except that the Secretary
9 may decrease the amount of funds required under
10 this subsection for an eligible agency serving an out-
11 lying area.

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

18 **SEC. 223. STATE LEADERSHIP ACTIVITIES.**

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

22 (1) Professional development and training, in-
23 cluding training in the use of software and
24 technology.

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

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

6 (4) Establishing challenging performance meas-
7 ures and levels of performance for literacy pro-
8 ficiency in order to assess program quality and im-
9 provement.

10 (5) Integration of literacy instruction and occu-
11 pational skill training, and promoting linkages with
12 employers.

13 (6) Linkages with postsecondary institutions.

14 (7) Supporting State or regional networks of
15 literacy resource centers.

16 (8) Other activities of statewide significance
17 that promote the purpose of this subtitle.

18 (b) COLLABORATION.—In carrying out this section,
19 eligible agencies shall collaborate where possible and avoid
20 duplicating efforts in order to maximize the impact of the
21 activities described in subsection (a).

22 **SEC. 224. STATE PLAN.**

23 (a) 3-YEAR PLANS.—

24 (1) IN GENERAL.—Each eligible agency desiring
25 a grant under this subtitle for any fiscal year shall

1 submit to, or have on file with, the Secretary a 3-
2 year State plan.

3 (2) COMPREHENSIVE PLAN OR APPLICATION.—

4 The eligible agency may submit the State plan as
5 part of a comprehensive plan or application for Fed-
6 eral education assistance.

7 (b) PLAN CONTENTS.—In developing the State plan,
8 and any revisions to the State plan, the eligible agency
9 shall include in the State plan or revisions—

10 (1) an objective assessment of the needs of indi-
11 viduals in the State for adult education and literacy
12 activities, including individuals most in need or
13 hardest to serve, such as educationally disadvan-
14 tagged adults, immigrants, individuals with limited
15 English proficiency, incarcerated individuals, home-
16 less individuals, recipients of public assistance, and
17 individuals with disabilities;

18 (2) a description of the adult education and lit-
19 eracy activities that will be carried out with any
20 funds received under this subtitle;

21 (3) a description of how the eligible agency will
22 evaluate annually the effectiveness of the adult edu-
23 cation and literacy activities based on the perform-
24 ance measures described in section 212;

1 (4) a description of how the eligible agency will
2 ensure that the data reported to the eligible agency
3 from eligible providers under this subtitle and the
4 data the eligible agency reports to the Secretary are
5 complete, accurate, and reliable;

6 (5) a description of the performance measures
7 required under section 212(a) and how such per-
8 formance measures and the expected levels of per-
9 formance will ensure improvement of adult education
10 and literacy activities in the State or outlying area;

11 (6) an assurance that the funds received under
12 this subtitle will not be expended for any purpose
13 other than for activities under this subtitle;

14 (7) a description of how the eligible agency will
15 fund local activities in accordance with the priorities
16 described in section 242(a);

17 (8) a description of how the eligible agency will
18 determine which eligible providers are eligible for
19 funding in accordance with the preference described
20 in section 242(b);

21 (9) a description of how funds will be used for
22 State leadership activities, which activities may in-
23 clude professional development and training, instruc-
24 tional technology, and management technology;

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

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

7 (12) a description of how the eligible agency
8 will develop program strategies for populations that
9 include, at a minimum—

10 (A) low-income students;

11 (B) individuals with disabilities;

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

14 (D) individuals with multiple barriers to
15 educational enhancement;

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

19 (A) adult education activities authorized
20 under this subtitle;

21 (B) activities authorized under title III;

22 (C) programs authorized under the Wag-
23 ner-Peyser Act (29 U.S.C. 49 et seq.), title I of
24 the Rehabilitation Act of 1973 (29 U.S.C. 720
25 et seq.), part A of title IV of the Social Security

1 Act (42 U.S.C. 601 et seq.), section 6(d) of the
2 Food Stamp Act of 1977 (7 U.S.C. 2015(d)),
3 and title V of the Older Americans Act of 1965
4 (42 U.S.C. 3056 et seq.);

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

8 (E) activities authorized under chapter 2
9 of title II of the Trade Act of 1974 (19 U.S.C.
10 2271 et seq.);

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

13 (G) activities carried out by the Bureau of
14 Apprenticeship and Training;

15 (H) training activities carried out by the
16 Department of Housing and Urban Develop-
17 ment; and

18 (I) programs authorized under State un-
19 employment compensation laws and the Federal
20 unemployment insurance program under titles
21 III, IX, and XII of the Social Security Act (42
22 U.S.C. 501 et seq., 1101 et seq., and 1321 et
23 seq.); and

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

1 (c) PLAN REVISIONS.—When changes in conditions
2 or other factors require substantial revisions to an ap-
3 proved State plan, the eligible agency shall submit a revi-
4 sion to the State plan to the Secretary.

5 (d) CONSULTATION.—The eligible agency shall—

6 (1) submit the State plan, and any revisions to
7 the State plan, to the Governor of the State for re-
8 view and comment; and

9 (2) ensure that any comments by the Governor
10 regarding the State plan, and any revision to the
11 State plan, are submitted to the Secretary.

12 (e) PLAN APPROVAL.—

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

16 (A) the State plan, or revision, respec-
17 tively, meets the requirements of this section;
18 and

19 (B) the State's performance measures and
20 expected levels of performance under section
21 212 are sufficiently rigorous to meet the pur-
22 pose of this title.

23 (2) DISAPPROVAL.—The Secretary shall not fi-
24 nally disapprove a State plan, except after giving the

1 eligible agency notice and an opportunity for a
2 hearing.

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

7 **SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND**
8 **OTHER INSTITUTIONALIZED INDIVIDUALS.**

9 (a) PROGRAM AUTHORIZED.—From funds made
10 available under section 222(a)(1) for a fiscal year, each
11 eligible agency shall carry out corrections education or
12 education for other institutionalized individuals.

13 (b) USES OF FUNDS.—The funds described in sub-
14 section (a) shall be used for the cost of educational pro-
15 grams for criminal offenders in corrections institutions
16 and for other institutionalized individuals, including aca-
17 demic programs for—

18 (1) basic education;

19 (2) special education programs as determined
20 by the State;

21 (3) bilingual programs, or English as a second
22 language programs; and

23 (4) secondary school credit programs.

24 (c) DEFINITION OF CRIMINAL OFFENDER.—

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

4 (2) CORRECTIONAL INSTITUTION.—The term
5 “correctional institution” means any—

6 (A) prison;

7 (B) jail;

8 (C) reformatory;

9 (D) work farm;

10 (E) detention center; or

11 (F) halfway house, community-based reha-
12 bilitation center, or any other similar institution
13 designed for the confinement or rehabilitation
14 of criminal offenders.

15 **CHAPTER 3—LOCAL PROVISIONS**

16 **SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE** 17 **PROVIDERS.**

18 (a) GRANTS.—From funds made available under sec-
19 tion 222(a)(1), each eligible agency shall award multiyear
20 grants or contracts to eligible providers within the State
21 to enable the eligible providers to develop, implement, and
22 improve adult education and literacy activities within the
23 State.

24 (b) SPECIAL RULE.—Each eligible agency receiving
25 funds under this subtitle shall ensure that all eligible pro-

1 viders have direct and equitable access to apply for grants
 2 or contracts under this section.

3 (c) REQUIRED LOCAL ACTIVITIES.—Each eligible
 4 provider receiving a grant or contract under this subtitle
 5 shall establish programs that provide instruction or serv-
 6 ices, such as—

- 7 (1) adult education and literacy services; or
- 8 (2) English literacy programs.

9 **SEC. 232. LOCAL APPLICATION.**

10 Each eligible provider desiring a grant or contract
 11 under this subtitle shall submit an application to the eligi-
 12 ble agency containing such information and assurances as
 13 the eligible agency may require, including—

- 14 (1) a description of how funds awarded under
 15 this subtitle will be spent;
- 16 (2) how the expected levels of performance of
 17 the eligible provider with respect to participant re-
 18 cruitment, retention, and performance measures de-
 19 scribed in section 212 will be met and reported to
 20 the eligible agency; and
- 21 (3) a description of any cooperative arrange-
 22 ments the eligible provider has with other agencies,
 23 institutions, or organizations for the delivery of
 24 adult education and literacy programs.

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

2 (a) IN GENERAL.—Subject to subsection (b), of the
3 sum that is made available under this subtitle to an eligi-
4 ble provider—

5 (1) not less than 95 percent shall be expended
6 for carrying out adult education and literacy activi-
7 ties; and

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

11 (b) SPECIAL RULE.—In cases where the cost limits
12 described in subsection (a) are too restrictive to allow for
13 adequate planning, administration, personnel develop-
14 ment, and interagency coordination, the eligible agency
15 shall negotiate with the eligible provider in order to deter-
16 mine an adequate level of funds to be used for noninstruc-
17 tional purposes.

18 **CHAPTER 4—GENERAL PROVISIONS**

19 **SEC. 241. ADMINISTRATIVE PROVISIONS.**

20 (a) SUPPLEMENT NOT SUPPLANT.—Funds made
21 available for adult education and literacy activities under
22 this subtitle shall supplement and not supplant other
23 State, or local public funds expended for adult education
24 and literacy activities.

25 (b) REPRESENTATION.—The eligible agency shall
26 provide representation to the statewide partnership.

1 **SEC. 242. PRIORITIES AND PREFERENCES.**

2 (a) PRIORITIES.—Each eligible agency and eligible
3 provider receiving assistance under this subtitle shall give
4 priority in using the assistance to adult education and lit-
5 eracy activities that—

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

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

10 (3) provide learning in real life contexts to en-
11 sure that an individual has the skills needed to com-
12 pete in a global economy and exercise the rights and
13 responsibilities of citizenship;

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

16 (5) are of sufficient intensity and duration for
17 participants to achieve substantial learning gains,
18 such as by earning a basic skills certificate that re-
19 flects skills acquisition and has meaning to
20 employers;

21 (6) establish measurable performance levels for
22 participant outcomes, such as levels of literacy
23 achieved and attainment of a secondary school di-
24 ploma or its recognized equivalent, that are tied to
25 challenging State performance levels for literacy
26 proficiency;

1 (7) coordinate with other available resources in
2 the community, such as by establishing strong links
3 with elementary schools and secondary schools, post-
4 secondary institutions, 1-stop customer service cen-
5 ters, job training programs, and social service
6 agencies;

7 (8) offer flexible schedules and support services
8 (such as child care and transportation) that are nec-
9 essary to enable individuals, including individuals
10 with disabilities or other special needs, to attend and
11 complete programs; and

12 (9) maintain a high-quality information man-
13 agement system that has the capacity to report cli-
14 ent outcomes and to monitor program performance
15 against the State performance measures.

16 (b) PREFERENCES.—In determining which eligible
17 providers will receive funds under this subtitle for a fiscal
18 year, each eligible agency receiving a grant under this sub-
19 title, in addition to addressing the priorities described in
20 subsection (a), shall—

21 (1) give preference to eligible providers that the
22 eligible agency determines serve local areas with
23 high concentrations of individuals in poverty or with
24 low levels of literacy (including English language
25 proficiency); and

1 (2) consider—

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

4 (B) the degree to which the eligible pro-
5 vider will coordinate with and utilize other lit-
6 eracy and social services available in the
7 community.

8 **SEC. 243. INCENTIVE GRANTS.**

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

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

13 (2) the State performance measures established
14 under title III.

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

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

1 **SEC. 244. EVALUATION, IMPROVEMENT, AND ACCOUNT-**
2 **ABILITY.**

3 (a) LOCAL EVALUATION.—Each eligible agency shall
4 biennially evaluate the adult education and literacy activi-
5 ties of each eligible provider that receives a grant or con-
6 tract under this subtitle, using the performance measures
7 established under section 212.

8 (b) IMPROVEMENT ACTIVITIES.—If, after reviewing
9 the evaluation, an eligible agency determines that an eligi-
10 ble provider is not making substantial progress in achiev-
11 ing the purpose of this subtitle, the eligible agency may
12 work jointly with the eligible provider to develop an im-
13 provement plan. If, after not more than 2 years of imple-
14 mentation of the improvement plan, the eligible agency de-
15 termines that the eligible provider is not making substan-
16 tial progress, the eligible agency shall take whatever cor-
17 rective action the eligible agency deems necessary, which
18 may include termination of funding or the implementation
19 of alternative service arrangements, consistent with State
20 law. The eligible agency shall take corrective action under
21 the preceding sentence only after the eligible agency has
22 provided technical assistance to the eligible provider and
23 shall ensure, to the extent practicable, that any corrective
24 action the eligible agency takes allows for continued serv-
25 ices to and activities for the individuals served by the eligi-
26 ble provider.

1 (c) STATE REPORT.—

2 (1) IN GENERAL.—The eligible agency shall re-
3 port annually to the Secretary regarding the quality
4 and effectiveness of the adult education and literacy
5 activities funded through the eligible agency's grants
6 or contracts under this subtitle, based on the per-
7 formance measures and expected levels of perform-
8 ance included in the State plan.

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

13 (3) AVAILABILITY.—The eligible agency shall
14 make available to the public the annual report under
15 this subsection.

16 (d) TECHNICAL ASSISTANCE.—If the Secretary de-
17 termines that the eligible agency is not properly imple-
18 menting the eligible agency's responsibilities under sub-
19 section (b), or is not making substantial progress in meet-
20 ing the purpose of this subtitle, based on the performance
21 measures and expected levels of performance included in
22 the eligible agency's State plan, the Secretary shall work
23 with the eligible agency to implement improvement
24 activities.

1 (e) WITHHOLDING OF FEDERAL FUNDS.—If, not
 2 earlier than 2 years after implementing activities described
 3 in subsection (d), the Secretary determines that the eligi-
 4 ble agency is not making sufficient progress, based on the
 5 eligible agency’s performance measures and expected lev-
 6 els of performance, the Secretary, after notice and oppor-
 7 tunity for a hearing, shall withhold from the eligible agen-
 8 cy all, or a portion, of the eligible agency’s grant under
 9 this subtitle. The Secretary may use funds withheld under
 10 the preceding sentence to provide, through alternative ar-
 11 rangements, services and activities within the State to
 12 meet the purpose of this title.

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

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

16 (1) provides national leadership regarding
 17 literacy;

18 (2) coordinates literacy services and policy; and

19 (3) is a national resource for adult education
 20 and literacy, by providing the best and most current
 21 information available and supporting the creation of
 22 new ways to offer improved literacy services.

23 (b) ESTABLISHMENT.—

24 (1) IN GENERAL.—There shall be a National
 25 Institute for Literacy (in this section referred to as

1 the “Institute”). The Institute shall be administered
2 under the terms of an interagency agreement en-
3 tered into by the Secretary with the Secretary of
4 Labor and the Secretary of Health and Human
5 Services (in this section referred to as the “Inter-
6 agency Group”). The Secretary may include in the
7 Institute any research and development center, insti-
8 tute, or clearinghouse established within the Depart-
9 ment of Education the purpose of which is deter-
10 mined by the Secretary to be related to the purpose
11 of the Institute.

12 (2) RECOMMENDATIONS.—The Interagency
13 Group shall consider the recommendations of the
14 National Institute for Literacy Advisory Board (in
15 this section referred to as the “Board”) established
16 under subsection (e) in planning the goals of the In-
17 stitute and in the implementation of any programs
18 to achieve the goals. If the Board’s recommendations
19 are not followed, the Interagency Group shall pro-
20 vide a written explanation to the Board concerning
21 actions the Interagency Group takes that are incon-
22 sistent with the Board’s recommendations, including
23 the reasons for not following the Board’s rec-
24 ommendations with respect to the actions. The
25 Board may also request a meeting of the Inter-

1 agency Group to discuss the Board's recommenda-
2 tions.

3 (3) DAILY OPERATIONS.—The daily operations
4 of the Institute shall be administered by the Director
5 of the Institute.

6 (c) DUTIES.—

7 (1) IN GENERAL.—In order to provide leader-
8 ship for the improvement and expansion of the sys-
9 tem for delivery of literacy services, the Institute is
10 authorized to—

11 (A) establish a national electronic data
12 base of information that disseminates informa-
13 tion to the broadest possible audience within
14 the literacy and basic skills field, and that
15 includes—

16 (i) effective practices in the provision
17 of literacy and basic skills instruction, in-
18 cluding the integration of such instruction
19 with occupational skills training;

20 (ii) public and private literacy and
21 basic skills programs and Federal, State,
22 and local policies affecting the provision of
23 literacy services at the national, State, and
24 local levels;

1 (iii) opportunities for technical assist-
2 ance, meetings, conferences, and other op-
3 portunities that lead to the improvement of
4 literacy and basic skills services; and

5 (iv) a communication network for lit-
6 eracy programs, providers, social service
7 agencies, and students;

8 (B) coordinate support for the provision of
9 literacy and basic skills services across Federal
10 agencies and at the State and local levels;

11 (C) coordinate the support of research and
12 development on literacy and basic skills for
13 adults across Federal agencies, especially with
14 the Office of Educational Research and Im-
15 provement in the Department of Education,
16 and carry out basic and applied research and
17 development on topics that are not being inves-
18 tigated by other organizations or agencies;

19 (D) collect and disseminate information on
20 methods of advancing literacy;

21 (E) provide policy and technical assistance
22 to Federal, State, and local entities for the im-
23 provement of policy and programs relating to
24 literacy;

(F) fund a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to improve literacy by—

(i) encouraging the coordination of literacy services; and

(ii) serving as a link between the Institute and providers of adult education and literacy activities for the purpose of sharing information, data, research, expertise, and literacy resources; and

(G) undertake other activities that lead to the improvement of the Nation's literacy delivery system and that complement other such efforts being undertaken by public and private agencies and organizations.

(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Institute may award grants to, or enter into contracts or cooperative agreements with, 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

1 that generally apply to grants, contracts, or agree-
2 ments entered into by Federal agencies.

3 (d) LITERACY LEADERSHIP.—

4 (1) IN GENERAL.—The Institute may, in con-
5 sultation with the Board, award fellowships, with
6 such stipends and allowances that the Director con-
7 siders necessary, to outstanding individuals pursuing
8 careers in adult education or literacy in the areas of
9 instruction, management, research, or innovation.

10 (2) FELLOWSHIPS.—Fellowships awarded under
11 this subsection shall be used, under the auspices of
12 the Institute, to engage in research, education, train-
13 ing, technical assistance, or other activities to ad-
14 vance the field of adult education or literacy, includ-
15 ing the training of volunteer literacy providers at the
16 national, State, or local level.

17 (3) INTERNSHIPS.—The Institute, in consulta-
18 tion with the Board, is authorized to award paid and
19 unpaid internships to individuals seeking to assist in
20 carrying out the Institute's purpose and to accept
21 assistance from volunteers.

22 (e) NATIONAL INSTITUTE FOR LITERACY ADVISORY
23 BOARD.—

24 (1) ESTABLISHMENT.—

1 (A) IN GENERAL.—There shall be a Na-
2 tional Institute for Literacy Advisory Board,
3 which shall consist of 10 individuals appointed
4 by the President with the advice and consent of
5 the Senate.

6 (B) COMPOSITION.—The Board shall com-
7 prise individuals who are not otherwise officers
8 or employees of the Federal Government and
9 who are representative of such entities as—

10 (i) literacy organizations and provid-
11 ers of literacy services, including nonprofit
12 providers, providers of English as a second
13 language programs and services, social
14 service organizations, and eligible providers
15 receiving assistance under this subtitle;

16 (ii) businesses that have demonstrated
17 interest in literacy programs;

18 (iii) literacy students, including lit-
19 eracy students with disabilities;

20 (iv) experts in the area of literacy
21 research;

22 (v) State and local governments;

23 (vi) State Directors of adult edu-
24 cation; and

25 (vii) labor organizations.

1 (2) DUTIES.—The Board shall—

2 (A) make recommendations concerning the
3 appointment of the Director and staff of the In-
4 stitute; and

5 (B) provide independent advice on the op-
6 eration of the Institute.

7 (3) APPOINTMENTS.—

8 (A) IN GENERAL.—Appointments to the
9 Board made after the date of enactment of the
10 Workforce Investment Partnership Act shall be
11 for 3-year terms, except that the initial terms
12 for members may be established at 1, 2, or 3
13 years in order to establish a rotation in which
14 $\frac{1}{3}$ of the members are selected each year.

15 (B) VACANCIES.—Any member appointed
16 to fill a vacancy occurring before the expiration
17 of the term for which the member's predecessor
18 was appointed shall be appointed only for the
19 remainder of that term. A member may serve
20 after the expiration of that member's term until
21 a successor has taken office.

22 (4) OFFICERS.—The Chairperson and Vice
23 Chairperson of the Board shall be elected by the
24 members.

1 (5) MEETINGS.—The Board shall meet at the
2 call of the Chairperson or a majority of its members.

3 (f) GIFTS, BEQUESTS, AND DEVISES.—

4 (1) IN GENERAL.—The Institute may accept,
5 administer, and use gifts or donations of services,
6 money, or property, whether real or personal, tan-
7 gible or intangible.

8 (2) RULES.—The Board shall establish written
9 rules setting forth the criteria to be used by the In-
10 stitute in determining whether the acceptance of
11 contributions of services, money, or property whether
12 real or personal, tangible or intangible, would reflect
13 unfavorably upon the ability of the Institute or any
14 employee to carry out its responsibilities or official
15 duties in a fair and objective manner, or would com-
16 promise the integrity or the appearance of the integ-
17 rity of its programs or any official involved in those
18 programs.

19 (g) MAILS.—The Board and the Institute may use
20 the United States mails in the same manner and under
21 the same conditions as other departments and agencies of
22 the United States.

23 (h) STAFF.—The Interagency Group, after consider-
24 ing recommendations made by the Board, shall appoint
25 and fix the pay of a Director.

1 (i) APPLICABILITY OF CERTAIN CIVIL SERVICE
2 LAWS.—The Director and staff of the Institute may be
3 appointed without regard to the provisions of title 5, Unit-
4 ed States Code, governing appointments in the competitive
5 service, and may be paid without regard to the provisions
6 of chapter 51 and subchapter III of chapter 53 of that
7 title relating to classification and General Schedule pay
8 rates, except that an individual so appointed may not re-
9 ceive pay in excess of the annual rate of basic pay payable
10 for level IV of the Executive Schedule.

11 (j) EXPERTS AND CONSULTANTS.—The Institute
12 may procure temporary and intermittent services under
13 section 3109(b) of title 5, United States Code.

14 (k) REPORT.—The Institute shall submit a biennial
15 report to the Interagency Group and Congress.

16 (l) NONDUPLICATION.—The Institute shall not dupli-
17 cate any functions carried out by the Secretary, the Sec-
18 retary of Labor, or the Secretary of Health and Human
19 Services under this subtitle. This subsection shall not be
20 construed to prohibit the Secretaries from delegating such
21 functions to the Institute.

22 (m) FUNDING.—Any amounts appropriated to the
23 Secretary, the Secretary of Labor, the Secretary of Health
24 and Human Services, or any other department that par-
25 ticipates in the Institute for purposes that the Institute

1 is authorized to perform under this section may be pro-
 2 vided to the Institute for such purposes.

3 **SEC. 246. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated to carry out
 5 this title such sums as may be necessary for fiscal year
 6 1998 and each of the 3 succeeding fiscal years.

7 **Subtitle B—Repeal**

8 **SEC. 251. REPEAL.**

9 (a) REPEAL.—The Adult Education Act (20 U.S.C.
 10 1201 et. seq.) is repealed.

11 (b) CONFORMING AMENDMENTS.—

12 (1) REFUGEE EDUCATION ASSISTANCE ACT.—

13 Subsection (b) of section 402 of the Refugee Edu-
 14 cation Assistance Act of 1980 (8 U.S.C. 1522 note)
 15 is repealed.

16 (2) ELEMENTARY AND SECONDARY EDUCATION
 17 ACT OF 1965.—

18 (A) SECTION 1202 OF ESEA.—Section
 19 1202(c)(1) of the Elementary and Secondary
 20 Education Act of 1965 (20 U.S.C. 6362(c)(1))
 21 is amended by striking “Adult Education Act”
 22 and inserting “Workforce Investment Partner-
 23 ship Act of 1997”.

24 (B) SECTION 1205 OF ESEA.—Section
 25 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B))

1 is amended by striking “Adult Education Act”
2 and inserting “Workforce Investment Partner-
3 ship Act of 1997”.

4 (C) SECTION 1206 OF ESEA.—Section
5 1206(a)(1)(A) of such Act (20 U.S.C.
6 6366(a)(1)(A)) is amended by striking “an
7 adult basic education program under the Adult
8 Education Act” and inserting “adult education
9 and literacy activities under the Workforce In-
10 vestment Partnership Act of 1997”.

11 (D) SECTION 3113 OF ESEA.—Section
12 3113(1) of such Act (20 U.S.C. 6813(1)) is
13 amended by striking “section 312 of the Adult
14 Education Act” and inserting “section 2 of the
15 Workforce Investment Partnership Act of
16 1997”.

17 (E) SECTION 9161 OF ESEA.—Section
18 9161(2) of such Act (20 U.S.C. 7881(2)) is
19 amended by striking “section 312(2) of the
20 Adult Education Act” and inserting “section 2
21 of the Workforce Investment Partnership Act of
22 1997”.

23 (3) OLDER AMERICANS ACT OF 1965.—Section
24 203(b)(8) of the Older Americans Act of 1965 (42
25 U.S.C. 3013(b)(8)) is amended by striking “Adult

1 Education Act” and inserting “Workforce Invest-
 2 ment Partnership Act of 1997”.

3 (4) NATIONAL LITERACY ACT OF 1991.—The
 4 National Literacy Act of 1991 (20 U.S.C. 1201
 5 note) is repealed.

6 **TITLE III—WORKFORCE INVEST-**
 7 **MENT AND RELATED ACTIVI-**
 8 **TIES**

9 **Subtitle A—Workforce Investment**
 10 **Activities**

11 **CHAPTER 1—ALLOTMENTS TO STATES**
 12 **FOR ADULT EMPLOYMENT AND TRAIN-**
 13 **ING ACTIVITIES, DISLOCATED WORK-**
 14 **ER EMPLOYMENT AND TRAINING AC-**
 15 **TIVITIES, AND YOUTH ACTIVITIES**

16 **SEC. 301. GENERAL AUTHORIZATION.**

17 The Secretary of Labor shall make an allotment to
 18 each State that has a State plan approved under section
 19 304 and a grant to each outlying area that complies with
 20 the requirements of this title, to enable the State or outly-
 21 ing area to assist local areas in providing, through a state-
 22 wide workforce investment system—

- 23 (1) adult employment and training activities;
 24 (2) dislocated worker employment and training
 25 activities; and

1 (3) youth activities, including summer employ-
2 ment opportunities, tutoring, activities to promote
3 study skills, alternative secondary school services,
4 employment skill training, adult mentoring, and sup-
5 portive services.

6 **SEC. 302. STATE ALLOTMENTS.**

7 (a) IN GENERAL.—The Secretary shall—

8 (1) make allotments and grants from the total
9 amount appropriated under section 322(a) for a fis-
10 cal year in accordance with subsection (b)(1);

11 (2)(A) reserve 20 percent of the amount appro-
12 priated under section 322(b) for a fiscal year for use
13 under section 366(b)(2), 367(f), and 369; and

14 (B) make allotments and grants from 80 per-
15 cent of the amount appropriated under section
16 322(b) for a fiscal year in accordance with sub-
17 section (b)(2); and

18 (3)(A) for each fiscal year in which the amount
19 appropriated under section 322(c) exceeds
20 \$1,000,000,000, reserve a portion determined under
21 subsection (b)(3)(A) of the amount appropriated
22 under section 322(c) for use under sections 362 and
23 364; and

24 (B) use the remainder of the amount appro-
25 priated under section 322(c) for a fiscal year to

1 make allotments and grants in accordance with sub-
 2 paragraphs (B) and (C) of subsection (b)(3) and
 3 make funds available for use under section 361.

4 (b) ALLOTMENT AMONG STATES.—

5 (1) ADULT EMPLOYMENT AND TRAINING AC-
 6 TIVITIES.—

7 (A) OUTLYING AREAS.—

8 (i) IN GENERAL.—From the amount
 9 made available under subsection (a)(1) for
 10 a fiscal year, the Secretary shall reserve
 11 not more than $\frac{1}{4}$ of 1 percent—

12 (I) to provide assistance to the
 13 outlying areas to carry out adult em-
 14 ployment and training activities; and

15 (II) for each of the fiscal years
 16 1999 through 2003, to carry out the
 17 competition described in clause (iii),
 18 except that the amount reserved to
 19 carry out such clause for any such fis-
 20 cal year shall not exceed the amount
 21 reserved for the Freely Associated
 22 States for fiscal year 1998, from
 23 amounts reserved under section
 24 202(a)(1) of the Job Training Part-
 25 nership Act (29 U.S.C. 1602(a)(1))

1 (as in effect on the day before the
2 date of enactment of this Act).

3 (ii) APPLICATION.—To be eligible to
4 receive a grant under this subparagraph,
5 an outlying area shall submit an applica-
6 tion to the Secretary at such time, in such
7 manner, and containing such information
8 and assurances as the Secretary may re-
9 quire.

10 (iii) COMPETITIVE GRANTS.—The Sec-
11 retary shall use funds described in clause
12 (i)(II) to make grants to outlying areas to
13 carry out adult employment and training
14 activities.

15 (iv) BASIS.—The Secretary shall
16 make grants pursuant to clause (iii) on a
17 competitive basis and pursuant to the rec-
18 ommendations of experts in the field of
19 employment and training, working through
20 the Pacific Region Educational Laboratory
21 in Honolulu, Hawaii.

22 (v) ASSISTANCE REQUIREMENTS.—
23 Any Freely Associated State that desires
24 to receive a grant made under this sub-

1 paragraph shall include in the application
2 of the State for assistance—

3 (I) information demonstrating
4 that the State will meet all conditions
5 of the regulations described in clause
6 (ix); and

7 (II) an assurance that, notwith-
8 standing any other provision of this
9 title, the State will use the amounts
10 made available through such grants
11 only for the direct provision of serv-
12 ices.

13 (vi) TERMINATION OF ELIGIBILITY.—
14 Notwithstanding any other provision of
15 law, the Freely Associated States shall not
16 receive any funds under this subparagraph
17 for any program year that begins after
18 September 30, 2004.

19 (vii) ADMINISTRATIVE COSTS.—The
20 Secretary may provide not more than 5
21 percent of the amount made available for
22 grants under clause (iii) to pay the admin-
23 istrative costs of the Pacific Region Edu-
24 cational Laboratory in Honolulu, Hawaii,

1 regarding activities assisted under this
2 subparagraph.

3 (viii) ADDITIONAL REQUIREMENT.—

4 The provisions of Public Law 95–134, per-
5 mitting the consolidation of grants by the
6 outlying areas shall not apply to funds pro-
7 vided to those areas, including the Freely
8 Associated States, under this subpara-
9 graph.

10 (ix) REGULATIONS.—The Secretary

11 shall issue regulations specifying require-
12 ments of this title that apply to outlying
13 areas receiving funds under this subpara-
14 graph.

15 (x) DEFINITION.—In this subpara-

16 graph, the term “Freely Associated
17 States” means the Republic of the Mar-
18 shall Islands, the Federated States of Mi-
19 cronesia, and the Republic of Palau.

20 (B) STATES.—

21 (i) IN GENERAL.—After determining

22 the amount to be reserved under subpara-
23 graph (A), the Secretary shall allot the re-
24 mainder of the amount referred to in sub-
25 section (a)(1) relating to a fiscal year to

1 the States pursuant to clause (ii) for adult
2 employment and training activities.

3 (ii) FORMULA.—Subject to clauses
4 (iii) and (iv), of the remainder—

5 (I) $33\frac{1}{3}$ percent shall be allotted
6 on the basis of the relative number of
7 unemployed individuals in areas of
8 substantial unemployment in each
9 State as compared to the total num-
10 ber of unemployed individuals in areas
11 of substantial unemployment in all
12 States;

13 (II) $33\frac{1}{3}$ percent shall be allot-
14 ted on the basis of the relative excess
15 number of unemployed individuals in
16 each State as compared to the total
17 excess number of unemployed individ-
18 uals in all States; and

19 (III) $33\frac{1}{3}$ percent shall be allot-
20 ted on the basis of the relative num-
21 ber of disadvantaged adults in each
22 State as compared to the total num-
23 ber of disadvantaged adults in all
24 States.

(iii) MINIMUM AND MAXIMUM PERCENTAGES.—

(I) MINIMUM PERCENTAGE.—No State shall receive an allotment percentage for a fiscal year that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

(II) MAXIMUM PERCENTAGE.—No State shall receive an allotment percentage for a fiscal year that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

(iv) SMALL STATE MINIMUM ALLOTMENT.—No State shall receive an allotment under this subparagraph that is less than $\frac{1}{2}$ of 1 percent of the remainder described in clause (i) for a fiscal year. Amounts necessary for increasing such allotments to States to comply with the preceding sentence shall be obtained by ratably reducing the allotments to be made to other States under this subparagraph.

1 (v) DEFINITIONS.—In this subpara-
2 graph:

3 (I) ALLOTMENT PERCENTAGE.—

4 The term “allotment percentage”,
5 used with respect to fiscal year 1999
6 or a subsequent fiscal year, means a
7 percentage of the remainder described
8 in clause (i), received through an al-
9 lotment made under this subpara-
10 graph, for the fiscal year. The term,
11 used with respect to fiscal year 1998,
12 means the percentage of the amounts
13 allocated under section 202(b) of the
14 Job Training Partnership Act (29
15 U.S.C. 1602(b)) (as in effect on the
16 day before the date of enactment of
17 this Act) received under such section
18 by service delivery areas in the State
19 involved for fiscal year 1998.

20 (II) AREA OF SUBSTANTIAL UN-

21 EMPLOYMENT.—The term “area of
22 substantial unemployment” means
23 any area that is of sufficient size and
24 scope to sustain a program of
25 workforce investment activities carried

1 out under this subtitle and that has
 2 an average rate of unemployment of
 3 at least 6.5 percent for the most re-
 4 cent 12 months, as determined by the
 5 Secretary. For purposes of this sub-
 6 clause, determinations of areas of sub-
 7 stantial unemployment shall be made
 8 once each fiscal year.

9 (III) DISADVANTAGED ADULT.—

10 The term “disadvantaged adult”
 11 means an individual who is not less
 12 than age 22 and not more than age
 13 72 and is a low-income individual.

14 (IV) EXCESS NUMBER.—The

15 term “excess number” means the
 16 number of unemployed individuals in
 17 excess of 4.5 percent of the civilian
 18 labor force in a State.

19 (2) DISLOCATED WORKER EMPLOYMENT AND
 20 TRAINING.—

21 (A) OUTLYING AREAS.—

22 (i) IN GENERAL.—From the amount
 23 made available under subsection (a)(2)(B)
 24 for a fiscal year, the Secretary shall re-
 25 serve not more than $\frac{1}{4}$ of 1 percent—

1 (I) to provide assistance to the
2 outlying areas to carry out dislocated
3 worker employment and training ac-
4 tivities; and

5 (II) for each of the fiscal years
6 1999 through 2003, to carry out the
7 competition described in clause (iii),
8 except that the amount reserved to
9 carry out such clause for any such fis-
10 cal year shall not exceed the amount
11 reserved for the Freely Associated
12 States for fiscal year 1998, from
13 amounts reserved under section
14 302(b) of the Job Training Partner-
15 ship Act (29 U.S.C. 1652(b)) (as in
16 effect on the day before the date of
17 enactment of this Act).

18 (ii) APPLICATION.—To be eligible to
19 receive a grant under this subparagraph,
20 an outlying area shall submit an applica-
21 tion to the Secretary at such time, in such
22 manner, and containing such information
23 and assurances as the Secretary may re-
24 quire.

1 (iii) COMPETITIVE GRANTS.—The Sec-
2 retary shall use funds described in clause
3 (i)(II) to make grants to outlying areas to
4 carry out dislocated worker employment
5 and training activities.

6 (iv) BASIS.—The Secretary shall
7 make grants pursuant to clause (iii) on a
8 competitive basis and pursuant to the rec-
9 ommendations of experts in the field of
10 employment and training, working through
11 the Pacific Region Educational Laboratory
12 in Honolulu, Hawaii.

13 (v) ASSISTANCE REQUIREMENTS.—
14 Any Freely Associated State that desires
15 to receive a grant made under this sub-
16 paragraph shall include in the application
17 of the State for assistance—

18 (I) information demonstrating
19 that the State will meet all conditions
20 of the regulations described in clause
21 (ix); and

22 (II) an assurance that, notwith-
23 standing any other provision of this
24 title, the State will use the amounts
25 made available through such grants

1 only for the direct provision of serv-
2 ices.

3 (vi) TERMINATION OF ELIGIBILITY.—

4 Notwithstanding any other provision of
5 law, the Freely Associated States shall not
6 receive any funds under this subparagraph
7 for any program year that begins after
8 September 30, 2004.

9 (vii) ADMINISTRATIVE COSTS.—The

10 Secretary may provide not more than 5
11 percent of the amount made available for
12 grants under clause (iii) to pay the admin-
13 istrative costs of the Pacific Region Edu-
14 cational Laboratory in Honolulu, Hawaii,
15 regarding activities assisted under this
16 subparagraph.

17 (viii) ADDITIONAL REQUIREMENT.—

18 The provisions of Public Law 95–134, per-
19 mitting the consolidation of grants by the
20 outlying areas, shall not apply to funds
21 provided to those areas, including the
22 Freely Associated States, under this sub-
23 paragraph.

24 (ix) REGULATIONS.—The Secretary

25 shall issue regulations specifying require-

ments of this title that apply to outlying areas receiving funds under this subparagraph.

(x) DEFINITION.—In this subparagraph, the term “Freely Associated States” means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(B) STATES.—

(i) IN GENERAL.—After determining the amount to be reserved under subparagraph (A), the Secretary shall allot the remainder of the amount referred to in subsection (a)(2)(B) relating to a fiscal year to the States pursuant to clause (ii) for dislocated worker employment and training activities.

(ii) FORMULA.—Subject to clause (iii), of the remainder—

(I) $33\frac{1}{3}$ percent shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of unemployed individuals in all States;

1 (II) $33\frac{1}{3}$ percent shall be allot-
2 ted on the basis described in para-
3 graph (1)(B)(ii)(II); and

4 (III) $33\frac{1}{3}$ percent shall be allot-
5 ted on the basis of the relative num-
6 ber of individuals in each State who
7 have been unemployed for 15 weeks or
8 more as compared to the total number
9 of individuals in all States who have
10 been unemployed for 15 weeks or
11 more.

12 (iii) SMALL STATE MINIMUM ALLOT-
13 MENT.—

14 (I) IN GENERAL.—Except as pro-
15 vided in subclause (II), the require-
16 ments of clauses (iv) and (v) of para-
17 graph (1)(B) shall apply to allotments
18 made under this subparagraph in the
19 same manner and to the same extent
20 as the requirements apply to allot-
21 ments made under paragraph (1)(B).

22 (II) EXCEPTION.—For purposes
23 of applying the requirements of those
24 clauses under this subparagraph ref-
25 erences in those clauses to the re-

1 mainder described in clause (i) of
2 paragraph (1)(B) shall be considered
3 to be references to the remainder de-
4 scribed in clause (i) of this subpara-
5 graph.

6 (3) YOUTH ACTIVITIES.—

7 (A) YOUTH OPPORTUNITY GRANTS.—

8 (i) IN GENERAL.—For each fiscal year
9 in which the amount appropriated under
10 section 322(c) exceeds \$1,000,000,000, the
11 Secretary shall reserve a portion of the
12 amount to provide youth opportunity
13 grants under section 364 and provide
14 youth activities under section 362.

15 (ii) PORTION.—The portion referred
16 to in clause (i) shall equal, for a fiscal
17 year—

18 (I) except as provided in sub-
19 clause (II), the difference obtained by
20 subtracting \$1,000,000,000 from the
21 amount described in clause (i); and

22 (II) for any fiscal year in which
23 the amount is \$1,250,000,000 or
24 greater, \$250,000,000.

(iii) YOUTH ACTIVITIES FOR FARM-
WORKERS.—From the portion described in
clause (i) for a fiscal year, the Secretary
shall make available \$10,000,000 to pro-
vide youth activities under section 362.

(B) OUTLYING AREAS.—

(i) IN GENERAL.—From the amount
made available under subsection (a)(3)(B)
for a fiscal year, the Secretary shall re-
serve not more than $\frac{1}{4}$ of 1 percent—

(I) to provide assistance to the
outlying areas to carry out youth ac-
tivities; and

(II) for each of the fiscal years
1999 through 2003, to carry out the
competition described in clause (iii),
except that the amount reserved to
carry out such clause for any such fis-
cal year shall not exceed the amount
reserved for the Freely Associated
States for fiscal year 1998, from
amounts reserved under sections
252(a) and 262(a)(1) of the Job
Training Partnership Act (29 U.S.C.
and 1631(a) and 1642(a)(1)) (as in

1 effect on the day before the date of
2 enactment of this Act).

3 (ii) APPLICATION.—To be eligible to
4 receive a grant under this subparagraph,
5 an outlying area shall submit an applica-
6 tion to the Secretary at such time, in such
7 manner, and containing such information
8 and assurances as the Secretary may re-
9 quire.

10 (iii) COMPETITIVE GRANTS.—The Sec-
11 retary shall use funds described in clause
12 (i)(II) to make grants to outlying areas to
13 carry out youth activities.

14 (iv) BASIS.—The Secretary shall
15 make grants pursuant to clause (iii) on a
16 competitive basis and pursuant to the rec-
17 ommendations of experts in the field of
18 employment and training, working through
19 the Pacific Region Educational Laboratory
20 in Honolulu, Hawaii.

21 (v) ASSISTANCE REQUIREMENTS.—
22 Any Freely Associated State that desires
23 to receive a grant made under this sub-
24 paragraph shall include in the application
25 of the State for assistance—

1 (I) information demonstrating
2 that the State will meet all conditions
3 of the regulations described in clause
4 (ix); and

5 (II) an assurance that, notwith-
6 standing any other provision of this
7 title, the State will use the amounts
8 made available through such grants
9 only for the direct provision of serv-
10 ices.

11 (vi) TERMINATION OF ELIGIBILITY.—
12 Notwithstanding any other provision of
13 law, the Freely Associated States shall not
14 receive any funds under this subparagraph
15 for any program year that begins after
16 September 30, 2004.

17 (vii) ADMINISTRATIVE COSTS.—The
18 Secretary may provide not more than 5
19 percent of the amount made available for
20 grants under clause (iii) to pay the admin-
21 istrative costs of the Pacific Region Edu-
22 cational Laboratory in Honolulu, Hawaii,
23 regarding activities assisted under this
24 subparagraph.

1 (viii) ADDITIONAL REQUIREMENT.—

2 The provisions of Public Law 95–134, per-
 3 mitting the consolidation of grants by the
 4 outlying areas, shall not apply to funds
 5 provided to those areas, including the
 6 Freely Associated States, under this sub-
 7 paragraph.

8 (ix) REGULATIONS.—The Secretary
 9 shall issue regulations specifying require-
 10 ments of this title that apply to outlying
 11 areas receiving funds under this subpara-
 12 graph.

13 (x) DEFINITION.—In this subpara-
 14 graph, the term “Freely Associated
 15 States” means the Republic of the Mar-
 16 shall Islands, the Federated States of Mi-
 17 cronesia, and the Republic of Palau.

18 (C) STATES.—

19 (i) IN GENERAL.—After determining
 20 the amounts to be reserved under subpara-
 21 graph (A) (if any) and subparagraph (B),
 22 the Secretary shall—

23 (I) from the amount referred to
 24 in subsection (a)(3)(B) relating to a
 25 fiscal year, make available

1 \$15,000,000 to provide youth activi-
2 ties under section 361; and

3 (II) allot the remainder of the
4 amount referred to in subsection
5 (a)(3)(B) relating to a fiscal year to
6 the States pursuant to clause (ii) for
7 youth activities.

8 (ii) FORMULA.—Subject to clause
9 (iii), of the remainder—

10 (I) $33\frac{1}{3}$ percent shall be allotted
11 on the basis described in paragraph
12 (1)(B)(ii)(I);

13 (II) $33\frac{1}{3}$ percent shall be allot-
14 ted on the basis described in para-
15 graph (1)(B)(ii)(II); and

16 (III) $33\frac{1}{3}$ percent shall be allot-
17 ted on the basis of the relative num-
18 ber of disadvantaged youth in each
19 State as compared to the total num-
20 ber of disadvantaged youth in all
21 States.

22 (iii) MINIMUM PERCENTAGE; MAXI-
23 MUM PERCENTAGE; SMALL STATE MINI-
24 MUM ALLOTMENT.—

1 (I) IN GENERAL.—Except as pro-
2 vided in subclause (II), the require-
3 ments of clauses (iii), (iv), and (v) of
4 paragraph (1)(B) shall apply to allot-
5 ments made under this subparagraph
6 in the same manner and to the same
7 extent as the requirements apply to
8 allotments made under paragraph
9 (1)(B).

10 (II) EXCEPTIONS.—For purposes
11 of applying the requirements of those
12 clauses under this subparagraph—

13 (aa) references in those
14 clauses to the remainder de-
15 scribed in clause (i) of paragraph
16 (1)(B) shall be considered to be
17 references to the remainder de-
18 scribed in clause (i)(II) of this
19 subparagraph; and

20 (bb) the term “allotment
21 percentage”, used with respect to
22 fiscal year 1998, means the per-
23 centage of the amounts allocated
24 under sections 252(b) and 262(b)
25 of the Job Training Partnership

1 Act (29 U.S.C. 1631(b) and
 2 1642(b)) (as in effect on the day
 3 before the date of enactment of
 4 this Act) received under such sec-
 5 tions by service delivery areas in
 6 the State involved for fiscal year
 7 1998.

8 (iv) DEFINITION.—In this subpara-
 9 graph, the term “disadvantaged youth”
 10 means an individual who is not less than
 11 age 14 and is not more than age 21 and
 12 is a low-income individual.

13 **SEC. 303. STATEWIDE PARTNERSHIP.**

14 (a) IN GENERAL.—The Governor of a State shall es-
 15 tablish and appoint the members of a statewide partner-
 16 ship to assist in the development of the State plan de-
 17 scribed in section 304 and carry out the functions de-
 18 scribed in subsection (d).

19 (b) MEMBERSHIP.—The statewide partnership shall
 20 include—

- 21 (1) the Governor;
- 22 (2) representatives, appointed by the Gov-
 23 ernor—
 24 (A) a majority of whom—

1 (i) are representatives of business in
2 the State;

3 (ii) are owners of businesses, chief ex-
4 ecutives or operating officers of private
5 businesses, and other business executives
6 or employers with optimum policymaking
7 or hiring authority, including members of
8 local partnerships described in section
9 308(c)(2)(A)(i);

10 (iii) represent businesses with employ-
11 ment opportunities that reflect the employ-
12 ment opportunities of the State; and

13 (iv) are appointed from among indi-
14 viduals nominated by State business orga-
15 nizations and business trade associations;

16 (B) the remainder of whom are individuals
17 who have optimum policymaking authority, in-
18 cluding—

19 (i) representatives of—

20 (I) chief elected officials (rep-
21 resenting both cities and counties,
22 where appropriate);

23 (II) labor organizations, who
24 have been nominated by State labor
25 federations;

1 (III) individuals, and organiza-
2 tions, that have experience relating to
3 youth activities;

4 (ii) the eligible agency officials respon-
5 sible for vocational education, including
6 postsecondary vocational education, and
7 for adult education and literacy, and the
8 State officials responsible for postsecond-
9 ary education (including education in com-
10 munity colleges); and

11 (iii) the State agency official respon-
12 sible for vocational rehabilitation, and
13 where applicable, the State agency official
14 responsible for providing vocational reha-
15 bilitation program activities for the blind;

16 (3) such other State agency officials as the
17 Governor may designate, such as State agency offi-
18 cials carrying out activities relating to employment
19 and training, economic development, public assist-
20 ance, veterans, youth, juvenile justice and the em-
21 ployment service established under the Wagner-
22 Peyser Act (29 U.S.C. 49 et seq.); and

23 (4) two members of each chamber of the State
24 legislature, appointed by the appropriate presiding
25 officer of the chamber.

1 (c) CHAIRMAN.—The Governor shall select a chair-
2 person for the statewide partnership from among the rep-
3 resentatives described in subsection (b)(2)(A).

4 (d) FUNCTIONS.—In addition to developing the State
5 plan, the statewide partnership shall—

6 (1) advise the Governor on the development of
7 a comprehensive statewide workforce investment sys-
8 tem;

9 (2) assist the Governor in preparing the annual
10 report to the Secretaries described in section 321(c);

11 (3) assist the Governor in developing the state-
12 wide labor market information system described in
13 section 15(d) of the Wagner-Peyser Act; and

14 (4) assist in the monitoring and continuous im-
15 provement of the performance of the statewide
16 workforce investment system, including the evalua-
17 tion of the effectiveness of workforce investment ac-
18 tivities carried out under this subtitle in serving the
19 needs of employers seeking skilled employees and in-
20 dividuals seeking services.

21 (e) AUTHORITY OF GOVERNOR.—

22 (1) AUTHORITY.—The Governor shall have the
23 final authority to determine the contents of and sub-
24 mit the State plan described in section 304.

1 (2) PROCESS.—Prior to the date on which the
2 Governor submits a State plan under section 304,
3 the Governor shall—

4 (A) make available copies of a proposed
5 State plan to the public;

6 (B) allow members of the statewide part-
7 nership and members of the public to submit
8 comments on the proposed State plan to the
9 Governor, not later than the end of the 30-day
10 period beginning on the date on which the pro-
11 posed State plan is made available; and

12 (C) include with the State plan submitted
13 to the Secretary under section 304 any such
14 comments that represent disagreement with the
15 plan.

16 **SEC. 304. STATE PLAN.**

17 (a) IN GENERAL.—For a State to be eligible to re-
18 ceive an allotment under section 302, the Governor of the
19 State shall submit to the Secretary for approval a single
20 comprehensive State plan (referred to in this title as the
21 “State plan”) that outlines a 3-year strategy for the state-
22 wide workforce investment system of the State and that
23 meets the requirements of section 303 and this section.

24 (b) CONTENTS.—The State plan shall include—

1 (1) a description of the statewide partnership
2 described in section 303 used in developing the plan;

3 (2) a description of State-imposed requirements
4 for the statewide workforce investment system;

5 (3) a description of the State performance
6 measures developed for the workforce investment ac-
7 tivities to be carried out through the system, that in-
8 cludes information identifying the State performance
9 measures, established in accordance with section
10 321(a);

11 (4) information describing—

12 (A) the needs of the State with regard to
13 current and projected employment opportuni-
14 ties;

15 (B) the job skills necessary to obtain the
16 needed employment opportunities;

17 (C) the economic development needs of the
18 State; and

19 (D) the type and availability of workforce
20 investment activities in the State;

21 (5) an identification of local areas designated in
22 the State, including a description of the process used
23 for the designation of such areas, which shall—

24 (A) ensure a linkage between participants
25 in workforce investment activities funded under

1 this subtitle, and local employment opportuni-
2 ties;

3 (B) ensure that a significant portion of the
4 population that lives in the local area also
5 works in the same local area;

6 (C) ensure cooperation and coordination of
7 activities between neighboring local areas; and

8 (D) take into consideration State economic
9 development areas;

10 (6) an identification of criteria for the appoint-
11 ment of members of local partnerships based on the
12 requirements of section 308;

13 (7) the detailed plans required under section 8
14 of the Wagner-Peyser Act;

15 (8) a description of the measures that will be
16 taken by the State to assure coordination of and
17 avoid duplication among—

18 (A) workforce investment activities author-
19 ized under this subtitle;

20 (B) other activities authorized under this
21 title;

22 (C) activities authorized under title I or II;

23 (D) programs authorized under the Wag-
24 ner-Peyser Act (29 U.S.C. 49 et seq.), title I of
25 the Rehabilitation Act of 1973 (29 U.S.C. 720

1 et seq.), part A of title IV of the Social Security
2 Act (42 U.S.C. 601 et seq.), and section 6(d)
3 of the Food Stamp Act of 1977 (7 U.S.C.
4 2015(d)), and activities authorized under title V
5 of the Older Americans Act of 1965 (42 U.S.C.
6 3056 et seq.);

7 (E) work programs authorized under sec-
8 tion 6(o) of the Food Stamp Act of 1977 (7
9 U.S.C. 2015(o));

10 (F) activities authorized under chapter 2
11 of title II of the Trade Act of 1974 (19 U.S.C.
12 2271 et seq.);

13 (G) activities authorized under chapter 41
14 of title 38, United States Code;

15 (H) activities carried out by the Bureau of
16 Apprenticeship and Training;

17 (I) training activities carried out by the
18 Department of Housing and Urban Develop-
19 ment; and

20 (J) programs authorized under State un-
21 employment compensation laws and the Federal
22 unemployment insurance program under titles
23 III, IX, and XII of the Social Security Act (42
24 U.S.C. 501 et seq., 1101 et seq., and 1321 et
25 seq.);

1 (9) a description of the process used by the
2 State to provide an opportunity for public comment,
3 and input into the development of the State plan,
4 prior to submission of the plan;

5 (10) a description of the process for the public
6 to comment on members of the local partnerships;

7 (11) a description of the length of terms and
8 appointment processes for members of the statewide
9 partnership and local partnerships in the State;

10 (12) information identifying how the State will
11 leverage any funds the State receives under this sub-
12 title with other private and Federal resources;

13 (13) assurances that the State will provide, in
14 accordance with section 374, for fiscal control and
15 fund accounting procedures that may be necessary
16 to ensure the proper disbursement of, and account-
17 ing for, funds paid to the State through the allot-
18 ment made under section 302;

19 (14) if appropriate, a description of a within-
20 State allocation formula—

21 (A) that is based on factors relating to ex-
22 cess poverty in local areas or excess unemploy-
23 ment above the State average in local areas;
24 and

1 (B) through which the State may distrib-
2 ute the funds the State receives under this sub-
3 title for adult employment and training activi-
4 ties or youth activities to local areas;

5 (15) an assurance that the funds made avail-
6 able to the State through the allotment made under
7 section 302 will supplement and not supplant other
8 public funds expended to provide activities described
9 in this subtitle;

10 (16) information indicating—

11 (A) how the services of one-stop partners
12 in the State will be provided through the one-
13 stop customer service system;

14 (B) how the costs of such services and the
15 operating costs of the system will be funded;
16 and

17 (C) how the State will assist in the devel-
18 opment and implementation of the operating
19 agreement described in section 311(c);

20 (17) information specifying the actions that
21 constitute a conflict of interest prohibited in the
22 State for purposes of section 308(g)(2)(B);

23 (18) a description of a core set of consistently
24 defined data elements for reporting on the activities

1 carried out through the one-stop customer service
2 system in the State;

3 (19) with respect to employment and training
4 activities funded under this subtitle, information—

5 (A) describing the employment and train-
6 ing activities that will be carried out with the
7 funds the State receives under this subtitle, and
8 a description of how the State will provide rapid
9 response activities to dislocated workers;

10 (B) describing the State strategy for devel-
11 opment of a fully operational statewide one-stop
12 customer service system as described in section
13 315(b), including—

14 (i) criteria for use by chief elected of-
15 ficials and local partnerships, for designat-
16 ing or certifying one-stop customer service
17 center operators, appointing one-stop part-
18 ners, and conducting oversight with respect
19 to the one-stop customer service system,
20 for each local area; and

21 (ii) the steps that the State will take
22 over the 3 years covered by the plan to en-
23 sure that all publicly funded labor ex-
24 change services described in section
25 315(c)(2) or the Wagner-Peyser Act (29

1 U.S.C. 49 et seq.), will be available
2 through the one-stop customer service sys-
3 tem of the State;

4 (C) describing the criteria used by the local
5 partnership in the development of the local plan
6 described in section 309; and

7 (D) describing the procedures the State
8 will use to identify eligible providers of training
9 services, as required under this subtitle; and

10 (20) with respect to youth activities funded
11 under this subtitle, information—

12 (A) describing the youth activities that will
13 be carried out with the funds the State receives
14 under this subtitle;

15 (B) identifying the criteria to be used by
16 the local partnership in awarding grants under
17 section 313 for youth activities;

18 (C) identifying the types of criteria the
19 Governor and local partnerships will use to
20 identify effective and ineffective youth activities
21 and eligible providers of such activities; and

22 (D) describing how the State will coordi-
23 nate the youth activities carried out in the
24 State under this subtitle with the services pro-
25 vided by Job Corps centers in the State.

1 (c) PLAN SUBMISSION AND APPROVAL.—A State
 2 plan submitted to the Secretary under this section by a
 3 Governor shall be considered to be approved by the Sec-
 4 retary at the end of the 60-day period beginning on the
 5 day the Secretary receives the plan, unless the Secretary
 6 makes a written determination, during the 60-day period,
 7 that—

8 (1) the plan is inconsistent with a specific pro-
 9 vision of this title; or

10 (2) the levels of performance have not been
 11 agreed to pursuant to section 321(a)(4).

12 (d) MODIFICATIONS TO INITIAL PLAN.—A State may
 13 submit, for approval by the Secretary, substantial modi-
 14 fications to the State plan in accordance with the require-
 15 ments of this section and section 303, as necessary, during
 16 the 3-year period of the plan.

17 **CHAPTER 2—ALLOCATIONS TO LOCAL** 18 **WORKFORCE INVESTMENT AREAS**

19 **SEC. 306. WITHIN STATE ALLOCATIONS.**

20 (a) RESERVATIONS FOR STATE ACTIVITIES.—

21 (1) ADULT EMPLOYMENT AND TRAINING AC-
 22 TIVITIES, DISLOCATED WORKER EMPLOYMENT AND
 23 TRAINING ACTIVITIES, AND YOUTH ACTIVITIES.—

24 The Governor of a State shall reserve not more than
 25 15 percent of each of the amounts allotted to the

1 State under paragraphs (1)(B), (2)(B), and
2 (3)(C)(ii) of section 302(b) for a fiscal year for
3 statewide workforce investment activities described
4 in subsections (b)(2) and (c) of section 314.

5 (2) STATEWIDE RAPID RESPONSE ACTIVITIES.—The Governor of the State shall reserve not
6 more than 25 percent of the total amount allotted
7 to the State under section 302(b)(2)(B) for a fiscal
8 year for statewide rapid response activities described
9 in section 314(b)(1).

10 (b) WITHIN STATE ALLOCATION.—

11 (1) ALLOCATION.—The Governor of the State
12 shall allocate to the local areas the funds that are
13 allotted to the State under section 302(b) and are
14 not reserved under subsection (a) for the purpose of
15 providing employment and training activities to eligi-
16 ble participants pursuant to section 315 and youth
17 activities to eligible participants pursuant to section
18 316.

19 (2) METHODS.—The State, acting in accord-
20 ance with the State plan, and after consulting with
21 chief elected officials in the local areas, shall allo-
22 cate—

23 (A) the funds that are allotted to the State
24 for adult employment and training activities
25

under section 302(b)(1)(B) and are not reserved under subsection (a)(1), in accordance with paragraph (3) or (4);

(B) the funds that are allotted to the State for dislocated worker employment and training activities under section 302(b)(2)(B) and are not reserved under paragraph (1) or (2) of subsection (a), in accordance with paragraph (3); and

(C) the funds that are allotted to the State for youth activities under section 302(b)(3)(C)(ii) and are not reserved under subsection (a)(1), in accordance with paragraph (3) or (4).

(3) ADULT EMPLOYMENT AND TRAINING ACTIVITIES, DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES, AND YOUTH ACTIVITIES FORMULA ALLOCATIONS.—

(A) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—In allocating the funds described in paragraph (2)(A) to local areas, a State may allocate—

(i) $33\frac{1}{3}$ percent of the funds on the basis described in section 302(b)(1)(B)(ii)(I);

1 (ii) $33\frac{1}{3}$ percent of the funds on the
 2 basis described in section
 3 302(b)(1)(B)(ii)(II); and

4 (iii) $33\frac{1}{3}$ percent of the funds on the
 5 basis described in section
 6 302(b)(1)(B)(ii)(III).

7 (B) DISLOCATED WORKER EMPLOYMENT
 8 AND TRAINING ACTIVITIES.—In allocating the
 9 funds described in paragraph (2)(B) to local
 10 areas, a State shall allocate—

11 (i) $33\frac{1}{3}$ percent of the funds on the
 12 basis described in section
 13 302(b)(2)(B)(ii)(I);

14 (ii) $33\frac{1}{3}$ percent of the funds on the
 15 basis described in section
 16 302(b)(2)(B)(ii)(II); and

17 (iii) $33\frac{1}{3}$ percent of the funds on the
 18 basis described in section
 19 302(b)(2)(B)(ii)(III).

20 (C) YOUTH ACTIVITIES.—In allocating the
 21 funds described in paragraph (2)(C) to local
 22 areas, a State may allocate—

23 (i) $33\frac{1}{3}$ percent of the funds on the
 24 basis described in section
 25 302(b)(3)(C)(ii)(I);

1 (ii) $33\frac{1}{3}$ percent of the funds on the
 2 basis described in section
 3 302(b)(3)(C)(ii)(II); and

4 (iii) $33\frac{1}{3}$ percent of the funds on the
 5 basis described in section
 6 302(b)(3)(C)(ii)(III).

7 (D) APPLICATION.—For purposes of carry-
 8 ing out subparagraphs (A), (B), and (C), and
 9 subparagraphs (A) and (B) of paragraph (4)—

10 (i) references in section 302(b) to a
 11 State shall be deemed to be references to
 12 a local area; and

13 (ii) references in section 302(b) to all
 14 States shall be deemed to be references to
 15 all local areas in the State involved.

16 (4) ADULT EMPLOYMENT AND TRAINING AND
 17 YOUTH DISCRETIONARY ALLOCATIONS.—

18 (A) ADULT EMPLOYMENT AND TRAINING
 19 ACTIVITIES.—In lieu of making the allocation
 20 described in paragraph (3)(A), in allocating the
 21 funds described in paragraph (2)(A) to local
 22 areas, a State may distribute—

23 (i) a portion equal to not less than 70
 24 percent of the funds in accordance with
 25 paragraph (3)(A); and

1 (ii) the remaining portion of the funds
2 on the basis of a formula that—

3 (I) takes into consideration fac-
4 tors relating to excess poverty in local
5 areas or excess unemployment above
6 the State average in local areas; and

7 (II) was developed by the state-
8 wide partnership and approved by the
9 Secretary as part of the State plan.

10 (B) YOUTH ACTIVITIES.—In lieu of mak-
11 ing the allocation described in paragraph
12 (3)(C), in allocating the funds described in
13 paragraph (2)(C) to local areas, a State may
14 distribute—

15 (i) a portion equal to not less than 70
16 percent of the funds in accordance with
17 paragraph (3)(C); and

18 (ii) the remaining portion of the funds
19 on the basis of a formula that—

20 (I) takes into consideration fac-
21 tors relating to excess youth poverty
22 in local areas or excess unemployment
23 above the State average in local areas;
24 and

1 (II) was developed by the state-
 2 wide partnership and approved by the
 3 Secretary as part of the State plan.

4 (5) LIMITATION.—

5 (A) IN GENERAL.—Not more than 15 per-
 6 cent of the amount allocated to a local area for
 7 a fiscal year—

8 (i) under paragraph (3)(A) or (4)(A)
 9 may be used by the local partnership for
 10 the area for the administrative cost of car-
 11 rying out local adult employment and
 12 training activities;

13 (ii) under paragraph (3)(B) may be
 14 used by the local partnership for the ad-
 15 ministrative cost of carrying out local dis-
 16 located worker employment and training
 17 activities; and

18 (iii) under paragraph (3)(C) or (4)(B)
 19 may be used by the local partnership for
 20 the administrative cost of carrying out
 21 local youth activities.

22 (B) REGULATIONS.—The Secretary, after
 23 consulting with the Governors, shall develop
 24 and issue regulations that define the term “ad-
 25 ministrative cost” for purposes of this title.

1 (6) TRANSFER AUTHORITY.—A local partner-
2 ship may transfer, if such a transfer is approved by
3 the Governor, not more than 20 percent of the funds
4 allocated to the local area under paragraph (3)(A) or
5 (4)(A), and 20 percent of the funds allocated to the
6 local area under paragraph (3)(B), for a fiscal year
7 between—

8 (A) adult employment and training activi-
9 ties; and

10 (B) dislocated worker employment and
11 training activities.

12 (7) FISCAL AUTHORITY.—

13 (A) FISCAL AGENT.—The chief elected of-
14 ficial in a local area shall serve as the fiscal
15 agent for, and shall be liable for any misuse of,
16 the funds allocated to the local area under this
17 section, unless the chief elected official reaches
18 an agreement with the Governor for the Gov-
19 ernor to act as the fiscal agent and bear such
20 liability.

21 (B) DISBURSAL.—The fiscal agent shall
22 disburse such funds for workforce investment
23 activities at the direction of the local partner-
24 ship, pursuant to the requirements of this title,
25 if the direction does not violate a provision of

1 this Act. The fiscal agent shall disburse funds
2 immediately on receiving such direction from
3 the local partnership.

4 **SEC. 307. LOCAL WORKFORCE INVESTMENT AREAS.**

5 (a) DESIGNATION OF AREAS.—

6 (1) IN GENERAL.—Except as provided in sub-
7 section (b) and paragraph (2), the Governor shall
8 designate local workforce investment areas in the
9 State, in accordance with the State plan require-
10 ments described in section 304(b)(5).

11 (2) AUTOMATIC DESIGNATION.—

12 (A) IN GENERAL.—The Governor of the
13 State shall approve a request for designation as
14 a local area from any unit of general local gov-
15 ernment with a population of 500,000 or more,
16 if the designation meets the State plan require-
17 ments described in section 304(b)(5).

18 (B) LARGE COUNTIES.—A county with a
19 population of 500,000 or more may request
20 such designation only with the agreement of the
21 political subdivisions within the county with
22 populations of 200,000 or more.

23 (C) LARGE POLITICAL SUBDIVISIONS.—
24 Single units of general local government with
25 populations of 200,000 or more that are service

1 delivery areas on the date of enactment of this
 2 Act shall have an automatic right to request
 3 designation as local areas under this section.

4 (3) PERMANENT DESIGNATION.—Once the
 5 boundaries for a local area are determined under
 6 this section in accordance with the State plan, the
 7 boundaries shall not change except with the approval
 8 of the Governor.

9 (b) SMALL STATES.—The Governor of any State de-
 10 termined to be eligible to receive a minimum allotment
 11 under paragraph (1), (2), or (3) of section 302(b) for the
 12 first year covered by the State plan may designate the
 13 State as a single State local area for the purposes of this
 14 title. The Governor shall identify the State as a local area
 15 under section 304(b)(5), in lieu of designating local areas
 16 as described in subparagraphs (A), (B), and (C) of section
 17 304(b)(5).

18 **SEC. 308. LOCAL WORKFORCE INVESTMENT PARTNER-**
 19 **SHIPS AND YOUTH PARTNERSHIPS.**

20 (a) ESTABLISHMENT OF LOCAL PARTNERSHIP.—
 21 There shall be established in each local area of a State,
 22 and certified by the Governor of the State, a local
 23 workforce investment partnership.

24 (b) ROLE OF LOCAL PARTNERSHIP.—The primary
 25 role of the local partnership shall be to set policy for the

1 portion of the statewide workforce investment system
2 within the local area, including—

3 (1) ensuring that the activities authorized
4 under this subtitle and carried out in the local area
5 meet local performance measures that include high
6 academic and skill measures;

7 (2) ensuring that the activities meet the needs
8 of employers and jobseekers; and

9 (3) ensuring the continuous improvement of the
10 system.

11 (c) MEMBERSHIP OF LOCAL PARTNERSHIP.—

12 (1) STATE CRITERIA.—The Governor of the
13 State shall establish criteria for the appointment of
14 members of the local partnerships for local areas in
15 the State in accordance with the requirements of
16 paragraph (2). Information identifying such criteria
17 shall be included in the State plan, as described in
18 section 304(b)(6).

19 (2) COMPOSITION.—Such criteria shall require,
20 at a minimum, that the membership of each local
21 partnership—

22 (A) shall include—

23 (i) a majority of members who—

24 (I) are representatives of busi-
25 ness in the local area;

1 (II) are owners of businesses,
2 chief executives or operating officers
3 of private businesses, and other busi-
4 ness executives or employers with op-
5 timum policymaking or hiring author-
6 ity;

7 (III) represent businesses with
8 employment opportunities that reflect
9 the employment opportunities of the
10 local area; and

11 (IV) are appointed from among
12 individuals nominated by local busi-
13 ness organizations and business trade
14 associations;

15 (ii) chief officers representing local
16 postsecondary educational institutions, rep-
17 resentatives of vocational education provid-
18 ers, and representatives of adult education
19 providers;

20 (iii) chief officers representing labor
21 organizations (for a local area in which
22 such representatives reside), nominated by
23 local labor federations, or (for a local area
24 in which such representatives do not re-

1 side) other representatives of employees;
 2 and

3 (iv) chief officers representing eco-
 4 nomic development agencies, including pri-
 5 vate sector economic development entities;
 6 and

7 (B) may include chief officers who have
 8 policymaking authority, from one-stop partners
 9 who have entered into an operating agreement
 10 described in section 311(c) to participate in the
 11 one-stop customer service system in the local
 12 area; and

13 (C) may include such other individuals or
 14 representatives of entities as the chief elected
 15 official in the local area may determine to be
 16 appropriate.

17 (3) CHAIRPERSON.—The local partnership shall
 18 elect a chairperson from among the members of the
 19 partnership described in paragraph (2)(A)(i).

20 (d) APPOINTMENT AND CERTIFICATION OF LOCAL
 21 PARTNERSHIP.—

22 (1) APPOINTMENT OF LOCAL PARTNERSHIP
 23 MEMBERS AND ASSIGNMENT OF RESPONSIBIL-
 24 ITIES.—

1 (A) IN GENERAL.—The chief elected offi-
 2 cial in a local area is authorized to appoint the
 3 members of the local partnership for such area,
 4 in accordance with the State criteria established
 5 under subsection (c).

6 (B) MULTIPLE UNITS OF LOCAL GOVERN-
 7 MENT IN AREA.—

8 (i) IN GENERAL.—In a case in which
 9 a local area includes more than 1 unit of
 10 general local government, the chief elected
 11 officials of such units may execute an
 12 agreement that specifies the respective
 13 roles of the individual chief elected offi-
 14 cials—

15 (I) in the appointment of the
 16 members of the local partnership from
 17 the individuals nominated or rec-
 18 ommended to be such members in ac-
 19 cordance with the criteria established
 20 under subsection (c); and

21 (II) in carrying out any other re-
 22 sponsibilities assigned to such officials
 23 under this subtitle.

24 (ii) LACK OF AGREEMENT.—If, after
 25 a reasonable effort, the chief elected offi-

1 cials are unable to reach agreement as pro-
2 vided under clause (i), the Governor may
3 appoint the members of the local partner-
4 ship from individuals so nominated or rec-
5 ommended.

6 (2) CERTIFICATION.—

7 (A) IN GENERAL.—The Governor shall an-
8 nually certify 1 local partnership for each local
9 area in the State.

10 (B) CRITERIA.—Such certification shall be
11 based on criteria established under subsection
12 (c) and, for a second or subsequent certifi-
13 cation, the extent to which the local partnership
14 has ensured that workforce investment activities
15 carried out in the local area have enabled the
16 local area to meet the local performance meas-
17 ures required under section 321(b).

18 (C) FAILURE TO ACHIEVE CERTIFI-
19 CATION.—Failure of a local partnership to
20 achieve certification shall result in reappoint-
21 ment and certification of another local partner-
22 ship for the local area pursuant to the process
23 described in paragraph (1) and this paragraph.

24 (3) DECERTIFICATION.—

1 (A) IN GENERAL.—Notwithstanding para-
2 graph (2), the Governor may decertify a local
3 partnership at any time for—

4 (i) fraud or abuse; or

5 (ii) failure to carry out the functions
6 specified for the local partnership in para-
7 graphs (1) through (5) of subsection (e);
8 after providing notice and an opportunity for
9 comment.

10 (B) PLAN.—If the Governor decertifies a
11 local partnership for a local area, the Governor
12 may require that a local partnership be ap-
13 pointed and certified for the local area pursuant
14 to a plan developed by the Governor in con-
15 sultation with the chief elected official in the
16 local area and in accordance with the criteria
17 established under subsection (c).

18 (4) EXCEPTION.—Notwithstanding subsection
19 (c) and paragraphs (1) and (2), if a State described
20 in section 307(b) designates the State as a local
21 area in the State plan, the Governor may designate
22 the statewide partnership described in section 303 to
23 carry out any of the functions described in sub-
24 section (e).

1 (e) FUNCTIONS OF LOCAL PARTNERSHIP.—The
2 functions of the local partnership shall include—

3 (1) developing and submitting a local plan as
4 described in section 309 in partnership with the ap-
5 propriate chief elected official;

6 (2) appointing, certifying, or designating one-
7 stop partners and one-stop customer service center
8 operators, pursuant to the criteria specified in the
9 local plan;

10 (3) conducting oversight with respect to the
11 one-stop customer service system;

12 (4) modifying the list of eligible providers of
13 training services pursuant to subsections (b)(3)(B)
14 and (c)(2)(B) of section 312;

15 (5) setting local performance measures pursu-
16 ant to section 312(b)(2)(D)(ii);

17 (6) analyzing and identifying—

18 (A) current and projected local employ-
19 ment opportunities; and

20 (B) the skills necessary to obtain such
21 local employment opportunities;

22 (7) coordinating the workforce investment ac-
23 tivities carried out in the local area with economic
24 development strategies and developing other em-
25 ployer linkages with such activities; and

1 (8) assisting the Governor in developing the
2 statewide labor market information system described
3 in section 15(d) of the Wagner-Peyser Act.

4 (f) SUNSHINE PROVISION.—The local partnership
5 shall make available to the public, on a regular basis,
6 through open meetings, information regarding the activi-
7 ties of the local partnership, including information regard-
8 ing membership, the appointment of one-stop partners,
9 the designation and certification of one-stop customer
10 service center operators, and the award of grants to eligi-
11 ble providers of youth activities.

12 (g) OTHER ACTIVITIES OF LOCAL PARTNERSHIP.—

13 (1) LIMITATION.—

14 (A) IN GENERAL.—Except as provided in
15 subparagraph (B), no local partnership may di-
16 rectly carry out or enter into a contract for a
17 training service described in section 315(c)(3).

18 (B) WAIVERS.—The Governor of the State
19 in which the local partnership is located may
20 grant to the local partnership a written waiver
21 of the prohibition set forth in subparagraph
22 (A), if the local partnership provides substantial
23 evidence that a private or public entity is not
24 available to provide the training service and
25 that the activity is necessary to provide an em-

1 ployment opportunity described in the local plan
2 described in section 309.

3 (2) CONFLICT OF INTEREST.—No member of a
4 local partnership may—

5 (A) vote on a matter under consideration
6 by the local partnership—

7 (i) regarding the provision of services
8 by such member (or by an organization
9 that such member represents); or

10 (ii) that would provide direct financial
11 benefit to such member or the immediate
12 family of such member; or

13 (B) engage in any other activity deter-
14 mined by the Governor to constitute a conflict
15 of interest as specified in the State plan.

16 (h) TECHNICAL ASSISTANCE.—If a local area fails to
17 meet established State or local performance measures, the
18 Governor shall provide technical assistance to the local
19 partnership involved to improve the performance of the
20 local area.

21 (i) YOUTH PARTNERSHIP.—

22 (1) ESTABLISHMENT.—There shall be estab-
23 lished in each local area of a State, a youth partner-
24 ship appointed by the local partnership, in coopera-
25 tion with the chief elected official, in the local area.

1 (2) MEMBERSHIP.—The membership of each
2 youth partnership—

3 (A) shall include—

4 (i) 1 or more members of the local
5 partnership;

6 (ii) representatives of youth service
7 agencies, including juvenile justice agen-
8 cies;

9 (iii) representatives of local public
10 housing authorities;

11 (iv) parents of youth seeking assist-
12 ance under this subtitle;

13 (v) individuals, including former par-
14 ticipants, and representatives of organiza-
15 tions, that have experience relating to
16 youth activities; and

17 (vi) representatives of the Job Corps,
18 as appropriate; and

19 (B) may include such other individuals as
20 the chairperson of the local partnership, in co-
21 operation with the chief elected official, deter-
22 mines to be appropriate.

23 (3) DUTIES.—The duties of the youth partner-
24 ship include—

1 (A) the development of the portions of the
2 local plan relating to youth, as determined by
3 the chairperson of the local partnership;

4 (B) awarding grants to, and conducting
5 oversight with respect to, eligible providers of
6 youth activities, as described in section 313, in
7 the local area;

8 (C) coordinating youth activities in the
9 local area; and

10 (D) other duties determined to be appro-
11 priate by the chairperson of the local partner-
12 ship.

13 **SEC. 309. LOCAL PLAN.**

14 (a) IN GENERAL.—Each local partnership shall de-
15 velop and submit to the Governor a comprehensive 3-year
16 local plan (referred to in this title as the “local plan”),
17 in partnership with the appropriate chief elected official.
18 The local plan shall be consistent with the State plan.

19 (b) CONTENTS.—The local plan shall include—

20 (1) an identification of the needs of the local
21 area with regard to current and projected employ-
22 ment opportunities;

23 (2) an identification of the job skills necessary
24 to obtain such employment opportunities;

1 (3) a description of the activities to be used
2 under this subtitle to link local employers and local
3 job seekers;

4 (4) an identification and assessment of the type
5 and availability of adult and dislocated worker em-
6 ployment and training activities in the local area;

7 (5) an identification of successful eligible pro-
8 viders of youth activities in the local area;

9 (6) a description of the measures that will be
10 taken by the local area to assure coordination of and
11 avoid duplication among the programs and activities
12 described in section 304(b)(8);

13 (7) a description of the manner in which the
14 local partnership will coordinate activities carried
15 out under this subtitle in the local area with such
16 activities carried out in neighboring local areas;

17 (8) a description of the competitive process to
18 be used to award grants in the local area for activi-
19 ties carried out under this subtitle;

20 (9) information describing local performance
21 measures for the local area that are based on the
22 performance measures in the State plan;

23 (10) in accordance with the State plan, a de-
24 scription of the criteria that the chief elected official
25 in the local area and the local partnership will use

1 to appoint, designate, or certify, and to conduct
2 oversight with respect to, one-stop customer service
3 center systems in the local area; and

4 (11) such other information as the Governor
5 may require.

6 (c) PLAN SUBMISSION AND APPROVAL.—A local plan
7 submitted to the Governor under this section shall be con-
8 sidered to be approved by the Governor at the end of the
9 60-day period beginning on the day the Governor receives
10 the plan, unless the Governor makes a written determina-
11 tion during the 60-day period that—

12 (1) entities conducting evaluations conducted
13 under section 321(d) in the local area have found
14 deficiencies in activities carried out under this sub-
15 title and the local area has not made acceptable
16 progress in implementing corrective measures to ad-
17 dress the deficiencies; or

18 (2) the plan does not comply with this title.

19 (d) LACK OF AGREEMENT.—If the local partnership
20 and the appropriate chief elected official in the local area
21 cannot agree on the local plan after making a reasonable
22 effort, the Governor may develop the local plan.

1 **CHAPTER 3—WORKFORCE INVESTMENT**
2 **ACTIVITIES AND PROVIDERS**
3 **SEC. 311. IDENTIFICATION AND OVERSIGHT OF ONE-STOP**
4 **PARTNERS AND ONE-STOP CUSTOMER SERV-**
5 **ICE CENTER OPERATORS.**

6 (a) IN GENERAL.—Consistent with the State plan,
7 the chief elected official and the local partnership may de-
8 velop and implement operating agreements described in
9 subsection (c) to appoint one-stop partners, may designate
10 or certify one-stop customer service center operators, and
11 may conduct oversight with respect to the one-stop cus-
12 tomer service system, in the local area.

13 (b) ONE-STOP PARTNERS.—

14 (1) DESIGNATED PARTNERS.—

15 (A) IN GENERAL.—Each entity that car-
16 ries out a program, services, or activities de-
17 scribed in subparagraph (B) shall make avail-
18 able to participants, through a one-stop cus-
19 tomer service center, the services described in
20 section 315(c)(2) that are applicable to such
21 program, and shall participate in the operation
22 of such center as a party to the agreement de-
23 scribed in subsection (c).

1 (B) PROGRAMS; SERVICES; ACTIVITIES.—

2 The programs, services, and activities referred
3 to in subparagraph (A) consist of—

4 (i) core services authorized under this
5 subtitle;

6 (ii) other activities authorized under
7 this title;

8 (iii) activities authorized under title I
9 and title II;

10 (iv) programs authorized under the
11 Wagner-Peyser Act (29 U.S.C. 49 et seq.);

12 (v) programs authorized under title I
13 of the Rehabilitation Act of 1973 (29
14 U.S.C. 729 et seq.);

15 (vi) programs authorized under sec-
16 tion 403(a)(5) of the Social Security Act
17 (42 U.S.C. 603(a)(5)) (as added by section
18 5001 of the Balanced Budget Act of
19 1997);

20 (vii) programs authorized under title
21 V of the Older Americans Act of 1965 (42
22 U.S.C. 3056 et seq.);

23 (viii) activities authorized under chap-
24 ter 2 of title II of the Trade Act of 1974
25 (19 U.S.C. 2271 et seq.);

1 (ix) activities authorized under chap-
2 ter 41 of title 38, United States Code;

3 (x) activities carried out by the Bu-
4 reau of Apprenticeship and Training;

5 (xi) training activities carried out by
6 the Department of Housing and Urban
7 Development; and

8 (xii) programs authorized under State
9 unemployment compensation laws and the
10 Federal unemployment insurance program
11 under titles III, IX, and XII of the Social
12 Security Act (42 U.S.C. 501 et seq., 1101
13 et seq., and 1321 et seq.).

14 (2) ADDITIONAL PARTNERS.—

15 (A) IN GENERAL.—In addition to the enti-
16 ties described in paragraph (1), other entities
17 that carry out human resource programs may
18 make available to participants through a one-
19 stop customer service center the services de-
20 scribed in section 315(c)(2) that are applicable
21 to such program, and participate in the oper-
22 ation of such centers as a party to the agree-
23 ment described in subsection (c), if the local
24 partnership and chief elected official involved
25 approve such participation.

1 (B) PROGRAMS.—The programs referred
2 to in subparagraph (A) include—

3 (i) programs authorized under part A
4 of title IV of the Social Security Act;

5 (ii) programs authorized under section
6 6(d)(4) of the Food Stamp Act of 1977 (7
7 U.S.C. 2015(d)(4));

8 (iii) work programs authorized under
9 section 6(o) of the Food Stamp Act of
10 1997 (7 U.S.C. 2015 (o)); and

11 (iv) other appropriate Federal, State,
12 or local programs, including programs in
13 the private sector.

14 (c) OPERATING AGREEMENTS.—

15 (1) IN GENERAL.—The one-stop customer serv-
16 ice center operator selected pursuant to subsection
17 (d) for a one-stop customer service center shall enter
18 into a written agreement with the local partnership
19 and one-stop partners described in subsection (b)
20 concerning the operation of the center. Such agree-
21 ment shall be subject to the approval of the chief
22 elected official and the local partnership.

23 (2) CONTENTS.—The written agreement re-
24 quired under paragraph (1) shall contain—

25 (A) provisions describing—

1 (i) the services to be provided through
2 the center;

3 (ii) how the costs of such services and
4 the operating costs of the system will be
5 funded,

6 (iii) methods for referral of individuals
7 between the one-stop customer service cen-
8 ter operators and the one-stop partners,
9 for the appropriate services and activities;
10 (iv) the monitoring and oversight of
11 activities carried out under the agreement;
12 and

13 (v) the duration of the agreement and
14 the procedures for amending the agree-
15 ment during the term of the agreement;
16 and

17 (B) such other provisions, consistent with
18 the requirements of this title, as the parties to
19 the agreement determine to be appropriate.

20 (d) ONE-STOP CUSTOMER SERVICE CENTER OPERA-
21 TORS.—

22 (1) IN GENERAL.—To be eligible to receive
23 funds made available under this subtitle to operate
24 a one-stop customer service center, an entity shall—

1 (A) be designated or certified as a one-stop
2 customer service center operator, as described
3 in subsection (a); and

4 (B) be a public or private entity, or consor-
5 tium of entities, located in the local area, which
6 entity or consortium may include an institution
7 of higher education (as defined in section 481
8 of the Higher Education Act of 1965 (20
9 U.S.C. 1088), a local employment service office
10 established under the Wagner-Peyser Act (29
11 U.S.C. 49 et seq.), a local government agency,
12 a private for-profit entity, a private nonprofit
13 entity, or other interested entity, of dem-
14 onstrated effectiveness.

15 (2) EXCEPTION.—Elementary schools and sec-
16 ondary schools shall not be eligible for designation
17 or certification as one-stop customer service center
18 operators, except that nontraditional secondary
19 schools and area vocational education schools shall
20 be eligible for such designation or certification.

21 (e) ESTABLISHED ONE-STOP CUSTOMER SERVICE
22 SYSTEM.—For a local area in which a one-stop customer
23 service system has been established prior to the date of
24 enactment of this Act, the local partnership, the chief
25 elected official, and the Governor may agree to appoint,

1 designate, or certify the one-stop partners and one-stop
 2 customer service center operators of such system, for pur-
 3 poses of this section.

4 (f) OVERSIGHT.—The local partnership shall conduct
 5 oversight with respect to the one-stop customer service
 6 center system and may terminate for cause the eligibility
 7 of such a partner or operator to provide activities through
 8 or operate a one-stop customer service center.

9 **SEC. 312. DETERMINATION AND IDENTIFICATION OF ELIGI-**
 10 **BLE PROVIDERS OF TRAINING SERVICES BY**
 11 **PROGRAM.**

12 (a) GENERAL ELIGIBILITY REQUIREMENTS.—

13 (1) IN GENERAL.—Except as provided in sub-
 14 section (e), to be eligible to receive funds made avail-
 15 able under section 306 to provide training services
 16 described in section 315(c)(3) (referred to in this
 17 title as “training services”) and be identified as an
 18 eligible provider of such services, a provider of such
 19 services shall meet the requirements of this section.

20 (2) PROVIDERS.—To be eligible to receive the
 21 funds, the provider shall be—

22 (A) a postsecondary educational institution
 23 that—

1 (i) is eligible to receive Federal funds
2 under title IV of the Higher Education Act
3 of 1965 (20 U.S.C. 1070 et seq.); and

4 (ii) provides a program that leads to
5 an associate degree, baccalaureate degree,
6 or certificate; or

7 (B) another public or private provider of a
8 program.

9 (b) INITIAL DETERMINATION AND IDENTIFICA-
10 TION.—

11 (1) POSTSECONDARY EDUCATIONAL INSTITU-
12 TIONS.—To be eligible to receive funds as described
13 in subsection (a), an institution described in sub-
14 section (a)(2)(A) shall submit an application at such
15 time, in such manner, and containing such informa-
16 tion as the designated State agency described in sub-
17 section (f) may require, after consultation with the
18 local partnerships in the State. On submission of the
19 application, the institution shall automatically be ini-
20 tially eligible to receive such funds for the program
21 described in subsection (a)(2)(A).

22 (2) OTHER PROVIDERS.—

23 (A) PROCEDURE.—The Governor, in con-
24 sultation with the local partnerships in the
25 State, shall establish a procedure for determin-

1 ing the initial eligibility of providers described
2 in subsection (a)(2)(B) to receive such funds
3 for specified programs. The procedure shall re-
4 quire a provider of a program to meet minimum
5 acceptable levels of performance based on—

6 (i) performance criteria relating to the
7 rates, percentages, increases, and costs de-
8 scribed in subparagraph (C) for the pro-
9 gram, as demonstrated using verifiable
10 program-specific performance information
11 described in subparagraph (C) and submit-
12 ted to the designated State agency, as re-
13 quired under subparagraph (C); and

14 (ii) performance criteria relating to
15 any characteristics for which local partner-
16 ships request the submission of informa-
17 tion under subparagraph (D) for the pro-
18 gram, as demonstrated using the informa-
19 tion submitted.

20 (B) MINIMUM LEVELS.—The Governor
21 shall—

22 (i) consider, in determining such mini-
23 mum levels—

24 (I) criteria relating to the eco-
25 nomic, geographic, and demographic

1 factors in the local areas in which the
2 provider provides the program; and

3 (II) the characteristics of the
4 population served by such provider
5 through the program; and

6 (ii) verify the minimum levels of per-
7 formance by using quarterly records de-
8 scribed in section 321.

9 (C) APPLICATION.—To be initially eligible
10 to receive funds as described in subsection (a),
11 a provider described in subsection (a)(2)(B)
12 shall submit an application at such time, in
13 such manner, and containing such information
14 as the designated State agency may require, in-
15 cluding performance information on—

16 (i) program completion rates for par-
17 ticipants in the applicable program con-
18 ducted by the provider;

19 (ii) the percentage of the graduates of
20 the program placed in unsubsidized em-
21 ployment in an occupation related to the
22 program conducted;

23 (iii) retention rates of the graduates
24 in unsubsidized employment—

1 (I) 6 months after completion of
2 the program; and

3 (II) 12 months after completion
4 of the program;

5 (iv) the wages received by the grad-
6 uates placed in unsubsidized employment
7 after the completion of participation in the
8 program—

9 (I) on the first day of the em-
10 ployment;

11 (II) 6 months after the first day
12 of the employment; and

13 (III) 12 months after the first
14 day of the employment;

15 (v) where appropriate, the rates of li-
16 censure or certification of the graduates,
17 attainment of academic degrees or equiva-
18 lents, or attainment of other measures of
19 skill; and

20 (vi) program cost per participant in
21 the program.

22 (D) ADDITIONAL INFORMATION.—

23 (i) IN GENERAL.—In addition to the
24 performance information described in sub-
25 paragraph (C), the local partnerships in

1 the State involved may require that a pro-
2 vider submit, to the local partnerships and
3 to the designated State agency, other per-
4 formance information relating to the pro-
5 gram to be initially identified as an eligible
6 provider of training services, including in-
7 formation regarding the ability of the pro-
8 vider to provide continued counseling and
9 support regarding the workplace to the
10 graduates, for not less than 12 months
11 after the graduation involved.

12 (ii) HIGHER LEVELS OF PERFORM-
13 ANCE ELIGIBILITY.—The local partnership
14 may require higher levels of performance
15 than the minimum levels established under
16 subparagraph (A)(i) for initial eligibility to
17 receive funds as described in subsection
18 (a).

19 (3) LIST OF ELIGIBLE PROVIDERS BY PRO-
20 GRAM.—

21 (A) IN GENERAL.—The designated State
22 agency, after reviewing the performance infor-
23 mation described in paragraph (2)(C) and any
24 information required to be submitted under

1 paragraph (2)(D) and using the procedure de-
2 scribed in paragraph (2)(B), shall—

3 (i) identify eligible providers of train-
4 ing services described in subparagraphs
5 (A) and (B) of subsection (a)(2), including
6 identifying the programs of the providers
7 through which the providers may offer the
8 training services; and

9 (ii) compile a list of the eligible pro-
10 viders, and the programs, accompanied by
11 the performance information described in
12 paragraph (2)(C) and any information re-
13 quired to be submitted under paragraph
14 (2)(D) for each such provider described in
15 subsection (a)(2)(B).

16 (B) LOCAL MODIFICATION.—The local
17 partnership may modify such list by reducing
18 the number of eligible providers listed, to en-
19 sure that the eligible providers carry out pro-
20 grams that provide skills that enable partici-
21 pants to obtain local employment opportunities.

22 (c) SUBSEQUENT ELIGIBILITY.—

23 (1) INFORMATION AND CRITERIA.—To be eligi-
24 ble to continue to receive funds as described in sub-
25 section (a) for a program, a provider shall—

(A) submit the performance information described in subsection (b)(2)(C) and any information required to be submitted under subsection (b)(2)(D) annually to the designated State agency at such time and in such manner as the designated State agency may require for the program;

(B) annually meet the performance criteria described in subclause (I) and (if applicable) subclause (II) of subsection (b)(2)(B)(i) for the program; and

(C) annually meet local performance measures, as demonstrated utilizing quarterly records described in section 321, for the program.

(2) LIST OF ELIGIBLE PROVIDERS BY PROGRAM.—

(A) IN GENERAL.—The designated State agency, after reviewing the performance information and any other information submitted under paragraph (1) and using the procedure described in subsection (b)(2)(A), shall identify eligible providers and programs, and compile a list of the providers and programs, as described in subsection (b)(3), accompanied by the per-

1 formance information and other information for
2 each such provider.

3 (B) LOCAL MODIFICATION.—The local
4 partnership may modify such list by reducing
5 the number of eligible providers listed, to en-
6 sure that the eligible providers carry out pro-
7 grams that provide skills that enable partici-
8 pants to obtain local employment opportunities.

9 (3) AVAILABILITY.—Such list and information
10 shall be made widely available to participants in em-
11 ployment and training activities funded under this
12 subtitle, and to others, through the one-stop cus-
13 tomer service system described in section 315(b).

14 (d) ENFORCEMENT.—

15 (1) ACCURACY OF INFORMATION.—If the des-
16 ignated State agency, after consultation with the
17 local partnership involved, determines that a pro-
18 vider or individual supplying information on behalf
19 of a provider intentionally supplies inaccurate infor-
20 mation under this section, the agency shall termi-
21 nate the eligibility of the eligible provider to receive
22 funds described in subsection (a) for a period of
23 time, but not less than 2 years.

24 (2) COMPLIANCE WITH CRITERIA OR REQUIRE-
25 MENTS.—If the designated State agency, after con-

1 sultation with the local partnership, determines that
2 an eligible provider or a program of training services
3 carried out by an eligible provider fails to meet the
4 required performance criteria and performance
5 measures described in subparagraphs (B) and (C) of
6 subsection (c)(1) or materially violates any provision
7 of this title, including the regulations promulgated
8 to implement this title, the agency may terminate
9 the eligibility of the eligible provider to receive funds
10 described in subsection (a) for such program or take
11 such other action as the agency determines to be ap-
12 propriate.

13 (3) REPAYMENT.—Any provider whose eligi-
14 bility is terminated under paragraph (1) or (2) for
15 a program shall be liable for repayment of funds de-
16 scribed in subsection (a) received for the program
17 during any period of noncompliance described in
18 such paragraph.

19 (4) APPEAL.—The Governor shall establish a
20 procedure for an eligible provider to appeal a deter-
21 mination by the designated State agency that results
22 in termination of eligibility under this subsection.
23 Such procedure shall provide an opportunity for a
24 hearing and prescribe appropriate time limits to en-
25 sure prompt resolution of the appeal.

1 (e) ON-THE-JOB TRAINING EXCEPTION.—

2 (1) IN GENERAL.—Providers of on-the-job
3 training shall not be subject to the requirements of
4 subsections (a) through (d).

5 (2) COLLECTION AND DISSEMINATION OF IN-
6 FORMATION.—A one-stop customer service center
7 operator in a local area shall collect such perform-
8 ance information from on-the-job training providers
9 as the Governor may require, and disseminate such
10 information through the one-stop customer service
11 system.

12 (f) ADMINISTRATION.—The Governor shall designate
13 a State agency to collect and disseminate the performance
14 information described in subsection (b)(2)(C) and any in-
15 formation required to be submitted under subsection
16 (b)(2)(D) and carry out other duties described in this sec-
17 tion.

18 **SEC. 313. IDENTIFICATION OF ELIGIBLE PROVIDERS OF**
19 **YOUTH ACTIVITIES.**

20 The youth partnership is authorized to award grants
21 on a competitive basis, based on the criteria contained in
22 the State plan and local plan, to providers of youth activi-
23 ties, and conduct oversight with respect to such providers,
24 in the local area.

1 **SEC. 314. STATEWIDE WORKFORCE INVESTMENT ACTIVI-**
2 **TIES.**

3 (a) IN GENERAL.—Funds reserved by a Governor for
4 a State—

5 (1) under section 306(a)(2) shall be used to
6 carry out the statewide rapid response activities de-
7 scribed in subsection (b)(1); and

8 (2) under section 306(a)(1)—

9 (A) shall be used to carry out the state-
10 wide workforce investment activities described
11 in subsection (b)(2); and

12 (B) may be used to carry out any of the
13 statewide workforce investment activities de-
14 scribed in subsection (c),

15 regardless of whether the funds were allotted to the
16 State under paragraph (1), (2), or (3) of section
17 302(b).

18 (b) REQUIRED STATEWIDE WORKFORCE INVEST-
19 MENT ACTIVITIES.—

20 (1) STATEWIDE RAPID RESPONSE ACTIVI-
21 TIES.—A State shall use funds reserved under sec-
22 tion 306(a)(2) to carry out statewide rapid response
23 activities, which shall include—

24 (A) provision of rapid response activities,
25 carried out in local areas by the State, working

1 in conjunction with the local partnership and
2 the chief elected official in the local area; and

3 (B) provision of additional assistance to
4 local areas that experience disasters, mass lay-
5 offs or plant closings, or other events that pre-
6 cipitate substantial increases in the number of
7 unemployed individuals, carried out in the local
8 areas by the State, working in conjunction with
9 the local partnership and the chief elected offi-
10 cial in the local areas.

11 (2) OTHER REQUIRED STATEWIDE WORKFORCE
12 INVESTMENT ACTIVITIES.—A State shall use funds
13 reserved under section 306(a)(1) to carry out other
14 statewide workforce investment activities, which
15 shall include—

16 (A) disseminating the list of eligible pro-
17 viders of training services, including eligible
18 providers of nontraditional training services,
19 and the performance information as described
20 in subsections (b) and (c) of section 312 and a
21 list of eligible providers of youth activities de-
22 scribed in section 313;

23 (B) conducting evaluations, under section
24 321(d), of activities authorized in this section,
25 section 315, and section 316, in coordination

1 with the activities carried out under section
2 368;

3 (C) provision of incentive grants to local
4 areas for regional cooperation among local part-
5 nerships, for local coordination and nonduplica-
6 tion of activities carried out under this Act, and
7 for comparative performance by local areas on
8 the local performance measures described in
9 section 321(b);

10 (D) providing technical assistance to local
11 areas that fail to meet local performance meas-
12 ures;

13 (E) assisting in the establishment and op-
14 eration of a one-stop customer service system;
15 and

16 (F) operation of a fiscal and management
17 accountability information system under section
18 321(e).

19 (c) ALLOWABLE STATEWIDE WORKFORCE INVEST-
20 MENT ACTIVITIES.—

21 (1) IN GENERAL.—A State may use funds re-
22 served under section 306(a)(1) to carry out addi-
23 tional statewide workforce investment activities,
24 which may include—

1 (A) subject to paragraph (2), administra-
2 tion by the State of the workforce investment
3 activities carried out under this subtitle;

4 (B) identification and implementation of
5 incumbent worker training programs, which
6 may include the establishment and implementa-
7 tion of an employer loan program;

8 (C) carrying out other activities authorized
9 in section 315 that the State determines to be
10 necessary to assist local areas in carrying out
11 activities described in subsection (c) or (d) of
12 section 315 through the statewide workforce in-
13 vestment system; and

14 (D) carrying out, on a statewide basis, ac-
15 tivities described in section 316.

16 (2) LIMITATION.—Of the reserved funds de-
17 scribed in paragraph (1)(A), a portion, equal to not
18 more than 5 percent of the total amount allotted to
19 the State under paragraphs (1), (2), and (3) of sec-
20 tion 302(b) for the fiscal year involved, may be used
21 for the administration of the workforce investment
22 activities carried out under this subtitle. Funds
23 made available from the portion may be used for the
24 administration of any of the workforce investment
25 activities, regardless of whether the funds were allot-

1 ted to the State under paragraph (1), (2), or (3) of
2 section 302(b).

3 **SEC. 315. LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.**

4 (a) IN GENERAL.—Funds received by a local area
5 under paragraph (3)(A) or (4)(A), as appropriate, of sec-
6 tion 306(b), and funds received by the local area under
7 section 306(b)(3)(B)—

8 (1) shall be used to carry out employment and
9 training activities described in subsection (c) for
10 adults or dislocated workers, as appropriate; and

11 (2) may be used to carry out employment and
12 training activities described in subsection (d) for
13 adults or dislocated workers, as appropriate.

14 (b) ESTABLISHMENT OF ONE-STOP CUSTOMER
15 SERVICE SYSTEM.—

16 (1) IN GENERAL.—There shall be established in
17 a State that receives an allotment under section 302
18 a one-stop customer service system, which—

19 (A) shall provide the core services de-
20 scribed in subsection (c)(2);

21 (B) shall provide access to training services
22 as described in subsection (c)(3);

23 (C) shall provide access to the activities (if
24 any) carried out under subsection (d); and

1 (D) shall provide access to the information
2 described in section 15 of the Wagner-Peyser
3 Act and all job search, placement, recruitment,
4 and other labor exchange services authorized
5 under the Wagner-Peyser Act (29 U.S.C. 49 et
6 seq.).

7 (2) ONE-STOP DELIVERY.—At a minimum, the
8 one-stop customer service system—

9 (A) shall make each of the services de-
10 scribed in paragraph (1) accessible at not less
11 than 1 physical customer service center in each
12 local area of the State; and

13 (B) may also make services described in
14 paragraph (1) available—

15 (i) through a network of customer
16 service centers that can provide 1 or more
17 of the services described in paragraph (1)
18 to such individuals; and

19 (ii) through a network of eligible one-
20 stop partners—

21 (I) in which each partner pro-
22 vides 1 or more of the services to such
23 individuals and is accessible at a cus-
24 tomer service center that consists of a
25 physical location or an electronically

1 or technologically linked access point;
2 and

3 (II) that assures individuals that
4 information on the availability of core
5 services will be available regardless of
6 where the individuals initially enter
7 the statewide workforce investment
8 system, including information made
9 available through an access point de-
10 scribed in subclause (I).

11 (c) REQUIRED LOCAL ACTIVITIES.—

12 (1) IN GENERAL.—Funds received by a local
13 area under paragraph (3)(A) or (4)(A), as appro-
14 priate, of section 306(b), and funds received by the
15 local area under section 306(b)(3)(B) shall be
16 used—

17 (A) to establish a one-stop customer serv-
18 ice center described in subsection (b);

19 (B) to provide the core services described
20 in paragraph (2) to participants described in
21 such paragraph through the one-stop customer
22 service system; and

23 (C) to provide training services described
24 in paragraph (3) to participants described in
25 such paragraph.

1 (2) CORE SERVICES.—Funds received by a local
2 area as described in paragraph (1) shall be used to
3 provide core services, which shall be available to all
4 individuals seeking assistance through a one-stop
5 customer service system and shall, at a minimum,
6 include—

7 (A) determinations of whether the individ-
8 uals are eligible to receive activities under this
9 subtitle;

10 (B) outreach, intake (which may include
11 worker profiling), and orientation to the infor-
12 mation and other services available through the
13 one-stop customer service system;

14 (C) initial assessment of skill levels, apti-
15 tudes, abilities, and supportive service needs;

16 (D) case management assistance, as appro-
17 priate;

18 (E) job search and placement assistance;

19 (F) provision of information regarding—

20 (i) local, State, and, if appropriate, re-
21 gional or national, employment opportuni-
22 ties; and

23 (ii) job skills necessary to obtain the
24 employment opportunities;

1 (G) provision of performance information
2 on eligible providers of training services as de-
3 scribed in section 312, provided by program,
4 and eligible providers of youth activities as de-
5 scribed in section 313, eligible providers of
6 adult education as described in title II, eligible
7 providers of postsecondary vocational education
8 activities and vocational education activities
9 available to school dropouts as described in title
10 I, and eligible providers of vocational rehabilita-
11 tion program activities as described in title I of
12 the Rehabilitation Act of 1973;

13 (H) provision of performance information
14 on the activities carried out by one-stop part-
15 ners, as appropriate;

16 (I) provision of information regarding how
17 the local area is performing on the local per-
18 formance measures described in section 321(b),
19 and any additional performance information
20 provided to the one-stop customer service center
21 by the local partnership;

22 (J) provision of accurate information relat-
23 ing to the availability of supportive services, in-
24 cluding child care and transportation, available

1 in the local area, and referral to such services,
2 as appropriate;

3 (K) provision of information regarding fil-
4 ing claims for unemployment compensation;

5 (L) assistance in establishing eligibility
6 for—

7 (i) welfare-to-work activities author-
8 ized under section 403(a)(5) of the Social
9 Security Act (as added by section 5001 of
10 the Balanced Budget Act of 1997) avail-
11 able in the local area; and

12 (ii) programs of financial aid assist-
13 ance for training and education programs
14 that are not funded under this Act and are
15 available in the local area; and

16 (M) followup services, including counseling
17 regarding the workplace, for participants in
18 workforce investment activities who are placed
19 in unsubsidized employment, for not less than
20 12 months after the completion of such partici-
21 pation, as appropriate.

22 (3) REQUIRED TRAINING SERVICES.—

23 (A) ELIGIBLE PARTICIPANTS.—Funds re-
24 ceived by a local area as described in paragraph

1 (1) shall be used to provide training services to
2 individuals—

3 (i) who are adults (including dis-
4 located workers);

5 (ii) who seek the services;

6 (iii)(I) who are unable to obtain em-
7 ployment through the core services; or

8 (II) who are employed and who are
9 determined by a one-stop customer service
10 center operator to be in need of such train-
11 ing services in order to gain or retain em-
12 ployment that allows for self-sufficiency;

13 (iv) who after an interview, evalua-
14 tion, or assessment, and case management,
15 have been determined by a one-stop cus-
16 tomer service center operator or one-stop
17 partner, as appropriate, to be in need of
18 training services and to have the skills and
19 qualifications, to successfully participate in
20 the selected program of training services;

21 (v) who select programs of training
22 services that are directly linked to the em-
23 ployment opportunities in the local area in-
24 volved or in another area in which the

adults receiving such services are willing to relocate;

(vi) who meet the requirements of subparagraph (B); and

(vii) who are determined to be eligible in accordance with the priority system, if any, in effect under subparagraph (D).

(B) QUALIFICATION.—

(i) REQUIREMENT.—Except as provided in clause (ii), provision of such training services shall be limited to individuals who—

(I) are unable to obtain other grant assistance for such services, including Federal Pell Grants established under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); or

(II) who require assistance beyond the assistance made available under other grant assistance programs, including Federal Pell Grants.

(ii) REIMBURSEMENTS.—Training services may be provided under this paragraph to an individual who otherwise meets

1 the requirements of this paragraph while
2 an application for a Federal Pell Grant is
3 pending, except that if such individual is
4 subsequently awarded a Federal Pell
5 Grant, appropriate reimbursement shall be
6 made to the local area from such Federal
7 Pell Grant.

8 (C) TRAINING SERVICES.—Training serv-
9 ices may include—

- 10 (i) employment skill training;
- 11 (ii) on-the-job training;
- 12 (iii) job readiness training; and
- 13 (iv) adult education services when pro-
14 vided in combination with services de-
15 scribed in clause (i), (ii), or (iii).

16 (D) PRIORITY.—In the event that funds
17 are limited within a local area for adult employ-
18 ment and training activities, priority shall be
19 given to disadvantaged adults for receipt of
20 training services provided under this paragraph.
21 The appropriate local partnership and the Gov-
22 ernor shall direct the one-stop customer service
23 center operator in the local area with regard to
24 making determinations related to such priority.

1 (E) DELIVERY OF SERVICES.—Training
2 services provided under this paragraph shall be
3 provided—

4 (i) except as provided in section
5 312(e), through eligible providers of such
6 services identified in accordance with sec-
7 tion 312; and

8 (ii) in accordance with subparagraph
9 (F).

10 (F) CONSUMER CHOICE REQUIREMENTS.—

11 (i) IN GENERAL.—Training services
12 provided under this paragraph shall be
13 provided in a manner that maximizes
14 consumer choice in the selection of an eli-
15 gible provider of such services.

16 (ii) ELIGIBLE PROVIDERS.—Each
17 local partnership, through one-stop cus-
18 tomer service centers, shall make avail-
19 able—

20 (I) the list of eligible providers
21 required under subsection (b)(3) or
22 (c)(2) of section 312, with a descrip-
23 tion of the programs through which
24 the providers may offer the training

1 services, and a list of the names of
 2 on-the-job training providers; and

3 (II) the performance information
 4 on eligible providers of training serv-
 5 ices as described in section 312.

6 (iii) EMPLOYMENT INFORMATION.—
 7 Each local partnership, through one-stop
 8 customer service centers, shall make avail-
 9 able—

10 (I) information regarding local,
 11 State, and, if appropriate, regional or
 12 national, employment opportunities;
 13 and

14 (II) information regarding the
 15 job skills necessary to obtain the em-
 16 ployment opportunities.

17 (iv) INDIVIDUAL TRAINING AC-
 18 COUNTS.—An individual who is eligible
 19 pursuant to subparagraph (A) and seeks
 20 training services may select, in consulta-
 21 tion with a case manager, an eligible pro-
 22 vider of training services from the lists of
 23 providers described in clause (ii)(I). Upon
 24 such selection, the operator of the one-stop
 25 customer service center shall, to the extent

practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through an individual training account.

(d) PERMISSIBLE LOCAL ACTIVITIES.—

(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—Funds received by a local area under paragraph (3)(A) or (4)(A), as appropriate, of section 306(b), and funds received by the local area under section 306(b)(3)(B) may be used to provide, through one-stop delivery described in subsection (b)(2)—

(A) intensive employment-related services for participants in training services;

(B) customized screening and referral of qualified participants in training services to employment; and

(C) customized employment-related services to employers.

(2) SUPPORTIVE SERVICES.—Funds received by the local area as described in paragraph (1) may be used to provide supportive services to participants—

(A) who are participating in activities described in this section or youth activities under this subtitle; and

1 (B) who are unable to obtain such support-
2 ive services through other programs providing
3 such services.

4 (3) NEEDS-RELATED PAYMENTS.—

5 (A) IN GENERAL.—Funds received by the
6 local area under section 306(b)(3)(B) may be
7 used to provide needs-related payments to dis-
8 located workers who do not qualify for, or have
9 exhausted, unemployment compensation, for the
10 purpose of enabling such individuals to partici-
11 pate in training services.

12 (B) ADDITIONAL ELIGIBILITY REQUIRE-
13 MENTS.—In addition to the requirements con-
14 tained in subparagraph (A), a dislocated worker
15 who has ceased to qualify for unemployment
16 compensation may be eligible to receive needs-
17 related payments under this paragraph only if
18 such worker was enrolled in the training serv-
19 ices—

20 (i) by the end of the 13th week of the
21 worker's unemployment compensation ben-
22 efits period for the most recent layoff that
23 resulted in a determination of the worker's
24 eligibility for employment and training ac-

1 activities for dislocated workers under this
2 subtitle; or

3 (ii) if later, by the end of the 13th
4 week after the worker is informed that a
5 short-term layoff will exceed 6 months.

6 (C) LEVEL OF PAYMENTS.—The level of a
7 needs-related payment made to a dislocated
8 worker under this paragraph shall not exceed
9 the greater of—

10 (i) the applicable level of unemploy-
11 ment compensation; or

12 (ii) if such worker did not qualify for
13 unemployment compensation, an amount
14 equal to the poverty line, for an equivalent
15 period, which amount shall be adjusted to
16 reflect changes in total family income.

17 **SEC. 316. LOCAL YOUTH ACTIVITIES.**

18 (a) PURPOSES.—The purposes of this section are—

19 (1) to provide effective and comprehensive ac-
20 tivities to youth seeking assistance in achieving aca-
21 demic and employment success;

22 (2) to ensure continuous contact for youth with
23 committed adults;

24 (3) to provide opportunities for training to
25 youth;

1 (4) to provide continued support services for
2 youth;

3 (5) to provide incentives for recognition and
4 achievement to youth; and

5 (6) to provide opportunities for youth in activi-
6 ties related to leadership, development, decisionmak-
7 ing, citizenship, and community service.

8 (b) REQUIRED ELEMENTS.—Funds received by a
9 local area under paragraph (3)(C) or (4)(B) of section
10 306(b) shall be used to carry out, for youth who seek the
11 activities, activities that—

12 (1) consist of the provision of—

13 (A) tutoring, study skills training, and in-
14 struction, leading to completion of secondary
15 school, including dropout prevention strategies;

16 (B) alternative secondary school services;

17 (C) summer employment opportunities and
18 other paid and unpaid work experiences, includ-
19 ing internships;

20 (D) employment skill training, as appro-
21 priate;

22 (E) community service and leadership de-
23 velopment opportunities;

24 (F) services described in section 315(c)(2);

25 (G) supportive services;

1 (H) adult mentoring for the period of par-
 2 ticipation and a subsequent period, for a total
 3 of not less than 12 months; and

4 (I) followup services for not less than 12
 5 months after the completion of participation, as
 6 appropriate;

7 (2) provide—

8 (A) preparation for postsecondary edu-
 9 cational opportunities, in appropriate cases;

10 (B) strong linkages between academic and
 11 occupational learning; and

12 (C) preparation for unsubsidized employ-
 13 ment opportunities, in appropriate cases; and

14 (3) involve parents, participants, and other
 15 members of the community with experience relating
 16 to youth in the design and implementation of the ac-
 17 tivities.

18 (c) PRIORITY.—At a minimum, 50 percent of the
 19 funds described in subsection (b) shall be used to provide
 20 youth activities to out-of-school youth.

21 (d) PROHIBITIONS.—

22 (1) NO LOCAL EDUCATION CURRICULUM.—No
 23 funds described in subsection (b) shall be used to de-
 24 velop or implement local school system education
 25 curricula.

1 (2) NONDUPLICATION.—No funds described in
 2 subsection (b) shall be used to carry out activities
 3 that duplicate federally funded activities available to
 4 youth in the local area.

5 (3) NONINTERFERENCE AND NONREPLACE-
 6 MENT OF REGULAR ACADEMIC REQUIREMENTS.—No
 7 funds described in subsection (b) shall be used to
 8 provide an activity for youth who are not school
 9 dropouts if participation in the activity would inter-
 10 fere with or replace the regular academic require-
 11 ments of the youth.

12 **CHAPTER 4—GENERAL PROVISIONS**

13 **SEC. 321. ACCOUNTABILITY.**

14 (a) PURPOSE.—The purpose of this section is to pro-
 15 vide comprehensive performance measures to assess the
 16 progress of States and local areas (including eligible pro-
 17 viders and programs of activities authorized under this
 18 subtitle that are made available in the States and local
 19 areas), in assisting both employers and jobseekers in meet-
 20 ing their employment needs, in order to ensure an ade-
 21 quate return on the investment of Federal funds for the
 22 activities.

23 (b) STATE PERFORMANCE MEASURES.—

24 (1) IN GENERAL.—To be eligible to receive an
 25 allotment under section 302, a State shall establish,

1 and identify in the State plan, State performance
2 measures. Each State performance measure shall
3 consist of an indicator of performance, referred to in
4 paragraph (2) or (3), and a performance level, re-
5 ferred to in paragraph (4).

6 (2) CORE INDICATORS OF PERFORMANCE.—The
7 State performance measures shall contain indicators
8 of performance, including, at a minimum—

9 (A) core indicators of performance for
10 adults, including dislocated workers, participat-
11 ing in activities that are training services, which
12 indicators consist of—

13 (i) placement in unsubsidized employ-
14 ment related to the training received
15 through the activities;

16 (ii) retention in unsubsidized employ-
17 ment related to the training received
18 through the activities—

19 (I) 6 months after completion of
20 participation in the activities; and

21 (II) 12 months after completion
22 of participation;

23 (iii) wages received by such partici-
24 pants who are placed in unsubsidized em-
25 ployment related to the training received

1 through the activities after completion of
2 participation—

3 (I) on the first day of the em-
4 ployment;

5 (II) 6 months after the first day
6 of the employment; and

7 (III) 12 months after the first
8 day of the employment; and

9 (iv) percentage of wage replacement
10 for dislocated workers placed in
11 unsubsidized employment related to the
12 training received through the activities;

13 (B) core indicators of performance for
14 adults, including dislocated workers, participat-
15 ing in activities that are core services, which in-
16 dicators consist of the indicators described in
17 clauses (i) through (iv) of subparagraph (A);
18 and

19 (C) core indicators of performance for
20 youth participating in youth activities under
21 section 316, that consist of—

22 (i) attainment of secondary school di-
23 plomas or their recognized equivalents;

24 (ii) attainment of job readiness and
25 employment skills;

1 (iii) placement in, retention in, and
2 completion of postsecondary education, ad-
3 vanced training, or an apprenticeship;

4 (iv) placement in unsubsidized em-
5 ployment related to the training received
6 through the activities;

7 (v) retention in unsubsidized employ-
8 ment related to the training received
9 through the activities—

10 (I) 6 months after completion of
11 participation in the activities; and

12 (II) 12 months after completion
13 of participation; and

14 (vi) wages received by such partici-
15 pants who are placed in unsubsidized em-
16 ployment related to the training received
17 through the activities, after completion of
18 participation—

19 (I) on the first day of the em-
20 ployment;

21 (II) 6 months after the first day
22 of the employment; and

23 (III) 12 months after the first
24 day of the employment.

1 (3) CUSTOMER SATISFACTION INDICATOR.—The
2 State performance measures shall contain an indica-
3 tor of performance with respect to customer satisfac-
4 tion of employers and participants, which may be
5 measured through surveys conducted after the con-
6 clusion of participation in workforce investment ac-
7 tivities.

8 (4) STATE LEVELS OF PERFORMANCE.—In
9 order to ensure an adequate return on the invest-
10 ment of Federal funds in workforce investment ac-
11 tivities, the Secretary and each Governor shall reach
12 agreement on the levels of performance expected to
13 be achieved by the State, on the State performance
14 measures established pursuant to this subsection. In
15 reaching the agreement, the Secretary and Governor
16 shall establish a level of performance for each indica-
17 tor of performance described in paragraph (2) or
18 (3). Such agreement shall take into account—

19 (A) how the levels compare with the levels
20 established by other States, taking into consid-
21 eration the specific circumstances, including
22 economic circumstances, of each State; and

23 (B) the extent to which such levels pro-
24 mote continuous improvement in performance

1 by such State and ensure an adequate return
2 on the investment of Federal funds.

3 (5) POPULATIONS.—In developing the State
4 performance measures, a State shall develop and
5 identify in the State plan State performance meas-
6 ures for populations that include, at a minimum—

7 (A) disadvantaged adults;

8 (B) dislocated workers;

9 (C) out-of-school youth; and

10 (D) individuals with disabilities.

11 (b) LOCAL PERFORMANCE MEASURES.—

12 (1) IN GENERAL.—Each Governor shall nego-
13 tiate and reach agreement with the local partnership
14 and the chief elected official in each local area on
15 local performance measures. Each local performance
16 measure shall consist of an indicator of performance
17 referred to in paragraph (2) or (3) of subsection (a),
18 and a performance level referred to in paragraph
19 (2).

20 (2) PERFORMANCE LEVELS.—Based on the ex-
21 pected levels of performance established pursuant to
22 subsection (a)(4), the Governor shall negotiate and
23 reach agreement with the local partnership and the
24 chief elected official in each local area regarding the

1 levels of performance expected to be achieved for the
2 local area on the indicators of performance.

3 (3) POPULATIONS.—In negotiating and reach-
4 ing agreement on the local performance measures,
5 the Governor, local partnership, and chief elected of-
6 ficial, shall negotiate and reach agreement on local
7 performance measures for populations that include,
8 at a minimum, the populations described in sub-
9 section (a)(5). The local partnership shall identify
10 these local performance measures in the local plan.

11 (c) REPORT.—

12 (1) IN GENERAL.—Each State that receives an
13 allotment under section 302 shall annually prepare
14 and submit to the Secretary a report on the progress
15 of the State in achieving State performance meas-
16 ures. The annual report shall also include informa-
17 tion regarding the progress of local areas in achiev-
18 ing local performance measures. The report shall
19 also include information on the status of State eval-
20 uations of workforce investment activities described
21 in subsection (d).

22 (2) ADDITIONAL INFORMATION.—In preparing
23 such report, the State shall include, at a minimum,
24 information relating to—

1 (A) the performance of graduates of pro-
2 grams of training services as compared to
3 former enrollees in the programs, with the re-
4 spect to the core indicators described in sub-
5 section (a)(2)(A);

6 (B) the educational attainment of such
7 graduates and former enrollees;

8 (C) the cost of the workforce investment
9 activities relative to the impact of the activities
10 on the performance of graduates on the core in-
11 dicators; and

12 (D) the performance of welfare recipients,
13 veterans, individuals with disabilities, and dis-
14 placed homemakers with respect to the core in-
15 dicators described in subparagraphs (A) and
16 (B) of subsection (a)(2).

17 (3) INFORMATION DISSEMINATION.—The Sec-
18 retary shall make the information contained in such
19 reports available to Congress, the Library of Con-
20 gress, and the public through publication and other
21 appropriate methods, and shall disseminate State-by-
22 State comparisons of the information that take into
23 consideration the specific circumstances, including
24 economic circumstances, of the States.

1 (4) DEFINITION.—In this subsection, the term
2 “welfare recipient” means a person receiving pay-
3 ments described in section 2(24)(A).

4 (d) EVALUATION OF STATE PROGRAMS.—

5 (1) WORKFORCE INVESTMENT ACTIVITIES.—
6 Using funds reserved under section 306(a)(1), a
7 State shall conduct ongoing evaluations of workforce
8 investment activities carried out in the State under
9 this subtitle.

10 (2) CRITERIA FOR LONGITUDINAL STUDIES.—
11 The evaluations shall include longitudinal studies of
12 the workforce investment activities. Evaluation cri-
13 teria for purposes of the longitudinal studies shall be
14 developed in conjunction with statewide partnerships
15 and local partnerships. The criteria shall measure
16 the relationship between the level of public funding
17 for the activities and the degree to which the activi-
18 ties promote employment and wage gains. Such lon-
19 gitudinal studies shall be conducted by an evaluator
20 who is unaffiliated with the statewide partnership or
21 the local partnership and shall include measures that
22 reflect the State performance measures.

23 (3) ADDITIONAL STUDIES.—The State shall
24 also fund evaluation studies of the workforce invest-
25 ment activities. The evaluation studies shall provide

1 ongoing analysis to statewide partnerships and local
2 partnerships to promote efficiency and effectiveness
3 in improving employability outcomes for jobseekers
4 and competitiveness for employers. Such evaluation
5 studies shall be designed in conjunction with state-
6 wide partnerships and local partnerships, and shall
7 include analysis of customer feedback, and outcome
8 and process measures.

9 (e) FISCAL AND MANAGEMENT ACCOUNTABILITY IN-
10 FORMATION SYSTEMS.—

11 (1) IN GENERAL.—Using funds reserved under
12 section 306(a)(1), the Governor shall operate a fiscal
13 and management accountability information system,
14 based on guidelines established by the Secretary in
15 consultation with the Governors and other appro-
16 priate parties. Such guidelines shall promote the ef-
17 ficient collection and use of fiscal and management
18 information for reporting and monitoring the use of
19 funds made available to the State under this subtitle
20 for workforce investment activities and for use by
21 the State in preparing the annual report described
22 in subsection (c). In measuring the progress of the
23 State on State and local performance measures, a
24 State shall utilize quarterly wage records available
25 through the unemployment insurance system.

1 (2) CONFIDENTIALITY.—In carrying out the re-
 2 quirements of this Act, the State shall comply with
 3 section 444 of the General Education Provisions Act
 4 (20 U.S.C. 1232g) (as added by the Family Edu-
 5 cational Rights and Privacy Act of 1974).

6 (f) SANCTIONS.—

7 (1) DETERMINATION.—If a State fails to meet
 8 2 or more State performance measures described in
 9 this section for each of the 3 years covered by a
 10 State plan, the Secretary shall determine whether
 11 the failure is attributable to—

12 (A) adult employment and training activi-
 13 ties;

14 (B) dislocated worker employment and
 15 training activities; or

16 (C) youth activities.

17 (2) TECHNICAL ASSISTANCE OR REDUCTION OF
 18 ALLOTMENTS.—The Secretary—

19 (A) may provide technical assistance to the
 20 State to improve the level of performance of the
 21 State, in accordance with section 366(b); and

22 (B) shall, on finding that a State fails to
 23 meet 2 or more State performance measures for
 24 2 consecutive years, reduce, by not more than
 25 5 percent, the allotment made under section

1 302 for the category of activities to which the
2 failure is attributable.

3 (3) FUNDS RESULTING FROM REDUCED ALLOT-
4 MENTS.—The Secretary may use an amount re-
5 tained as a result of a reduction in an allotment
6 made under paragraph (2)(B) to award an incentive
7 grant under section 365 or to provide technical as-
8 sistance in accordance with section 366.

9 (g) INCENTIVE GRANTS.—The Secretary may make
10 incentive grants under section 365 to States that exceed
11 the State performance measures.

12 (h) DEFINITIONS.—In this section:

13 (1) FORMER ENROLLEE.—The term “former
14 enrollee” means an individual who has been selected
15 for and has enrolled in a program of workforce in-
16 vestment activities, but left the program before com-
17 pleting the requirements of the program.

18 (2) GRADUATE.—The term “graduate” means
19 an individual who has been selected for and has en-
20 rolled in a program of workforce investment activi-
21 ties and has completed the requirements of such pro-
22 gram.

23 (i) OTHER TERMS.—The Secretary, in consultation
24 with the Governors, local partnerships, and other appro-
25 priate entities, shall issue regulations that identify and de-

1 fine other terms used in this title, in order to promote
 2 uniformity in the implementation of this Act.

3 **SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) ADULT EMPLOYMENT AND TRAINING ACTIVI-
 5 TIES.—There are authorized to be appropriated to carry
 6 out the activities described in section 302(a)(1) under this
 7 subtitle, such sums as may be necessary for each of fiscal
 8 years 1999 through 2003.

9 (b) DISLOCATED WORKER EMPLOYMENT AND
 10 TRAINING ACTIVITIES.—There are authorized to be ap-
 11 propriated to carry out the activities described in section
 12 302(a)(2) under this subtitle, such sums as may be nec-
 13 essary for each of fiscal years 1999 through 2003.

14 (c) YOUTH ACTIVITIES.—There are authorized to be
 15 appropriated to carry out the activities described in section
 16 302(a)(3) under this subtitle, such sums as may be nec-
 17 essary for each of fiscal years 1999 through 2003.

18 **Subtitle B—Job Corps**

19 **SEC. 331. PURPOSES.**

20 The purposes of this subtitle are—

21 (1) to maintain a national Job Corps program,
 22 carried out in partnership with States and commu-
 23 nities, to assist eligible youth who need and can ben-
 24 efit from an intensive program, operated in a group
 25 setting in residential and nonresidential centers, to

1 become more responsible, employable, and productive
2 citizens;

3 (2) to set forth standards and procedures for
4 selecting individuals as enrollees in the Job Corps;

5 (3) to authorize the establishment of Job Corps
6 centers in which enrollees will participate in inten-
7 sive programs of activities described in this subtitle;
8 and

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

12 **SEC. 332. DEFINITIONS.**

13 In this subtitle:

14 (1) **APPLICABLE LOCAL PARTNERSHIP.**—The
15 term “applicable local partnership” means a local
16 partnership—

17 (A) that provides information for a Job
18 Corps center on local employment opportunities
19 and the job skills needed to obtain the opportu-
20 nities; and

21 (B) that serves communities in which the
22 graduates of the Job Corps center seek employ-
23 ment.

24 (2) **APPLICABLE ONE-STOP CUSTOMER SERVICE**
25 **CENTER.**—The term “applicable one-stop customer

1 service center” means a one-stop customer service
2 center that provides services, such as referral, in-
3 take, recruitment, and placement, to a Job Corps
4 center.

5 (3) ENROLLEE.—The term “enrollee” means
6 an individual who has voluntarily applied for, been
7 selected for, and enrolled in the Job Corps program,
8 and remains with the program, but has not yet be-
9 come a graduate.

10 (4) FORMER ENROLLEE.—The term “former
11 enrollee” means an individual who has voluntarily
12 applied for, been selected for, and enrolled in the
13 Job Corps program, but left the program before
14 completing the requirements of a vocational training
15 program, or receiving a secondary school diploma or
16 recognized equivalent, as a result of participation in
17 the Job Corps program.

18 (5) GRADUATE.—The term “graduate” means
19 an individual who has voluntarily applied for, been
20 selected for, and enrolled in the Job Corps program
21 and has completed the requirements of a vocational
22 training program, or received a secondary school di-
23 ploma or recognized equivalent, as a result of par-
24 ticipation in the Job Corps program.

1 (6) JOB CORPS.—The term “Job Corps” means
2 the Job Corps described in section 333.

3 (7) JOB CORPS CENTER.—The term “Job Corps
4 center” means a center described in section 333.

5 (8) OPERATOR.—The term “operator” means
6 an entity selected under this subtitle to operate a
7 Job Corps center.

8 (9) REGION.—The term “region” means an
9 area served by a regional office of the Employment
10 and Training Administration.

11 (10) SERVICE PROVIDER.—The term “service
12 provider” means an entity selected under this sub-
13 title to provide services described in this subtitle to
14 a Job Corps center.

15 **SEC. 333. ESTABLISHMENT.**

16 There shall be established in the Department of
17 Labor a Job Corps program, to carry out activities de-
18 scribed in this subtitle for individuals enrolled in a Job
19 Corps and assigned to a center.

20 **SEC. 334. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.**

21 To be eligible to become an enrollee, an individual
22 shall be—

23 (1) not less than age 16 and not more than age
24 21 on the date of enrollment, except that—

1 (A) not more than 20 percent of the indi-
 2 viduals enrolled in the Job Corps may be not
 3 less than age 22 and not more than age 24 on
 4 the date of enrollment; and

5 (B) either such maximum age limitation
 6 may be waived by the Secretary, in accordance
 7 with regulations of the Secretary, in the case of
 8 an individual with a disability; and

9 (2) a low-income individual; and

10 (3) an individual who is 1 or more of the follow-
 11 ing:

12 (A) Basic skills deficient.

13 (B) A school dropout.

14 (C) Homeless, a runaway, or a foster child.

15 (D) A parent.

16 (E) An individual who requires additional
 17 education, vocational training, or intensive
 18 counseling and related assistance, in order to
 19 participate successfully in regular schoolwork or
 20 to secure and hold employment.

21 **SEC. 335. RECRUITMENT, SCREENING, SELECTION, AND AS-**
 22 **SIGNMENT OF ENROLLEES.**

23 (a) STANDARDS AND PROCEDURES.—

24 (1) IN GENERAL.—The Secretary shall pre-
 25 scribe specific standards and procedures for the re-

1 cruitment, screening, and selection of eligible appli-
2 cants for the Job Corps, after considering rec-
3 ommendations from the Governors, local partner-
4 ships, and other interested parties.

5 (2) METHODS.—In prescribing standards and
6 procedures under paragraph (1), the Secretary, at a
7 minimum, shall—

8 (A) prescribe procedures for informing en-
9 rollees that drug tests will be administered to
10 the enrollees and the results received within 45
11 days after the enrollees enroll in the Job Corps;

12 (B) establish standards for recruitment of
13 Job Corps applicants;

14 (C) establish standards and procedures
15 for—

16 (i) determining, for each applicant,
17 whether the educational and vocational
18 needs of the applicant can best be met
19 through the Job Corps program or an al-
20 ternative program in the community in
21 which the applicant resides; and

22 (ii) obtaining from each applicant per-
23 tinent data relating to background, needs,
24 and interests for determining eligibility
25 and potential assignment;

1 (D) where appropriate, take measures to
2 improve the professional capability of the indi-
3 viduals conducting screening of the applicants;
4 and

5 (E) assure that an appropriate number of
6 enrollees are from rural areas.

7 (3) IMPLEMENTATION.—To the extent prac-
8 ticable, the standards and procedures shall be imple-
9 mented through arrangements with—

10 (A) applicable one-stop customer service
11 centers;

12 (B) community action agencies, business
13 organizations, and labor organizations; and

14 (C) agencies and individuals that have con-
15 tact with youth over substantial periods of time
16 and are able to offer reliable information about
17 the needs and problems of the youth.

18 (4) CONSULTATION.—The standards and proce-
19 dures shall provide for necessary consultation with
20 individuals and organizations, including court, pro-
21 bation, parole, law enforcement, education, welfare,
22 and medical authorities and advisers.

23 (5) REIMBURSEMENT.—The Secretary is au-
24 thorized to enter into contracts with and make pay-
25 ments to individuals and organizations for the cost

1 of conducting recruitment, screening, and selection
2 of eligible applicants for the Job Corps, as provided
3 for in this section. The Secretary shall make no pay-
4 ment to any individual or organization solely as com-
5 pensation for referring the names of applicants for
6 the Job Corps.

7 (b) SPECIAL LIMITATIONS ON SELECTION.—

8 (1) IN GENERAL.—No individual shall be se-
9 lected as an enrollee unless the individual or organi-
10 zation implementing the standards and procedures
11 determines that—

12 (A) there is a reasonable expectation that
13 the individual considered for selection can par-
14 ticipate successfully in group situations and ac-
15 tivities, and is not likely to engage in behavior
16 that would prevent other enrollees from receiv-
17 ing the benefit of the Job Corps program or be
18 incompatible with the maintenance of sound
19 discipline and satisfactory relationships between
20 the Job Corps center to which the individual
21 might be assigned and communities surround-
22 ing the Job Corps center;

23 (B) the individual manifests a basic under-
24 standing of both the rules to which the individ-

1 ual will be subject and of the consequences of
2 failure to observe the rules; and

3 (C) the individual has passed a background
4 check conducted in accordance with procedures
5 established by the Secretary.

6 (2) INDIVIDUALS ON PROBATION, PAROLE, OR
7 SUPERVISED RELEASE.—An individual on probation,
8 parole, or supervised release may be selected as an
9 enrollee only if release from the supervision of the
10 probation or parole official involved is satisfactory to
11 the official and the Secretary and does not violate
12 applicable laws (including regulations). No individual
13 shall be denied a position in the Job Corps solely on
14 the basis of individual contact with the criminal jus-
15 tice system.

16 (c) ASSIGNMENT PLAN.—

17 (1) IN GENERAL.—Every 2 years, the Secretary
18 shall develop and implement an assignment plan for
19 assigning enrollees to Job Corps centers. In develop-
20 ing the plan, the Secretary shall, based on the analy-
21 sis described in paragraph (2), establish targets, ap-
22 plicable to each Job Corps center, for—

23 (A) the maximum attainable percentage of
24 enrollees at the Job Corps center that reside in
25 the State in which the center is located; and

1 (B) the maximum attainable percentage of
2 enrollees at the Job Corps center that reside in
3 the region in which the center is located, and in
4 surrounding regions.

5 (2) ANALYSIS.—In order to develop the plan
6 described in paragraph (1), the Secretary shall,
7 every 2 years, analyze, for the Job Corps center—

8 (A) the size of the population of individ-
9 uals eligible to participate in Job Corps in the
10 State and region in which the Job Corps center
11 is located, and in surrounding regions;

12 (B) the relative demand for participation
13 in the Job Corps in the State and region, and
14 in surrounding regions; and

15 (C) the capacity and utilization of the Job
16 Corps center, including services provided
17 through the center.

18 (d) ASSIGNMENT OF INDIVIDUAL ENROLLEES.—

19 (1) IN GENERAL.—After an individual has been
20 selected for the Job Corps in accordance with the
21 standards and procedures of the Secretary under
22 subsection (a), the enrollee shall be assigned to the
23 Job Corps center that is closest to the home of the
24 enrollee, except that the Secretary may waive this
25 requirement if—

1 (A) the enrollee chooses a vocational train-
2 ing program, or requires English as a second
3 language program, that is not available at such
4 center;

5 (B) the enrollee is an individual with a dis-
6 ability and may be better served at another cen-
7 ter;

8 (C) the enrollee would be unduly delayed in
9 participating in the Job Corps program because
10 the closest center is operating at full capacity;
11 or

12 (D) the parent or guardian of the enrollee
13 requests assignment of the enrollee to another
14 Job Corps center due to circumstances in the
15 community of the enrollee that would impair
16 prospects for successful participation in the Job
17 Corps program.

18 (2) ENROLLEES WHO ARE YOUNGER THAN
19 18.—An enrollee who is younger than 18 shall not
20 be assigned to a Job Corps center other than the
21 center closest to the home of the enrollee pursuant
22 to paragraph (1) if the parent or guardian of the en-
23 rollee objects to the assignment.

1 **SEC. 336. ENROLLMENT.**

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

7 (b) PERIOD OF ENROLLMENT.—No individual may
8 be enrolled in the Job Corps for more than 2 years, ex-
9 cept—

10 (1) in a case in which completion of an ad-
11 vanced career training program under section 338(b)
12 would require an individual to participate in the Job
13 Corps for not more than 1 additional year; or

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

16 **SEC. 337. JOB CORPS CENTERS.**

17 (a) OPERATORS AND SERVICE PROVIDERS.—

18 (1) ELIGIBLE ENTITIES.—

19 (A) OPERATORS.—The Secretary shall
20 enter into an agreement with a Federal, State,
21 or local agency, such as individuals participat-
22 ing in a statewide partnership or in a local
23 partnership or an agency that operates or wish-
24 es to develop an area vocational education
25 school facility or residential vocational school,

1 or with a private organization, for the operation
2 of each Job Corps center.

3 (B) PROVIDERS.—The Secretary may
4 enter into an agreement with a local entity to
5 provide activities described in this subtitle to
6 the Job Corps center.

7 (2) SELECTION PROCESS.—

8 (A) COMPETITIVE BASIS.—Except as pro-
9 vided in subsections (c) and (d) of section 303
10 of the Federal Property and Administrative
11 Services Act of 1949 (41 U.S.C. 253), the Sec-
12 retary shall select on a competitive basis an en-
13 tity to operate a Job Corps center and entities
14 to provide activities described in this subtitle to
15 the Job Corps center. In developing a solicita-
16 tion for an operator or service provider, the
17 Secretary shall consult with the Governor for
18 the State in which the center is located, the in-
19 dustry council for the Job Corps center (if es-
20 tablished), and the applicable local partnership
21 regarding the contents of such solicitation, in-
22 cluding elements that will promote the consist-
23 ency of the activities carried out through the
24 center with the objectives set forth in the State
25 plan or in a local plan.

1 (B) RECOMMENDATIONS AND CONSIDER-
2 ATIONS.—

3 (i) OPERATORS.—In selecting an en-
4 tity to operate a Job Corps center, the
5 Secretary shall consider—

6 (I) the ability of the entity to co-
7 ordinate the activities carried out
8 through the Job Corps center with ac-
9 tivities carried out under the appro-
10 priate State plan and local plans;

11 (II) the degree to which the voca-
12 tional training that the entity pro-
13 poses for the center reflects local em-
14 ployment opportunities in the local
15 areas in which enrollees at the center
16 intend to seek employment;

17 (III) the degree to which the en-
18 tity is familiar with the surrounding
19 communities, applicable one-stop cen-
20 ters, and the State and region in
21 which the center is located; and

22 (IV) the past performance of the
23 entity, if any, relating to operating or
24 providing activities described in this
25 subtitle to a Job Corps center.

1 (ii) PROVIDERS.—In selecting a serv-
2 ice provider for a Job Corps center, the
3 Secretary shall consider the factors de-
4 scribed in subclauses (I) through (IV) of
5 clause (i), as appropriate.

6 (b) CHARACTER AND ACTIVITIES.—Job Corps cen-
7 ters may be residential or nonresidential in character, and
8 shall be designed and operated so as to provide enrollees,
9 in a well-supervised setting, with access to activities de-
10 scribed in this subtitle. In any year, no more than 20 per-
11 cent of the individuals enrolled in the Job Corps may be
12 nonresidential participants in the Job Corps.

13 (c) CIVILIAN CONSERVATION CENTERS.—

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

23 (2) SELECTION PROCESS.—The Secretary may
24 select an entity to operate a Civilian Conservation
25 Center on a competitive basis, as provided in sub-

1 section (a), if the center fails to meet such national
2 performance standards as the Secretary shall estab-
3 lish.

4 (d) INDIAN TRIBES.—

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

8 (2) DEFINITIONS.—In this subsection, the
9 terms “Indian” and “Indian tribe”, have the mean-
10 ings given such terms in subsections (d) and (e), re-
11 spectively, of section 4 of the Indian Self-Determina-
12 tion and Education Assistance Act (25 U.S.C.
13 450b).

14 **SEC. 338. PROGRAM ACTIVITIES.**

15 (a) ACTIVITIES PROVIDED BY JOB CORPS CEN-
16 TERS.—

17 (1) IN GENERAL.—Each Job Corps center shall
18 provide enrollees with an intensive, well organized,
19 and fully supervised program of education, voca-
20 tional training, work experience, recreational activi-
21 ties, and counseling. Each Job Corps center shall
22 provide enrollees assigned to the center with access
23 to core services described in subtitle A.

24 (2) RELATIONSHIP TO OPPORTUNITIES.—

1 (A) IN GENERAL.—The activities provided
2 under this subsection shall provide work-based
3 learning throughout the enrollment of the en-
4 rollees and assist the enrollees in obtaining
5 meaningful unsubsidized employment, partici-
6 pating in secondary education or postsecondary
7 education programs, enrolling in other suitable
8 vocational training programs, or satisfying
9 Armed Forces requirements, on completion of
10 their enrollment.

11 (B) LINK TO EMPLOYMENT OPPORTUNI-
12 TIES.—The vocational training provided shall
13 be linked to the employment opportunities in
14 the local area in which the enrollee intends to
15 seek employment after graduation.

16 (b) ADVANCED CAREER TRAINING PROGRAMS.—

17 (1) IN GENERAL.—The Secretary may arrange
18 for programs of advanced career training for se-
19 lected enrollees in which the enrollees may continue
20 to participate for a period of not to exceed 1 year
21 in addition to the period of participation to which
22 the enrollees would otherwise be limited. The ad-
23 vanced career training may be provided through the
24 eligible providers of training services identified by
25 the State involved under section 312.

1 (2) BENEFITS.—

2 (A) IN GENERAL.—During the period of
3 participation in an advanced career training
4 program, an enrollee shall be eligible for full
5 Job Corps benefits, or a monthly stipend equal
6 to the average value of the residential support,
7 food, allowances, and other benefits provided to
8 enrollees assigned to residential Job Corps cen-
9 ters.

10 (B) CALCULATION.—The total amount for
11 which an enrollee shall be eligible under sub-
12 paragraph (A) shall be reduced by the amount
13 of any scholarship or other educational grant
14 assistance received by such enrollee for ad-
15 vanced career training.

16 (3) DEMONSTRATION.—Each year, any opera-
17 tor seeking to enroll additional enrollees in an ad-
18 vanced career training program shall demonstrate
19 that participants in such program have achieved a
20 reasonable rate of completion and placement in
21 training-related jobs before the operator may carry
22 out such additional enrollment.

23 (c) CONTINUED SERVICES.—The Secretary shall also
24 provide continued services to graduates, including provid-
25 ing counseling regarding the workplace for 12 months

1 after the date of graduation of the graduates. In selecting
2 a provider for such services, the Secretary shall give prior-
3 ity to one-stop partners.

4 **SEC. 339. COUNSELING AND JOB PLACEMENT.**

5 (a) COUNSELING AND TESTING.—The Secretary
6 shall arrange for counseling and testing for each enrollee
7 at regular intervals to measure progress in the education
8 and vocational training programs carried out through the
9 Job Corps.

10 (b) PLACEMENT.—The Secretary shall arrange for
11 counseling and testing for enrollees prior to their sched-
12 uled graduations to determine their capabilities and, based
13 on their capabilities, shall make every effort to arrange
14 to place the enrollees in jobs in the vocations for which
15 the enrollees are trained or to assist the enrollees in ob-
16 taining further activities described in this subtitle. In ar-
17 ranging for the placement of graduates in jobs, the Sec-
18 retary shall utilize the one-stop customer service system
19 to the fullest extent possible.

20 (c) STATUS AND PROGRESS.—The Secretary shall de-
21 termine the status and progress of enrollees scheduled for
22 graduation and make every effort to assure that their
23 needs for further activities described in this subtitle are
24 met.

1 **SEC. 340. SUPPORT.**

2 (a) **PERSONAL ALLOWANCES.**—The Secretary shall
3 provide enrollees assigned to Job Corps centers with such
4 personal allowances as the Secretary may determine to be
5 necessary or appropriate to meet the needs of the enroll-
6 ees.

7 (b) **READJUSTMENT ALLOWANCES.**—The Secretary
8 shall arrange for a readjustment allowance to be paid to
9 eligible former enrollees and graduates. The Secretary
10 shall arrange for the allowance to be paid at the one-stop
11 customer service center nearest to the home of such a
12 former enrollee or graduate who is returning home, or at
13 the one-stop customer service center nearest to the loca-
14 tion where the former enrollee or graduate has indicated
15 an intent to seek employment. If the Secretary uses any
16 organization, in lieu of a one-stop customer service center,
17 to provide placement services under this Act, the Secretary
18 shall arrange for that organization to pay the readjust-
19 ment allowance.

20 **SEC. 341. OPERATING PLAN.**

21 (a) **IN GENERAL.**—The provisions of the contract be-
22 tween the Secretary and an entity selected to operate a
23 Job Corps center shall, at a minimum, serve as an operat-
24 ing plan for the Job Corps center.

25 (b) **ADDITIONAL INFORMATION.**—The Secretary may
26 require the operator, in order to remain eligible to operate

1 the Job Corps center, to submit such additional informa-
2 tion as the Secretary may require, which shall be consid-
3 ered part of the operating plan.

4 (c) AVAILABILITY.—The Secretary shall make the op-
5 erating plan described in subsections (a) and (b), exclud-
6 ing any proprietary information, available to the public.

7 **SEC. 342. STANDARDS OF CONDUCT.**

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

13 (b) DISCIPLINARY MEASURES.—

14 (1) IN GENERAL.—To promote the proper
15 moral and disciplinary conditions in the Job Corps,
16 the directors of Job Corps centers shall take appro-
17 priate disciplinary measures against enrollees. If
18 such a director determines that an enrollee has com-
19 mitted a violation of the standards of conduct, the
20 director shall dismiss the enrollee from the Job
21 Corps if the director determines that the retention
22 of the enrollee in the Job Corps will jeopardize the
23 enforcement of such standards or diminish the op-
24 portunities of other enrollees.

1 (2) ZERO TOLERANCE POLICY AND DRUG TEST-
2 ING.—

3 (A) GUIDELINES.—The Secretary shall
4 adopt guidelines establishing a zero tolerance
5 policy for an act of violence, for use, sale, or
6 possession of a controlled substance, for abuse
7 of alcohol, or for other illegal or disruptive ac-
8 tivity.

9 (B) DRUG TESTING.—The Secretary shall
10 require drug testing of all enrollees for con-
11 trolled substances in accordance with proce-
12 dures prescribed by the Secretary under section
13 335(a).

14 (C) DEFINITIONS.—In this paragraph:

15 (i) CONTROLLED SUBSTANCE.—The
16 term “controlled substance” has the mean-
17 ing given the term in section 102 of the
18 Controlled Substances Act (21 U.S.C.
19 802).

20 (ii) ZERO TOLERANCE POLICY.—The
21 term “zero tolerance policy” means a pol-
22 icy under which an enrollee shall be auto-
23 matically dismissed from the Job Corps
24 after a determination by the director that

1 the enrollee has carried out an action de-
2 scribed in subparagraph (A).

3 (c) APPEAL.—A disciplinary measure taken by a di-
4 rector under this section shall be subject to expeditious
5 appeal in accordance with procedures established by the
6 Secretary.

7 **SEC. 343. COMMUNITY PARTICIPATION.**

8 (a) BUSINESS AND COMMUNITY LIAISON.—Each Job
9 Corps center shall have a Business and Community Liai-
10 son (referred to in this Act as a “Liaison”), designated
11 by the director of the center.

12 (b) RESPONSIBILITIES.—The responsibilities of the
13 Liaison shall include—

14 (1) establishing and developing relationships
15 and networks with—

16 (A) local and (in the case of rural or re-
17 mote sites) distant employers; and

18 (B) applicable one-stop customer service
19 centers and applicable local partnerships,
20 for the purpose of providing job opportunities for
21 Job Corps graduates; and

22 (2) establishing and developing relationships
23 with members of the community in which the Job
24 Corps center is located, informing members of the
25 community about the projects of the Job Corps cen-

1 ter and changes in the rules, procedures, or activities
 2 of the center that may affect the community, and
 3 planning events of mutual interest to the community
 4 and the Job Corps center.

5 (c) NEW CENTERS.—The Liaison for a Job Corps
 6 center that is not yet operating shall establish and develop
 7 the relationships and networks described in subsection (b)
 8 at least 3 months prior to the date on which the center
 9 accepts the first enrollee at the center.

10 **SEC. 344. INDUSTRY COUNCILS.**

11 (a) IN GENERAL.—Each Job Corps center shall have
 12 an industry council, appointed by the director of the center
 13 after consultation with the Liaison, in accordance with
 14 procedures established by the Secretary.

15 (b) INDUSTRY COUNCIL COMPOSITION.—

16 (1) IN GENERAL.—An industry council shall be
 17 comprised of—

18 (A) a majority of members who shall be
 19 local and (in the case of rural or remote sites)
 20 distant owners of business concerns, chief ex-
 21 ecutives or chief operating officers of non-
 22 governmental employers, or other private sector
 23 employers, who—

24 (i) have substantial management, hir-
 25 ing, or policy responsibility; and

1 (ii) who represent businesses with em-
2 ployment opportunities that reflect the em-
3 ployment opportunities of the applicable
4 local area; and

5 (B) representatives of labor organizations
6 (where present) and representatives of employ-
7 ees.

8 (2) LOCAL PARTNERSHIP.—The industry coun-
9 cil may include members of the applicable local part-
10 nerships who meet the requirements described in
11 paragraph (1).

12 (c) RESPONSIBILITIES.—The responsibilities of the
13 industry council shall be—

14 (1) to work closely with all applicable local part-
15 nerships in order to determine, and recommend to
16 the Secretary, appropriate vocational training for the
17 center;

18 (2) to review all the relevant labor market in-
19 formation to—

20 (A) determine the employment opportuni-
21 ties in the local areas in which the enrollees in-
22 tend to seek employment after graduation;

23 (B) determine the skills and education that
24 are necessary to obtain the employment oppor-
25 tunities; and

1 (C) recommend to the Secretary the type
2 of vocational training that should be imple-
3 mented at the center to enable the enrollees to
4 obtain the employment opportunities; and

5 (3) to meet at least once every 6 months to re-
6 evaluate the labor market information, and other rel-
7 evant information, to determine, and recommend to
8 the Secretary, any necessary changes in the voca-
9 tional training provided at the center.

10 (d) NEW CENTERS.—The industry council for a Job
11 Corps center that is not yet operating shall carry out the
12 responsibilities described in subsection (c) at least 3
13 months prior to the date on which the center accepts the
14 first enrollee at the center.

15 **SEC. 345. ADVISORY COMMITTEES.**

16 The Secretary may establish and use advisory com-
17 mittees in connection with the operation of the Job Corps
18 program, and the operation of Job Corps centers, when-
19 ever the Secretary determines that the availability of out-
20 side advice and counsel on a regular basis would be of
21 substantial benefit in identifying and overcoming prob-
22 lems, in planning program or center development, or in
23 strengthening relationships between the Job Corps and
24 agencies, institutions, or groups engaged in related activi-
25 ties.

1 **SEC. 346. EXPERIMENTAL, RESEARCH, AND DEMONSTRA-**
2 **TION PROJECTS.**

3 The Secretary may carry out experimental, research,
4 or demonstration projects relating to carrying out the Job
5 Corps program and may waive any provision of this sub-
6 title that the Secretary finds would prevent the Secretary
7 from carrying out the projects.

8 **SEC. 347. APPLICATION OF PROVISIONS OF FEDERAL LAW.**

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

11 (1) IN GENERAL.—Except as otherwise pro-
12 vided in this subsection and in section 8143(a) of
13 title 5, United States Code, enrollees shall not be
14 considered to be Federal employees and shall not be
15 subject to the provisions of law relating to Federal
16 employment, including such provisions regarding
17 hours of work, rates of compensation, leave, unem-
18 ployment compensation, and Federal employee bene-
19 fits.

20 (2) PROVISIONS RELATING TO TAXES AND SO-
21 CIAL SECURITY BENEFITS.—For purposes of the In-
22 ternal Revenue Code of 1986 and title II of the So-
23 cial Security Act (42 U.S.C. 401 et seq.), enrollees
24 shall be deemed to be employees of the United
25 States and any service performed by an individual as

1 an enrollee shall be deemed to be performed in the
2 employ of the United States.

3 (3) PROVISIONS RELATING TO COMPENSATION
4 TO FEDERAL EMPLOYEES FOR WORK INJURIES.—
5 For purposes of subchapter I of chapter 81 of title
6 5, United States Code (relating to compensation to
7 Federal employees for work injuries), enrollees shall
8 be deemed to be civil employees of the Government
9 of the United States within the meaning of the term
10 “employee” as defined in section 8101 of title 5,
11 United States Code, and the provisions of such sub-
12 chapter shall apply as specified in section 8143(a) of
13 title 5, United States Code.

14 (4) FEDERAL TORT CLAIMS PROVISIONS.—For
15 purposes of the Federal tort claims provisions in
16 title 28, United States Code, enrollees shall be con-
17 sidered to be employees of the Government.

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

1 (c) PERSONNEL OF THE UNIFORMED SERVICES.—
2 Personnel of the uniformed services who are detailed or
3 assigned to duty in the performance of agreements made
4 by the Secretary for the support of the Job Corps shall
5 not be counted in computing strength under any law limit-
6 ing the strength of such services or in computing the per-
7 centage authorized by law for any grade in such services.

8 **SEC. 348. SPECIAL PROVISIONS.**

9 (a) ENROLLMENT.—The Secretary shall ensure that
10 women and men have an equal opportunity to participate
11 in the Job Corps program, consistent with section 335.

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

17 (c) TRANSFER OF PROPERTY.—

18 (1) IN GENERAL.—Notwithstanding title II of
19 the Federal Property and Administrative Services
20 Act of 1949 (40 U.S.C. 481 et seq.) and any other
21 provision of law, the Secretary and the Secretary of
22 Education shall receive priority by the Secretary of
23 Defense for the direct transfer, on a nonreimburs-
24 able basis, of the property described in paragraph

1 (2) for use in carrying out programs under this Act
2 or under any other Act.

3 (2) PROPERTY.—The property described in this
4 paragraph is real and personal property under the
5 control of the Department of Defense that is not
6 used by such Department, including property that
7 the Secretary of Defense determines is in excess of
8 current and projected requirements of such Depart-
9 ment.

10 (d) GROSS RECEIPTS.—Transactions conducted by a
11 private for-profit or nonprofit entity that is an operator
12 or service provider for a Job Corps center shall not be
13 considered to be generating gross receipts. Such an opera-
14 tor or service provider shall not be liable, directly or indi-
15 rectly, to any State or subdivision of a State (nor to any
16 person acting on behalf of such a State or subdivision)
17 for any gross receipts taxes, business privilege taxes meas-
18 ured by gross receipts, or any similar taxes imposed on,
19 or measured by, gross receipts in connection with any pay-
20 ments made to or by such entity for operating or providing
21 services to a Job Corps center. Such an operator or service
22 provider shall not be liable to any State or subdivision of
23 a State to collect or pay any sales, excise, use, or similar
24 tax imposed on the sale to or use by such operator or serv-
25 ice provider of any property, service, or other item in con-

1 nection with the operation of or provision of services to
2 a Job Corps center.

3 (e) MANAGEMENT FEE.—The Secretary shall provide
4 each operator and (in an appropriate case, as determined
5 by the Secretary) service provider with an equitable and
6 negotiated management fee of not less than 1 percent of
7 the amount of the funding provided under the appropriate
8 agreement specified in section 337.

9 (f) DONATIONS.—The Secretary may accept on be-
10 half of the Job Corps or individual Job Corps centers
11 charitable donations of cash or other assistance, including
12 equipment and materials, if such donations are available
13 for appropriate use for the purposes set forth in this sub-
14 title.

15 (g) SALE OF PROPERTY.—Notwithstanding any other
16 provision of law, if the Administrator of General Services
17 sells a Job Corps center facility, the Administrator shall
18 transfer the proceeds from the sale to the Secretary, who
19 shall use the proceeds to carry out the Job Corps program.

20 **SEC. 349. MANAGEMENT INFORMATION.**

21 (a) FINANCIAL MANAGEMENT INFORMATION SYS-
22 TEM.—

23 (1) IN GENERAL.—The Secretary shall establish
24 procedures to ensure that each operator, and each

1 service provider, maintains a financial management
2 information system that will provide—

3 (A) accurate, complete, and current disclo-
4 sures of the costs of Job Corps operations; and

5 (B) sufficient data for the effective evalua-
6 tion of activities carried out through the Job
7 Corps program.

8 (2) ACCOUNTS.—Each operator and service
9 provider shall maintain funds received under this
10 subtitle in accounts in a manner that ensures timely
11 and accurate reporting as required by the Secretary.

12 (3) FISCAL RESPONSIBILITY.—Operators shall
13 remain fiscally responsible and control costs, regard-
14 less of whether the funds made available for Job
15 Corps centers are incrementally increased or de-
16 creased between fiscal years.

17 (b) AUDIT.—

18 (1) ACCESS.—The Secretary, the Inspector
19 General of the Department of Labor, the Comptrol-
20 ler General of the United States, and any of their
21 duly authorized representatives, shall have access to
22 any books, documents, papers, and records of the
23 operators and service providers described in sub-
24 section (a) that are pertinent to the Job Corps pro-
25 gram, for purposes of conducting surveys, audits,

1 and evaluations of the operators and service provid-
2 ers.

3 (2) SURVEYS, AUDITS, AND EVALUATIONS.—

4 The Secretary shall survey, audit, or evaluate, or ar-
5 range for the survey, audit, or evaluation of, the op-
6 erators and service providers, using Federal auditors
7 or independent public accountants. The Secretary
8 shall conduct such surveys, audits, or evaluations
9 not less often than once every 3 years.

10 (c) INFORMATION ON CORE PERFORMANCE MEAS-
11 URES.—

12 (1) ESTABLISHMENT.—The Secretary shall,
13 with continuity and consistency from year to year,
14 establish core performance measures, and expected
15 performance levels on the performance measures, for
16 Job Corps centers and the Job Corps program, re-
17 lating to—

18 (A) the number of graduates and the rate
19 of such graduation, analyzed by type of voca-
20 tional training received through the Job Corps
21 program and by whether the vocational training
22 was provided by a local or national service pro-
23 vider;

24 (B) the number of graduates who entered
25 unsubsidized employment related to the voca-

1 tional training received through the Job Corps
2 program and the number who entered
3 unsubsidized employment not related to the vo-
4 cational training received, analyzed by whether
5 the vocational training was provided by a local
6 or national service provider and by whether the
7 placement in the employment was conducted by
8 a local or national service provider;

9 (C) the average wage received by graduates
10 who entered unsubsidized employment related
11 to the vocational training received through the
12 Job Corps program and the average wage re-
13 ceived by graduates who entered unsubsidized
14 employment unrelated to the vocational training
15 received;

16 (D) the average wage received by grad-
17 uates placed in unsubsidized employment after
18 completion of the Job Corps program—

19 (i) on the first day of the employment;

20 (ii) 6 months after the first day of the
21 employment; and

22 (iii) 12 months after the first day of
23 the employment,

24 analyzed by type of vocational training received
25 through the Job Corps program;

1 (E) the number of graduates who entered
 2 unsubsidized employment and were retained in
 3 the unsubsidized employment—

4 (i) 6 months after completion of the
 5 Job Corps program; and

6 (ii) 12 months after completion of the
 7 Job Corps program;

8 (F) the number of graduates who entered
 9 unsubsidized employment—

10 (i) for 32 hours per week or more;

11 (ii) for not less than 20 but less than
 12 32 hours per week; and

13 (iii) for less than 20 hours per week;

14 (G) the number of graduates who entered
 15 postsecondary education or advanced training
 16 programs, including registered apprenticeship
 17 programs, as appropriate; and

18 (H) the number of graduates who attained
 19 job readiness and employment skills.

20 (2) PERFORMANCE OF RECRUITERS.—The Sec-
 21 retary shall also establish performance measures,
 22 and expected performance levels on the performance
 23 measures, for local and national recruitment service
 24 providers serving the Job Corps program. The per-
 25 formance measures shall relate to the number of en-

1 rollees retained in the Job Corps program for 30
2 days and for 60 days after initial placement in the
3 program.

4 (3) REPORT.—The Secretary shall collect, and
5 annually submit a report to the appropriate commit-
6 tees of Congress containing, information on the per-
7 formance of each Job Corps center, and the Job
8 Corps program, on the core performance measures,
9 as compared to the expected performance level for
10 each performance measure. The report shall also
11 contain information on the performance of the serv-
12 ice providers described in paragraph (2) on the per-
13 formance measures established under such para-
14 graph, as compared to the expected performance lev-
15 els for the performance measures.

16 (d) ADDITIONAL INFORMATION.—The Secretary shall
17 also collect, and submit in the report described in sub-
18 section (c), information on the performance of each Job
19 Corps center, and the Job Corps program, regarding—

20 (1) the number of enrollees served;

21 (2) the average level of learning gains for grad-
22 uates and former enrollees;

23 (3) the number of former enrollees and grad-
24 uates who entered the Armed Forces;

1 (4) the number of former enrollees who entered
2 postsecondary education;

3 (5) the number of former enrollees who entered
4 unsubsidized employment related to the vocational
5 training received through the Job Corps program
6 and the number who entered unsubsidized employ-
7 ment not related to the vocational training received;

8 (6) the number of former enrollees and grad-
9 uates who obtained a secondary school diploma or its
10 recognized equivalent;

11 (7) the number and percentage of dropouts
12 from the Job Corps program including the number
13 dismissed under the zero tolerance policy described
14 in section 342(b); and

15 (8) any additional information required by Sec-
16 retary.

17 (e) METHODS.—The Secretary may, to collect the in-
18 formation described in subsections (c) and (d), use meth-
19 ods described in subtitle A.

20 (f) PERFORMANCE ASSESSMENTS AND IMPROVE-
21 MENTS.—

22 (1) ASSESSMENTS.—The Secretary shall con-
23 duct an annual assessment of the performance of
24 each Job Corps center. Based on the assessment, the

1 Secretary shall take measures to continuously im-
2 prove the performance of the Job Corps program.

3 (2) PERFORMANCE IMPROVEMENT PLANS.—

4 With respect to a Job Corps center that fails to
5 meet the expected levels of performance relating to
6 the core performance measures specified in sub-
7 section (c), the Secretary shall develop and imple-
8 ment a performance improvement plan. Such a plan
9 shall require action including—

10 (A) providing technical assistance to the
11 center;

12 (B) changing the vocational training of-
13 fered at the center;

14 (C) changing the management staff of the
15 center;

16 (D) replacing the operator of the center;

17 (E) reducing the capacity of the center;

18 (F) relocating the center; or

19 (G) closing the center.

20 (3) ADDITIONAL PERFORMANCE IMPROVEMENT

21 PLANS.—In addition to the performance improve-
22 ment plans required under paragraph (2), the Sec-
23 retary may develop and implement additional per-
24 formance improvement plans. Such a plan shall re-
25 quire improvements, including the actions described

1 in paragraph (2), for a Job Corps center that fails
2 to meet criteria established by the Secretary other
3 than the expected levels of performance described in
4 paragraph (2).

5 **SEC. 350. GENERAL PROVISIONS.**

6 The Secretary is authorized to—

7 (1) disseminate, with regard to the provisions of
8 section 3204 of title 39, United States Code, data
9 and information in such forms as the Secretary shall
10 determine to be appropriate, to public agencies, pri-
11 vate organizations, and the general public;

12 (2) subject to section 347(b), collect or com-
13 promise all obligations to or held by the Secretary
14 and exercise all legal or equitable rights accruing to
15 the Secretary in connection with the payment of ob-
16 ligations until such time as such obligations may be
17 referred to the Attorney General for suit or collec-
18 tion; and

19 (3) expend funds made available for purposes of
20 this subtitle—

21 (A) for printing and binding, in accordance
22 with applicable law (including regulation); and

23 (B) without regard to any other law (in-
24 cluding regulation), for rent of buildings and
25 space in buildings and for repair, alteration,

1 and improvement of buildings and space in
2 buildings rented by the Secretary, except that
3 the Secretary shall not expend funds under the
4 authority of this subparagraph—

5 (i) except when necessary to obtain an
6 item, service, or facility, that is required in
7 the proper administration of this subtitle,
8 and that otherwise could not be obtained,
9 or could not be obtained in the quantity or
10 quality needed, or at the time, in the form,
11 or under the conditions in which the item,
12 service, or facility is needed; and

13 (ii) prior to having given written noti-
14 fication to the Administrator of General
15 Services (if the expenditure would affect an
16 activity that otherwise would be under the
17 jurisdiction of the General Services Admin-
18 istration) of the intention of the Secretary
19 to make the expenditure, and the reasons
20 and justifications for the expenditure.

21 **SEC. 351. AUTHORIZATION OF APPROPRIATIONS.**

22 There are authorized to be appropriated to carry out
23 this subtitle such sums as may be necessary for each of
24 the fiscal years 1999 through 2003.

1 **Subtitle C—National Programs**

2 **SEC. 361. NATIVE AMERICAN PROGRAMS.**

3 (a) PURPOSE AND POLICY.—

4 (1) PURPOSE.—The purpose of this section is
5 to support workforce investment activities and sup-
6 plemental services for Indian and Native Hawaiian
7 individuals in order—

8 (A) to develop more fully the academic, oc-
9 cupational, and literacy skills of such individ-
10 uals;

11 (B) to make such individuals more com-
12 petitive in the workforce; and

13 (C) to promote the economic and social de-
14 velopment of Indian and Native Hawaiian com-
15 munities in accordance with the goals and val-
16 ues of such communities.

17 (2) INDIAN POLICY.—All programs assisted
18 under this section shall be administered in a manner
19 consistent with the principles of the Indian Self-De-
20 termination and Education Assistance Act (25
21 U.S.C. 450 et seq.) and the government-to-govern-
22 ment relationship between the Federal Government
23 and Indian tribal governments.

24 (b) DEFINITIONS.—In this section:

1 (1) INDIAN, INDIAN TRIBE, AND TRIBAL ORGA-
2 NIZATION.—The terms “Indian”, “Indian tribe”,
3 and “tribal organization” have the meanings given
4 such terms in subsections (d), (e), and (l), respec-
5 tively, of section 4 of the Indian Self-Determination
6 and Education Assistance Act (25 U.S.C. 450b).

7 (2) NATIVE HAWAIIAN AND NATIVE HAWAIIAN
8 ORGANIZATION.—The terms “Native Hawaiian” and
9 “Native Hawaiian organization” have the meanings
10 given such terms in paragraphs (1) and (3), respec-
11 tively, of section 9212 of the Native Hawaiian Edu-
12 cation Act (20 U.S.C. 7912).

13 (c) PROGRAMS AUTHORIZED.—The Secretary shall
14 make grants to, or enter into contracts or cooperative
15 agreements with, Indian tribes, tribal organizations, In-
16 dian-controlled organizations serving Indians, or Native
17 Hawaiian organizations to carry out the authorized activi-
18 ties described in subsection (d).

19 (d) AUTHORIZED ACTIVITIES.—

20 (1) IN GENERAL.—Funds made available under
21 this section shall be used to carry out the activities
22 described in paragraph (2) that—

23 (A) are consistent with this section; and

1 (B) are necessary to meet the needs of In-
2 dians or Native Hawaiians preparing to enter,
3 reenter, or retain unsubsidized employment.

4 (2) WORKFORCE INVESTMENT ACTIVITIES AND
5 SUPPLEMENTAL SERVICES.—

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

8 (i) building a comprehensive facility to
9 be utilized by American Samoans residing
10 in Hawaii for the co-location of federally
11 funded and State funded workforce invest-
12 ment activities;

13 (ii) comprehensive workforce invest-
14 ment activities for Indians or Native Ha-
15 waiians; or

16 (iii) supplemental services for Indian
17 or Native Hawaiian youth on or near In-
18 dian reservations and in Oklahoma, Alas-
19 ka, or Hawaii.

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

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

3 (e) PROGRAM PLAN.—In order to receive a grant or
4 enter into a contract or cooperative agreement under this
5 section an entity described in subsection (c) shall submit
6 to the Secretary a plan that describes a 2-year strategy
7 for meeting the needs of Indian or Native Hawaiian indi-
8 viduals, as appropriate, in the area served by such entity.
9 Such plan shall—

10 (1) be consistent with the purpose of this sec-
11 tion;

12 (2) identify the population to be served;

13 (3) identify the education and employment
14 needs of the population to be served and the manner
15 in which the activities to be provided will strengthen
16 the ability of the individuals served to obtain or re-
17 tain unsubsidized employment;

18 (4) describe the activities to be provided and
19 the manner in which such activities are to be inte-
20 grated with other appropriate activities; and

21 (5) describe, after the entity submitting the
22 plan consults with the Secretary, the performance
23 measures to be used to assess the performance of
24 entities in carrying out the activities assisted under
25 this section.

1 (f) CONSOLIDATION OF FUNDS.—Each entity receiv-
2 ing assistance under this section may consolidate such as-
3 sistance with assistance received from related programs in
4 accordance with the provisions of the Indian Employment,
5 Training and Related Services Demonstration Act of 1992
6 (25 U.S.C. 3401 et seq.).

7 (g) NONDUPLICATIVE AND NONEXCLUSIVE SERV-
8 ICES.—Nothing in this section shall be construed—

9 (1) to limit the eligibility of any entity de-
10 scribed in subsection (c) to participate in any activ-
11 ity offered by a State or local entity under this Act;
12 or

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

18 (h) ADMINISTRATIVE PROVISIONS.—

19 (1) ORGANIZATIONAL UNIT ESTABLISHED.—
20 The Secretary shall designate a single organizational
21 unit within the Department of Labor that shall have
22 primary responsibility for the administration of the
23 activities authorized under this section.

24 (2) REGULATIONS.—The Secretary shall con-
25 sult with the entities described in subsection (c) in—

1 (A) establishing regulations to carry out
2 this section, including performance measures
3 for entities receiving assistance under such sub-
4 section, taking into account the economic cir-
5 cumstances of such entities; and

6 (B) developing a funding distribution plan
7 that takes into consideration previous levels of
8 funding (prior to the date of enactment of this
9 Act) to such entities.

10 (3) WAIVERS.—

11 (A) IN GENERAL.—With respect to an en-
12 tity described in subsection (c), the Secretary,
13 notwithstanding any other provision of law,
14 may, pursuant to a request submitted by such
15 entity that meets the requirements established
16 under paragraph (2), waive any of the statutory
17 or regulatory requirements of this title that are
18 inconsistent with the specific needs of the enti-
19 ties described in such subsection, except that
20 the Secretary may not waive requirements relat-
21 ing to wage and labor standards, worker rights,
22 participation and protection of participants,
23 grievance procedures, and judicial review.

24 (B) REQUEST AND APPROVAL.—An entity
25 described in subsection (c) that requests a waiv-

1 er under subparagraph (A) shall submit a plan
2 to the Secretary to improve the program of
3 workforce investment activities carried out by
4 the entity, which plan shall meet the require-
5 ments established by the Secretary and shall be
6 generally consistent with the requirements of
7 section 379(i)(3).

8 (4) ADVISORY COUNCIL.—

9 (A) IN GENERAL.—The Secretary shall es-
10 tablish a Native American Employment and
11 Training Council to facilitate the consultation
12 described in paragraph (2).

13 (B) COMPOSITION.—The Council shall be
14 composed of individuals, appointed by the Sec-
15 retary, who are representatives of the entities
16 described in subsection (c).

17 (C) DUTIES.—The Council shall advise the
18 Secretary on all aspects of the operation and
19 administration of the programs assisted under
20 this section, including the selection of the indi-
21 vidual appointed as the head of the unit estab-
22 lished under paragraph (1).

23 (D) PERSONNEL MATTERS.—

1 (i) COMPENSATION OF MEMBERS.—
2 Members of the Council shall serve without
3 compensation.

4 (ii) TRAVEL EXPENSES.—The mem-
5 bers of the Council shall be allowed travel
6 expenses, including per diem in lieu of sub-
7 sistence, at rates authorized for employees
8 of agencies under subchapter I of chapter
9 57 of title 5, United States Code, while
10 away from their homes or regular places of
11 business in the performance of services for
12 the Council.

13 (iii) ADMINISTRATIVE SUPPORT.—The
14 Secretary shall provide the Council with
15 such administrative support as may be nec-
16 essary to perform the functions of the
17 Council.

18 (E) CHAIRPERSON.—The Council shall se-
19 lect a chairperson from among its members.

20 (F) MEETINGS.—The Council shall meet
21 not less than twice each year.

22 (G) APPLICATION.—Section 14 of the Fed-
23 eral Advisory Committee Act (5 U.S.C. App.)
24 shall not apply to the Council.

1 (5) TECHNICAL ASSISTANCE.—The Secretary,
2 acting through the unit established under paragraph
3 (1), is authorized to provide technical assistance to
4 entities described in subsection (c) that receive as-
5 sistance under this section to enable such entities to
6 improve the activities authorized under this section
7 that are provided by such entities.

8 **SEC. 362. MIGRANT AND SEASONAL FARMWORKER PRO-**
9 **GRAMS.**

10 (a) IN GENERAL.—Every 2 years, the Secretary
11 shall, on a competitive basis, make grants to, or enter into
12 contracts with, eligible entities to carry out the activities
13 described in subsection (d).

14 (b) ELIGIBLE ENTITIES.—To be eligible to receive a
15 grant or enter into a contract under this section, an entity
16 shall have an understanding of the problems of eligible mi-
17 grant and seasonal farmworkers (including dependents),
18 a familiarity with the area to be served, and the ability
19 to demonstrate a capacity to administer effectively a diver-
20 sified program of workforce investment activities (includ-
21 ing youth activities) and related assistance for eligible mi-
22 grant and seasonal farmworkers.

23 (c) PROGRAM PLAN.—

24 (1) IN GENERAL.—To be eligible to receive a
25 grant or enter into a contract under this section, an

1 entity described in subsection (b) shall submit to the
2 Secretary a plan that describes a 2-year strategy for
3 meeting the needs of eligible migrant and seasonal
4 farmworkers in the area to be served by such entity.

5 (2) ADMINISTRATION.—Grants and contracts
6 awarded under this section shall be centrally admin-
7 istered by the Department of Labor and competi-
8 tively awarded by the Secretary using procedures
9 consistent with standard Federal Government com-
10 petitive procurement policies.

11 (3) COMPETITION.—

12 (A) IN GENERAL.—The competition for
13 grants made and contracts entered into under
14 this section shall be conducted every 2 years.

15 (B) EXCEPTION.—Notwithstanding sub-
16 paragraph (A), if a recipient of such a grant or
17 contract has performed satisfactorily under the
18 terms of the grant agreement or contract, the
19 Secretary may waive the requirement for such
20 competition for such recipient upon receipt
21 from the recipient of a satisfactory 2-year plan
22 described in paragraph (1) for the succeeding
23 2-year grant or contract period.

24 (4) CONTENTS.—Such plan shall—

1 (A) identify the education and employment
2 needs of the eligible migrant and seasonal farm-
3 workers to be served and the manner in which
4 the workforce investment activities (including
5 youth activities) to be carried out will strength-
6 en the ability of the eligible migrant and sea-
7 sonal farmworkers to obtain or retain
8 unsubsidized employment or stabilize their
9 unsubsidized employment;

10 (B) describe the related assistance, includ-
11 ing supportive services, to be provided and the
12 manner in which such assistance and services
13 are to be integrated and coordinated with other
14 appropriate services; and

15 (C) describe, after consultation with the
16 Secretary, the performance measures to be used
17 to assess the performance of such entity in car-
18 rying out the activities assisted under this sec-
19 tion.

20 (d) AUTHORIZED ACTIVITIES.—Funds made avail-
21 able under this section shall be used to carry out workforce
22 investment activities (including youth activities) and pro-
23 vide related assistance for eligible migrant and seasonal
24 farmworkers, which may include employment, training,
25 educational assistance, literacy assistance, an English lan-

1 guage program, worker safety training, supportive serv-
 2 ices, dropout prevention activities, follow-up services for
 3 those individuals placed in employment, self-employment
 4 and related business enterprise development education as
 5 needed by eligible migrant and seasonal farmworkers and
 6 identified pursuant to the plan required by subsection (c),
 7 and technical assistance relating to capacity enhancement
 8 in such areas as management information technology.

9 (e) CONSULTATION WITH GOVERNORS AND LOCAL
 10 PARTNERSHIPS.—In making grants and entering into con-
 11 tracts under this section, the Secretary shall consult with
 12 the Governors and local partnerships of the States in
 13 which the eligible entities will carry out the activities de-
 14 scribed in subsection (d).

15 (f) REGULATIONS.—The Secretary shall consult with
 16 eligible migrant and seasonal farmworkers groups and
 17 States in establishing regulations to carry out this section,
 18 including performance measures for eligible entities that
 19 take into account the economic circumstances and demo-
 20 graphics of eligible migrant and seasonal farmworkers.

21 (g) DEFINITIONS.—In this section:

22 (1) DISADVANTAGED.—The term “disadvan-
 23 taged”, used with respect to a farmworker, means a
 24 farmworker whose income, for 12 consecutive
 25 months out of the 24 months prior to application for

1 the program involved, does not exceed the higher
2 of—

3 (A) the poverty line (as defined in section
4 334(a)(2)(B)) for an equivalent period; or

5 (B) 70 percent of the lower living standard
6 income level, for an equivalent period.

7 (2) ELIGIBLE MIGRANT AND SEASONAL FARM-
8 WORKERS.—The term “eligible migrant and seasonal
9 farmworkers” means individuals who are eligible mi-
10 grant farmworkers or are eligible seasonal farm-
11 workers.

12 (3) ELIGIBLE MIGRANT FARMWORKER.—The
13 term “eligible migrant farmworker” means—

14 (A) an eligible seasonal farmworker de-
15 scribed in paragraph (4)(A) whose agricultural
16 labor requires travel to a job site such that the
17 farmworker is unable to return to a permanent
18 place of residence within the same day; and

19 (B) a dependent of the farmworker de-
20 scribed in subparagraph (A).

21 (4) ELIGIBLE SEASONAL FARMWORKER.—The
22 term “eligible seasonal farmworker” means—

23 (A) a disadvantaged person who, for 12
24 consecutive months out of the 24 months prior
25 to application for the program involved, has

1 been primarily employed in agricultural labor
2 that is characterized by chronic unemployment
3 or underemployment; and

4 (B) a dependent of the person described in
5 subparagraph (A).

6 **SEC. 363. VETERANS' WORKFORCE INVESTMENT PRO-**
7 **GRAMS.**

8 (a) AUTHORIZATION.—

9 (1) IN GENERAL.—The Secretary shall conduct,
10 directly or through grants or contracts, programs to
11 meet the needs for workforce investment activities of
12 service-connected disabled veterans, Vietnam era vet-
13 erans, and recently separated veterans.

14 (2) CONDUCT OF PROGRAMS.—Programs sup-
15 ported under this section may be conducted through
16 grants and contracts with public agencies and pri-
17 vate nonprofit organizations, including recipients of
18 Federal assistance under other provisions of this
19 title, that the Secretary determines have an under-
20 standing of the unemployment problems of veterans
21 described in paragraph (1), familiarity with the area
22 to be served, and the capability to administer effec-
23 tively a program of workforce investment activities
24 for such veterans.

1 (3) REQUIRED ACTIVITIES.—Programs sup-
2 ported under this section shall include—

3 (A) activities to enhance services provided
4 to veterans by other providers of workforce in-
5 vestment activities funded by Federal, State, or
6 local government;

7 (B) activities to provide workforce invest-
8 ment activities to such veterans that are not
9 adequately provided by other public providers of
10 workforce investment activities; and

11 (C) outreach and public information activi-
12 ties to develop and promote maximum job and
13 job training opportunities for such veterans and
14 to inform such veterans about employment, job
15 training, on-the-job training and educational
16 opportunities under this title, under title 38,
17 United States Code, and under other provisions
18 of law, which activities shall be coordinated with
19 activities provided through the one-stop cus-
20 tomer service centers.

21 (b) ADMINISTRATION OF PROGRAMS.—

22 (1) IN GENERAL.—The Secretary shall admin-
23 ister programs supported under this section through
24 the Assistant Secretary for Veterans' Employment
25 and Training.

1 (2) ADDITIONAL RESPONSIBILITIES.—In carry-
2 ing out responsibilities under this section, the Assist-
3 ant Secretary for Veterans' Employment and Train-
4 ing shall—

5 (A) be responsible for the awarding of
6 grants and contracts and the distribution of
7 funds under this section and for the establish-
8 ment of appropriate fiscal controls, accountabil-
9 ity, and program performance measures for re-
10 cipients of grants and contracts under this sec-
11 tion; and

12 (B) consult with the Secretary of Veterans
13 Affairs and take steps to ensure that programs
14 supported under this section are coordinated, to
15 the maximum extent feasible, with related pro-
16 grams and activities conducted under title 38,
17 United States Code, including programs and ac-
18 tivities conducted under subchapter II of chap-
19 ter 77 of such title, chapters 30, 31, 32, and
20 34 of such title, and sections 1712A, 1720A,
21 3687, and 4103A of such title.

22 **SEC. 364. YOUTH OPPORTUNITY GRANTS.**

23 (a) GRANTS.—

24 (1) IN GENERAL.—Using funds made available
25 under section 302(b)(3)(A), the Secretary shall

1 make grants to eligible local partnerships to provide
2 activities described in subsection (b) for youth to in-
3 crease the long-term employment of eligible youth
4 who live in empowerment zones, enterprise commu-
5 nities, and high poverty areas and who seek assist-
6 ance.

7 (2) GRANT PERIOD.—The Secretary may make
8 a grant under this section for a 1-year period, and
9 may renew the grant for each of the 4 succeeding
10 years.

11 (3) GRANT AWARDS.—The minimum amount
12 that may be made available to a grant recipient for
13 the first year of a grant made under this section
14 shall be \$10,000,000.

15 (b) USE OF FUNDS.—

16 (1) IN GENERAL.—A local partnership that re-
17 ceives a grant under this section shall use the funds
18 made available through the grant to provide activi-
19 ties that meet the requirements of section 316, ex-
20 cept as provided in paragraph (2), as well as youth
21 development activities such as activities relating to
22 leadership development, citizenship, and community
23 service, and recreation activities.

1 (2) INTENSIVE PLACEMENT AND FOLLOWUP
2 SERVICES.—In providing activities under this sec-
3 tion, a local partnership shall provide—

4 (A) intensive placement services; and

5 (B) followup services for not less than 24
6 months after the completion of participation in
7 the other activities described in this subsection,
8 as appropriate.

9 (c) ELIGIBLE LOCAL PARTNERSHIPS.—To be eligible
10 to receive a grant under this section, a local partnership—

11 (1) shall serve a community that—

12 (A) has a population of at least 50,000;
13 and

14 (B) has been designated as an
15 empowerment zone or an enterprise community
16 under section 1391 of the Internal Revenue
17 Code of 1986; or

18 (2) in a State without a zone or community de-
19 scribed in paragraph (1)(B), shall serve a commu-
20 nity that has been designated as a high poverty area
21 by the Governor of the State.

22 (d) APPLICATION.—To be eligible to receive a grant
23 under this section, a local partnership shall submit an ap-
24 plication to the Secretary at such time, in such manner,

1 and containing such information as the Secretary may re-
2 quire, including—

3 (1) a description of the activities that the local
4 partnership will provide under this section to youth
5 in the community described in subsection (c);

6 (2) a description of the performance measures
7 negotiated under subsection (e), and the manner in
8 which the local partnerships will carry out the activi-
9 ties to meet the performance measures;

10 (3) a description of the manner in which the ac-
11 tivities will be linked to activities described in section
12 316; and

13 (4) a description of the community support, in-
14 cluding financial support through leveraging addi-
15 tional public and private resources, for the activities.

16 (e) PERFORMANCE MEASURES.—

17 (1) IN GENERAL.—The Secretary shall nego-
18 tiate and reach agreement with the local partnership
19 on performance measures that will be used to evalu-
20 ate the performance of the local partnership in car-
21 rying out the activities described in subsection (b).
22 Each local performance measure shall consist of an
23 indicator of performance referred to in paragraph
24 (2) or (3) of section 321(a), and a performance level
25 referred to in paragraph (2).

1 (2) PERFORMANCE LEVELS.—The Secretary
2 shall negotiate and reach agreement with the local
3 partnership regarding the levels of performance ex-
4 pected to be achieved for the local partnership on
5 the indicators of performance.

6 **SEC. 365. INCENTIVE GRANTS.**

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

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

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

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

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

22 **SEC. 366. TECHNICAL ASSISTANCE.**

23 (a) TRANSITION ASSISTANCE.—The Secretary shall
24 provide technical assistance to assist States in making
25 transitions from carrying out activities under provisions

1 described in section 391 to carrying out activities under
2 this title.

3 (b) PERFORMANCE IMPROVEMENT.—

4 (1) GENERAL ASSISTANCE.—

5 (A) AUTHORITY.—The Secretary—

6 (i) shall provide technical assistance
7 to States that do not meet a State per-
8 formance measure described in section
9 321(a) for a program year; and

10 (ii) may provide technical assistance
11 to other States, local areas, and grant re-
12 cipients under sections 361 and 362 to
13 promote the continuous improvement of
14 the programs and activities authorized
15 under this title.

16 (B) FORM OF ASSISTANCE.—In carrying
17 out this paragraph on behalf of a State, or
18 grant recipient under section 361 or 362, the
19 Secretary, after consultation with the State or
20 grant recipient, may award grants and enter
21 into contracts and cooperative agreements.

22 (C) LIMITATION.—Grants or contracts
23 awarded under this paragraph that are for
24 amounts in excess of \$50,000 shall only be
25 awarded on a competitive basis.

1 (2) DISLOCATED WORKER TECHNICAL ASSIST-
2 ANCE.—

3 (A) AUTHORITY.—Of the amounts avail-
4 able pursuant to section 302(a)(2), the Sec-
5 retary shall reserve not more than 5 percent of
6 such amounts to provide technical assistance to
7 States that do not meet the State performance
8 measures described in section 321(a) with re-
9 spect to employment and training activities for
10 dislocated workers. Using such reserved funds,
11 the Secretary may provide such assistance to
12 other States, local areas, business and labor or-
13 ganizations, and other entities involved in pro-
14 viding assistance to dislocated workers, to pro-
15 mote the continuous improvement of assistance
16 provided to dislocated workers, under this title.

17 (B) TRAINING.—Amounts reserved under
18 this paragraph may be used to provide for the
19 training of staff, including specialists, who pro-
20 vide rapid response services. Such training shall
21 include instruction in proven methods of pro-
22 moting, establishing, and assisting labor-man-
23 agement committees. Such projects shall be ad-
24 ministered through the dislocated worker office
25 described in section 369(b).

1 **SEC. 367. DEMONSTRATION, PILOT, MULTISERVICE, RE-**
2 **SEARCH, AND MULTISTATE PROJECTS.**

3 (a) STRATEGIC PLAN.—

4 (1) IN GENERAL.—After consultation with
5 States, localities, and other interested parties, the
6 Secretary shall, every 2 years, publish in the Federal
7 Register, a plan that describes the demonstration
8 and pilot (including dislocated worker demonstration
9 and pilot), multiservice, research, and multistate
10 project priorities of the Department of Labor con-
11 cerning employment and training for the 5-year pe-
12 riod following the submission of the plan. Copies of
13 the plan shall be transmitted to the appropriate
14 committees of Congress.

15 (2) LIMITATION.—With respect to a plan pub-
16 lished under paragraph (1), the Secretary shall en-
17 sure that research projects (referred to in subsection
18 (d)) are considered for incorporation into the plan
19 only after projects referred to in subsections (b), (c),
20 and (e) have been considered and incorporated into
21 the plan, and are funded only as funds remain to
22 permit the funding of such research projects.

23 (3) FACTORS.—The plan published under para-
24 graph (1) shall contain strategies to address national
25 employment and training problems and take into ac-
26 count factors such as—

1 (A) the availability of existing research (as
2 of the date of the publication);

3 (B) the need to ensure results that have
4 interstate validity;

5 (C) the benefits of economies of scale and
6 the efficiency of proposed projects; and

7 (D) the likelihood that the results of the
8 projects will be useful to policymakers and
9 stakeholders in addressing employment and
10 training problems.

11 (b) DEMONSTRATION AND PILOT PROJECTS.—

12 (1) IN GENERAL.—Under a plan published
13 under subsection (a), the Secretary shall, through
14 grants or contracts, carry out demonstration and
15 pilot projects for the purpose of developing and im-
16 plementing techniques and approaches, and dem-
17 onstrating the effectiveness of specialized methods,
18 in addressing employment and training needs. Such
19 projects shall include the provision of direct services
20 to individuals to enhance employment opportunities
21 and an evaluation component.

22 (2) LIMITATIONS.—

23 (A) COMPETITIVE AWARDS.—Grants or
24 contracts awarded for carrying out demonstra-
25 tion and pilot projects under this subsection

1 shall be awarded only on a competitive basis,
2 except that a noncompetitive award may be
3 made in the case of a project that is funded
4 jointly with other public or private sector enti-
5 ties that provide a substantial portion of the
6 funding for the project.

7 (B) ELIGIBLE ENTITIES.—Grants or con-
8 tracts may be awarded under this subsection
9 only to—

10 (i) entities with recognized expertise
11 in—

12 (I) conducting national dem-
13 onstration projects;

14 (II) utilizing state-of-the-art
15 demonstration methods; and

16 (III) conducting evaluations of
17 employment and training projects; or

18 (ii) State and local entities with exper-
19 tise in operating or overseeing employment
20 and training programs.

21 (C) TIME LIMITS.—The Secretary shall es-
22 tablish appropriate time limits for carrying out
23 demonstration and pilot projects under this
24 subsection.

25 (c) MULTISERVICE PROJECTS.—

1 (1) IN GENERAL.—Under a plan published
2 under subsection (a), the Secretary shall, through
3 grants or contracts, carry out multiservice
4 projects—

5 (A) that will test an array of approaches to
6 the provision of employment and training serv-
7 ices to a variety of targeted populations;

8 (B) in which the entity carrying out the
9 project, in conjunction with employers, orga-
10 nized labor, and other groups such as the dis-
11 ability community, will design, develop, and test
12 various training approaches in order to deter-
13 mine effective practices; and

14 (C) that will assist in the development and
15 replication of effective service delivery strategies
16 for targeted populations for the national em-
17 ployment and training system as a whole.

18 (2) LIMITATIONS.—

19 (A) COMPETITIVE AWARDS.—Grants or
20 contracts awarded for carrying out multiservice
21 projects under this subsection shall be awarded
22 only on a competitive basis.

23 (B) TIME LIMITS.—A grant or contract
24 shall not be awarded under this subsection to
25 the same organization for more than 3 consecu-

1 tive years unless such grant or contract is com-
2 petitively reevaluated within such period.

3 (d) RESEARCH.—

4 (1) IN GENERAL.—Under a plan published
5 under subsection (a), the Secretary shall, through
6 grants or contracts, carry out research projects that
7 will contribute to the solution of employment and
8 training problems in the United States.

9 (2) LIMITATIONS.—

10 (A) COMPETITIVE AWARDS.—Grants or
11 contracts awarded for carrying out research
12 projects under this subsection in amounts that
13 exceed \$50,000 shall be awarded only on a com-
14 petitive basis, except that a noncompetitive
15 award may be made in the case of a project
16 that is funded jointly with other public or pri-
17 vate sector entities that provide a substantial
18 portion of the funding for the project.

19 (B) ELIGIBLE ENTITIES.—Grants or con-
20 tracts shall be awarded under this subsection
21 only to entities with nationally recognized ex-
22 pertise in the methods, techniques, and knowl-
23 edge of the social sciences.

24 (C) TIME LIMITS.—The Secretary shall es-
25 tablish appropriate time limits for the duration

1 of research projects funded under this sub-
2 section.

3 (e) MULTISTATE PROJECTS.—

4 (1) IN GENERAL.—

5 (A) AUTHORITY.—Under a plan published
6 under subsection (a), the Secretary may,
7 through grants or contracts, carry out
8 multistate projects that require demonstrated
9 expertise that is available at the national level
10 to effectively disseminate best practices and
11 models for implementing employment and train-
12 ing services, address the specialized employment
13 and training needs of particular service popu-
14 lations, or address industrywide skill shortages.

15 (B) DESIGN OF GRANTS.—Grants or con-
16 tracts awarded under this subsection shall be
17 designed to obtain information relating to the
18 provision of services under different economic
19 conditions or to various demographic groups in
20 order to provide guidance at the national and
21 State levels about how best to administer spe-
22 cific employment and training services.

23 (2) LIMITATIONS.—

24 (A) COMPETITIVE AWARDS.—Grants or
25 contracts awarded for carrying out multistate

1 projects under this subsection shall be awarded
2 only on a competitive basis.

3 (B) TIME LIMITS.—A grant or contract
4 shall not be awarded under this subsection to
5 the same organization for more than 3 consecu-
6 tive years unless such grant or contract is com-
7 petitively reevaluated within such period.

8 (f) DISLOCATED WORKER PROJECTS.—Of the
9 amount made available pursuant to section 302(a)(2)(A)
10 for any program year, the Secretary shall use not more
11 than 5 percent of such amount to carry out demonstration
12 and pilot projects, multiservice projects, and multistate
13 projects, relating to the employment and training needs
14 of dislocated workers. Of the requirements of this section,
15 such projects shall be subject only to the provisions relat-
16 ing to review and evaluation of applications under sub-
17 section (g). Such projects may include demonstration and
18 pilot projects relating to promoting self-employment, pro-
19 moting job creation, averting dislocations, assisting dis-
20 located farmers, assisting dislocated fishermen, and pro-
21 moting public works. Such projects shall be administered
22 through the dislocated worker office described in section
23 369(b).

24 (g) PEER REVIEW.—The Secretary shall utilize a
25 peer review process to—

- 1 (1) review and evaluate all applications for
- 2 grants and contracts in amounts that exceed
- 3 \$100,000 that are submitted under this section; and
- 4 (2) review and designate exemplary and promis-
- 5 ing programs under this section.

6 **SEC. 368. EVALUATIONS.**

7 (a) PROGRAMS AND ACTIVITIES CARRIED UNDER
8 THIS TITLE.—For the purpose of improving the manage-
9 ment and effectiveness of programs and activities carried
10 out under this title, the Secretary shall provide for the
11 continuing evaluation of the programs and activities. Such
12 evaluations shall address—

- 13 (1) the general effectiveness of such programs
- 14 and activities in relation to their cost;
- 15 (2) the effectiveness of the performance meas-
- 16 ures relating to such programs and activities;
- 17 (3) the effectiveness of the structure and mech-
- 18 anisms for delivery of services through such pro-
- 19 grams and activities;
- 20 (4) the impact of the programs and activities on
- 21 the community and participants involved;
- 22 (5) the impact of such programs and activities
- 23 on related programs and activities;

1 (6) the extent to which such programs and ac-
2 tivities meet the needs of various demographic
3 groups; and

4 (7) such other factors as may be appropriate.

5 (b) OTHER PROGRAMS AND ACTIVITIES.—The Sec-
6 retary may conduct evaluations of other federally funded
7 employment-related programs and activities, including
8 programs and activities administered under—

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

11 (2) the Act of August 16, 1937 (commonly
12 known as the “National Apprenticeship Act”; 50
13 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);

14 (3) the Older Americans Act of 1965 (42
15 U.S.C. 3001 et seq.);

16 (4) chapter 2 of title II of the Trade Act of
17 1974 (19 U.S.C. 2271 et seq.); and

18 (5) the Federal unemployment insurance pro-
19 gram under titles III, IX, and XII of the Social Se-
20 curity Act (42 U.S.C. 501 et seq., 1101 et seq., and
21 1321 et seq.).

22 (c) TECHNIQUES.—Evaluations conducted under this
23 section shall utilize appropriate methodology and research
24 designs, which may include the use of control groups cho-
25 sen by scientific random assignment methodologies. Such

1 an evaluation shall be conducted by a person not imme-
2 diately involved in the administration of the program or
3 activity being evaluated.

4 (d) REPORTS.—The entity carrying out an evaluation
5 described in subsection (a), (b), or (c) shall prepare and
6 submit to the Secretary a draft report and a final report
7 containing the results of the evaluation.

8 (e) REPORTS TO CONGRESS.—Not later than 30 days
9 after the completion of such a draft report, the Secretary
10 shall transmit the draft report to the appropriate commit-
11 tees of Congress. Not later than 60 days after the comple-
12 tion of such a final report, the Secretary shall transmit
13 the final report to the appropriate committees of Con-
14 gress.

15 **SEC. 369. NATIONAL EMERGENCY GRANTS.**

16 (a) IN GENERAL.—The Secretary is authorized to
17 award national emergency grants in a timely manner—

18 (1) to an entity described in subsection (c) to
19 provide employment and training assistance to work-
20 ers affected by major economic dislocations, such as
21 plant closures, mass layoffs, or closures and realign-
22 ments of military installations;

23 (2) to provide assistance to the Governor of any
24 State within the boundaries of which is an area that
25 has suffered an emergency or a major disaster as

1 defined in paragraphs (1) and (2), respectively, of
2 section 102 of The Robert T. Stafford Disaster Re-
3 lief and Emergency Assistance Act (42 U.S.C. 5122
4 (1) and (2)) (referred to in this section as the “dis-
5 aster area”) to provide disaster relief employment in
6 the area; and

7 (3) to provide additional assistance to a State
8 or local partnership for eligible dislocated workers in
9 a case in which the State or local partnership has
10 expended the funds provided under this section to
11 carry out activities described in paragraphs (1) and
12 (2) and can demonstrate the need for additional
13 funds to provide appropriate services for such work-
14 ers, in accordance with requirements prescribed by
15 the Secretary.

16 (b) ADMINISTRATION.—The Secretary shall designate
17 a dislocated worker office to coordinate the functions of
18 the Secretary under this title relating to national emer-
19 gency grants.

20 (c) EMPLOYMENT AND TRAINING ASSISTANCE RE-
21 QUIREMENTS.—

22 (1) APPLICATION.—To be eligible to receive a
23 grant under subsection (a)(1), an entity shall submit
24 an application to the Secretary at such time, in such

1 manner, and containing such information as the Sec-
2 retary may require.

3 (2) ELIGIBLE ENTITY.—In this subsection, the
4 term “entity” means a State, a local partnership, an
5 entity described in section 361(c), an employer or
6 employer association, a labor organization, and an
7 entity determined to be eligible by the Governor of
8 the State involved.

9 (d) DISASTER RELIEF EMPLOYMENT ASSISTANCE
10 REQUIREMENTS.—

11 (1) IN GENERAL.—Funds made available under
12 subsection (a)(2)—

13 (A) shall be used to provide disaster relief
14 employment on projects that provide food,
15 clothing, shelter, and other humanitarian assist-
16 ance for disaster victims, and projects regard-
17 ing demolition, cleaning, repair, renovation, and
18 reconstruction of damaged and destroyed struc-
19 tures, facilities, and lands located within the
20 disaster area;

21 (B) may be expended through public and
22 private agencies and organizations engaged in
23 such projects; and

24 (C) may be expended to provide the serv-
25 ices authorized under section 315(c).

1 (2) ELIGIBILITY.—An individual shall be eligi-
 2 ble to be offered disaster relief employment under
 3 subsection (a)(2) if such individual is a dislocated
 4 worker, is a long-term unemployed individual, or is
 5 temporarily or permanently laid off as a consequence
 6 of the disaster.

7 (3) LIMITATIONS ON DISASTER RELIEF EM-
 8 PLOYMENT.—No individual shall be employed under
 9 subsection (a)(2) for more than 6 months for work
 10 related to recovery from a single natural disaster.

11 **SEC. 370. AUTHORIZATION OF APPROPRIATIONS.**

12 (a) IN GENERAL.—

13 (1) NATIVE AMERICAN PROGRAMS; MIGRANT
 14 AND SEASONAL FARMWORKER PROGRAMS; VETER-
 15 ANS' EMPLOYMENT PROGRAMS.—Subject to sub-
 16 section (b)(1), there are authorized to be appro-
 17 priated to carry out sections 361 through 363 such
 18 sums as may be necessary for each of the fiscal
 19 years 1999 through 2003.

20 (2) INCENTIVE GRANTS; TECHNICAL ASSIST-
 21 ANCE; DEMONSTRATION AND PILOT PROJECTS;
 22 EVALUATIONS.—Subject to subsection (b)(2), there
 23 are authorized to be appropriated to carry out sec-
 24 tions 365 through 368, such sums as may be nec-
 25 essary for each of fiscal years 1999 through 2003.

1 (b) RESERVATIONS.—

2 (1) NATIVE AMERICAN PROGRAMS; MIGRANT
3 AND SEASONAL FARMWORKER PROGRAMS; VETER-
4 ANS' EMPLOYMENT PROGRAMS.—Of the amount ap-
5 propriated under subsection (a)(1) for a fiscal year,
6 the Secretary shall—

7 (A) reserve not less than \$55,000,000 for
8 carrying out section 361;

9 (B) reserve not less than \$70,000,000 for
10 carrying out section 362; and

11 (C) reserve not less than \$7,300,000 for
12 carrying out section 363.

13 (2) INCENTIVE GRANTS; TECHNICAL ASSIST-
14 ANCE; DEMONSTRATION AND PILOT PROJECTS;
15 EVALUATIONS.—Of the amount appropriated under
16 subsection (a)(2) for a fiscal year, the Secretary
17 shall—

18 (A) reserve 36.8 percent for carrying out
19 section 365;

20 (B) reserve 25 percent for carrying out
21 section 366 (other than section 366(b)(2));

22 (C) reserve 24.2 percent of a carrying out
23 section 367 (other than 367(f)); and

24 (D) reserve 14 percent for carrying out
25 section 368.

Subtitle D—Administration

SEC. 371. REQUIREMENTS AND RESTRICTIONS.

(a) BENEFITS.—

(1) WAGES.—

(A) IN GENERAL.—Individuals in on-the-job training or individuals employed in programs and activities carried out under this title shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar skills. Such rates shall be 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 (29 U.S.C. 206(a)(1)) or the applicable State or local minimum wage law.

(B) CONSTRUCTION.—The reference in subparagraph (A) to section 6(a)(1) of the Fair Labor Standards Act of 1938—

(i) shall be deemed to be a reference to section 6(c) of that Act (29 U.S.C. 206(c)) for individuals in the Commonwealth of Puerto Rico;

1 (ii) shall be deemed to be a reference
 2 to section 6(a)(3) (29 U.S.C. 206(a)(3)) of
 3 that Act for individuals in American
 4 Samoa; and

5 (iii) shall not be applicable for individ-
 6 uals in other territorial jurisdictions in
 7 which section 6 of the Fair Labor Stand-
 8 ards Act of 1938 (29 U.S.C. 206) does not
 9 apply.

10 (2) TREATMENT OF ALLOWANCES, EARNINGS,
 11 AND PAYMENTS.—Allowances, earnings, and pay-
 12 ments to individuals participating in programs and
 13 activities carried out under this title shall not be
 14 considered to be income for the purposes of deter-
 15 mining eligibility for, and the amount of income
 16 transfer and in-kind aid furnished under, any Fed-
 17 eral or federally assisted program based on need,
 18 other than as provided under the Social Security Act
 19 (42 U.S.C. 301 et seq.).

20 (b) LABOR STANDARDS.—

21 (1) DISPLACEMENT.—

22 (A) PROHIBITION.—A participant in a pro-
 23 gram or activity authorized under this title (re-
 24 ferred to in this subsection as a “specified ac-
 25 tivity”) shall not displace (including a partial

1 displacement, such as a reduction in the hours
 2 of nonovertime work, wages, or employment
 3 benefits) any currently employed employee (as
 4 of the date of the participation).

5 (B) PROHIBITION ON IMPAIRMENT OF
 6 CONTRACTS.—A specified activity shall not im-
 7 pair an existing contract for services or collec-
 8 tive bargaining agreement, and no such activity
 9 that would be inconsistent with the terms of a
 10 collective bargaining agreement shall be under-
 11 taken without the written concurrence of the
 12 labor organization and employer concerned.

13 (2) OTHER PROHIBITIONS.—A participant in a
 14 specified activity shall not be employed in a job—

15 (A) when any other individual is on layoff
 16 from the same or any substantially equivalent
 17 job with the participating employer;

18 (B) when the employer has terminated the
 19 employment of any regular employee or other-
 20 wise reduced the workforce of the employer with
 21 the intention of filling the vacancy so created
 22 with the participant; or

23 (C) that is created in a promotional line
 24 that will infringe in any way on the promotional

1 opportunities of currently employed individuals
2 (as of the date of the participation).

3 (3) HEALTH AND SAFETY.—Health and safety
4 standards established under Federal and State law
5 otherwise applicable to working conditions of em-
6 ployees shall be equally applicable to working condi-
7 tions of participants engaged in specified activities.
8 To the extent that a State workers' compensation
9 law applies, workers' compensation shall be provided
10 to participants on the same basis as the compensa-
11 tion is provided to other individuals in the State in
12 similar employment.

13 (4) EMPLOYMENT CONDITIONS.—Individuals in
14 on-the-job training or individuals employed in pro-
15 grams and activities carried out under this title,
16 shall be provided benefits and working conditions at
17 the same level and to the same extent as other train-
18 ees or employees working a similar length of time
19 and doing the same type of work.

20 (5) OPPORTUNITY TO SUBMIT COMMENTS.—
21 Consistent with sections 303(d)(2) and 309(c), inter-
22 ested members of the public shall be provided an op-
23 portunity to submit comments with respect to pro-
24 grams and activities proposed to be funded under
25 subtitle A.

1 (c) GRIEVANCE PROCEDURE.—

2 (1) IN GENERAL.—Each State receiving an al-
3 lotment under section 302 and each grant recipient
4 under section 361 or 362 shall establish and main-
5 tain a procedure for grievances or complaints alleg-
6 ing violations of the requirements of this title from
7 participants and other interested or affected parties.
8 Such procedure shall include an opportunity for a
9 hearing and be completed within 60 days after the
10 date of the filing of the grievance or complaint.

11 (2) INVESTIGATION.—

12 (A) IN GENERAL.—The Secretary shall in-
13 vestigate an allegation of a violation described
14 in paragraph (1) if—

15 (i) a decision relating to such violation
16 has not been reached within 60 days after
17 the date of the filing of the grievance or
18 complaint and either party appeals the de-
19 cision to the Secretary; or

20 (ii) a decision relating to such viola-
21 tion has been reached within 60 days after
22 the date of the filing and the party to
23 which such decision is adverse appeals the
24 decision to the Secretary.

1 (B) ADDITIONAL REQUIREMENT.—The
2 Secretary shall make a final determination re-
3 lating to an appeal made under subparagraph
4 (A) no later than 120 days after the date of
5 such appeal.

6 (3) REMEDIES.—Remedies that may be im-
7 posed under this subsection for a violation of any re-
8 quirement of this title shall be limited—

9 (A) to suspension or termination of pay-
10 ments under this title to a person that has vio-
11 lated any requirement of this title;

12 (B) to prohibition of placement of a partic-
13 ipant with an employer that has violated any
14 requirement of this title;

15 (C) where applicable, to reinstatement of
16 an employee, payment of lost wages and bene-
17 fits, and reestablishment of other relevant
18 terms, conditions and privileges of employment;
19 and

20 (D) where appropriate, to other equitable
21 relief.

22 (4) CONSTRUCTION.—Nothing in paragraph (3)
23 shall be construed to prohibit a grievant or com-
24 plainant from pursuing a remedy authorized under

1 another Federal, State, or local law for a violation
2 of this title.

3 (d) RELOCATION.—

4 (1) PROHIBITION ON USE OF FUNDS TO EN-
5 COURAGE OR INDUCE RELOCATION.—No funds pro-
6 vided under this title shall be used, or proposed for
7 use, to encourage or induce the relocation of a busi-
8 ness or part of a business if such relocation would
9 result in a loss of employment for any employee of
10 such business at the original location and such origi-
11 nal location is within the United States.

12 (2) PROHIBITION ON USE OF FUNDS FOR CUS-
13 TOMIZED OR SKILL TRAINING AND RELATED ACTIVI-
14 TIES AFTER RELOCATION.—No funds provided
15 under this title for an employment and training ac-
16 tivity shall be used for customized or skill training,
17 on-the-job training, or company-specific assessments
18 of job applicants or employees, for any business or
19 part of a business that has relocated, until the date
20 that is 120 days after the date on which such busi-
21 ness commences operations at the new location, if
22 the relocation of such business or part of a business
23 results in a loss of employment for any employee of
24 such business at the original location and such origi-
25 nal location is within the United States.

1 (3) REPAYMENT.—If the Secretary determines
2 that a violation of paragraph (1) or (2) has oc-
3 curred, the Secretary shall require the State that
4 has violated such paragraph to repay to the United
5 States an amount equal to the amount expended in
6 violation of such paragraph.

7 (e) LIMITATION ON USE OF FUNDS.—No funds avail-
8 able under this title shall be used for employment generat-
9 ing activities, economic development activities, activities
10 for the capitalization of businesses, investment in contract
11 bidding resource centers, or similar activities. No funds
12 available under subtitle A shall be used for foreign travel.

13 **SEC. 372. PROMPT ALLOCATION OF FUNDS.**

14 (a) ALLOTMENTS AND ALLOCATIONS BASED ON LAT-
15 EST AVAILABLE DATA.—All allotments and allocations
16 under section 302, 306, or 366 shall be based on the latest
17 available data and estimates satisfactory to the Secretary.
18 All data relating to disadvantaged adults, disadvantaged
19 youth, and low-income individuals shall be based on the
20 most recent satisfactory data from the Bureau of the Cen-
21 sus.

22 (b) PUBLICATION IN FEDERAL REGISTER RELATING
23 TO FORMULA FUNDS.—Whenever the Secretary allots
24 funds required to be allotted under section 302 or 366,
25 the Secretary shall publish in a timely fashion in the Fed-

1 eral Register the proposed amount to be distributed to
2 each recipient of the funds.

3 (c) REQUIREMENT FOR FUNDS DISTRIBUTED BY
4 FORMULA.—All funds required to be allotted or allocated
5 under section 302, 306, or 366 shall be allotted or allo-
6 cated within 45 days after the date of enactment of the
7 Act appropriating the funds, except that, if such funds are
8 appropriated in advance as authorized by section 379(g),
9 such funds shall be allotted or allocated not later than the
10 March 31 preceding the program year for which such
11 funds are to be available for obligation.

12 (d) AVAILABILITY OF FUNDS.—Funds shall be made
13 available under section 306 to the chief elected official for
14 a local area not later than 30 days after the date the funds
15 are made available to the Governor involved, under section
16 302, or 7 days after the date the local plan for the area
17 is approved, whichever is later.

18 **SEC. 373. MONITORING.**

19 (a) IN GENERAL.—The Secretary is authorized to
20 monitor all recipients of financial assistance under this
21 title to determine whether the recipients are complying
22 with the provisions of this title, including the regulations
23 issued under this title.

24 (b) INVESTIGATIONS.—The Secretary may inves-
25 tigate any matter the Secretary determines to be necessary

1 to determine the compliance of the recipients with this
2 title, including the regulations issued under this title. The
3 investigations authorized by this subsection may include
4 examining records (including making certified copies of
5 the records), questioning employees, and entering any
6 premises or onto any site in which any part of a program
7 or activity of such a recipient is conducted or in which
8 any of the records of the recipient are kept.

9 (c) ADDITIONAL REQUIREMENT.—For the purpose of
10 any investigation or hearing conducted under this title by
11 the Secretary, the provisions of section 9 of the Federal
12 Trade Commission Act (15 U.S.C. 49) (relating to the at-
13 tendance of witnesses and the production of documents)
14 apply to the Secretary, in the same manner and to the
15 same extent as the provisions apply to the Federal Trade
16 Commission.

17 **SEC. 374. FISCAL CONTROLS; SANCTIONS.**

18 (a) ESTABLISHMENT OF FISCAL CONTROLS BY
19 STATES.—

20 (1) IN GENERAL.—Each State shall establish
21 such fiscal control and fund accounting procedures
22 as may be necessary to assure the proper disbursement
23 of, and accounting for, Federal funds allocated to
24 local areas under subtitle A. Such procedures shall
25 ensure that all financial transactions carried out

1 under subtitle A are conducted and records main-
2 tained in accordance with generally accepted ac-
3 counting principles applicable in each State.

4 (2) REGULATIONS.—The Secretary shall pre-
5 scribe regulations establishing uniform cost prin-
6 ciples that are substantially equivalent to such prin-
7 ciples generally applicable to recipients of Federal
8 grant funds, and are consistent with appropriate cir-
9 culars of the Office of Management and Budget. At
10 a minimum, such regulations shall provide that—

11 (A) to be allowable, costs incurred under
12 this title shall—

13 (i) be necessary and reasonable for
14 proper and efficient administration of the
15 programs and activities carried out under
16 this title;

17 (ii) except for the administrative
18 funds described in section 314(c)(2), be al-
19 locable to the programs and activities car-
20 ried out under this title; and

21 (iii) not be a general expense required
22 to carry out the overall responsibilities of
23 State or local governments; and

1 (B) procurement transactions between
2 local partnerships and such governments shall
3 be conducted only on a cost-reimbursable basis.

4 (3) PROCUREMENT STANDARDS.—Each Gov-
5 ernor, in accordance with minimum requirements es-
6 tablished by the Secretary (after consultation with
7 the Governors) in regulations, shall prescribe and
8 implement procurement standards to ensure fiscal
9 accountability and prevent fraud and abuse in pro-
10 grams and activities carried out under this title.

11 (4) MONITORING.—The Governor shall conduct
12 onsite monitoring of each local area within the State
13 to ensure compliance with the procurement stand-
14 ards prescribed pursuant to paragraph (3).

15 (5) ACTION BY GOVERNOR.—If the Governor
16 determines that a local area is not in compliance
17 with the procurement standards prescribed pursuant
18 to paragraph (3), the Governor shall—

19 (A) require corrective action to secure
20 prompt compliance; and

21 (B) impose the sanctions provided under
22 subsection (b) in the event of failure to take the
23 required corrective action.

24 (6) CERTIFICATION.—The Governor shall, every
25 3 years, certify to the Secretary that—

1 (A) the State has implemented the pro-
2 curement standards prescribed under paragraph
3 (3);

4 (B) the State has monitored local areas to
5 ensure compliance with the procurement stand-
6 ards as required under paragraph (4); and

7 (C) the State has taken appropriate action
8 to secure compliance pursuant to paragraph
9 (5).

10 (7) ACTION BY THE SECRETARY.—If the Sec-
11 retary determines that the Governor has not fulfilled
12 the requirements of this subsection, the Secretary
13 shall—

14 (A) require corrective action to secure
15 prompt compliance; and

16 (B) impose the sanctions provided under
17 subsection (f) in the event of failure of the Gov-
18 ernor to take the required appropriate action to
19 secure compliance.

20 (b) SUBSTANTIAL VIOLATION.—

21 (1) ACTION BY GOVERNOR.—If, as a result of
22 a financial or compliance audit or otherwise, the
23 Governor determines that there is a substantial vio-
24 lation of a specific provision of this title, including
25 regulations issued under this title, and corrective ac-

tion has not been taken, the Governor shall impose a reorganization plan, which may include—

(A) decertifying the local partnership involved in accordance with section 308(c)(3);

(B) prohibiting the use of providers who have been identified as eligible providers of workforce investment activities under chapter 3 of subtitle A;

(C) selecting an alternative entity to administer a program or activity for the local area involved;

(D) merging the local area into 1 or more other local areas; or

(E) making such other changes as the Secretary or Governor determines to be necessary to secure compliance.

(2) APPEAL.—The action taken by the Governor pursuant to paragraph (1) may be appealed to the Secretary, who shall make a final decision on the appeal not later than 60 days after the receipt of the appeal.

(3) ACTION BY SECRETARY.—If the Governor fails to take promptly the action required under paragraph (1), the Secretary shall take such action.

1 (c) ACCESS BY COMPTROLLER GENERAL.—For the
2 purpose of evaluating and reviewing programs and activi-
3 ties established or provided for by this title, the Comptrol-
4 ler General shall have access to and the right to copy any
5 books, accounts, records, correspondence, or other docu-
6 ments pertinent to such programs and activities that are
7 in the possession, custody, or control of a State, a local
8 partnership, any recipient of funds under this title, or any
9 subgrantee or contractor of such a recipient.

10 (d) REPAYMENT OF CERTAIN AMOUNTS TO THE
11 UNITED STATES.—

12 (1) IN GENERAL.—Every recipient of funds
13 under this title shall repay to the United States
14 amounts found not to have been expended in accord-
15 ance with this title.

16 (2) OFFSET OF REPAYMENT.—If the Secretary
17 determines that a State has expended funds made
18 available under this title in a manner contrary to the
19 requirements of this title, the Secretary may offset
20 repayment of such expenditures against any other
21 amount to which the State is or may be entitled, ex-
22 cept as provided under subsection (e)(1).

23 (3) REPAYMENT FROM DEDUCTION BY
24 STATE.—If the Secretary requires a State to repay
25 funds as a result of a determination that a local

1 area of the State has expended funds contrary to
2 the requirements of this title, the Governor of the
3 State may use an amount deducted under paragraph
4 (4) to repay the funds, except as provided under
5 subsection (e)(1).

6 (4) DEDUCTION BY STATE.—The Governor may
7 deduct an amount equal to the misexpenditure de-
8 scribed in paragraph (3) from subsequent program
9 year allocations to the local area from funds re-
10 served for the administrative costs of the local pro-
11 grams involved, as appropriate.

12 (5) LIMITATIONS.—A deduction made by a
13 State as described in paragraph (4) shall not be
14 made until such time as the Governor has taken ap-
15 propriate corrective action to ensure full compliance
16 within such local area with regard to appropriate ex-
17 penditures of funds under this title.

18 (e) REPAYMENT OF AMOUNTS.—

19 (1) IN GENERAL.—Each recipient of funds
20 under this title shall be liable to repay the amounts
21 described in subsection (d)(1), from funds other
22 than funds received under this title, upon a deter-
23 mination by the Secretary that the misexpenditure
24 of funds was due to willful disregard of the require-
25 ments of this title, gross negligence, failure to ob-

1 serve accepted standards of administration, or a pat-
2 tern of misexpenditure as described in paragraphs
3 (2) and (3) of subsection (d). No such determination
4 shall be made under this subsection or subsection
5 (d) until notice and opportunity for a fair hearing
6 has been given to the recipient.

7 (2) FACTORS IN IMPOSING SANCTIONS.—In de-
8 termining whether to impose any sanction author-
9 ized by this section against a recipient for violations
10 by a subgrantee or contractor of such recipient
11 under this title (including the regulations issued
12 under this title), the Secretary shall first determine
13 whether such recipient has adequately demonstrated
14 that the recipient has—

15 (A) established and adhered to an appro-
16 priate system for the award and monitoring of
17 grants and contracts with subgrantees and con-
18 tractors that contains acceptable standards for
19 ensuring accountability;

20 (B) entered into a written grant agreement
21 or contract with such subgrantee or contractor
22 that established clear goals and obligations in
23 unambiguous terms;

24 (C) acted with due diligence to monitor the
25 implementation of the grant agreement or con-

1 tract, including the carrying out of the appro-
2 priate monitoring activities (including audits) at
3 reasonable intervals; and

4 (D) taken prompt and appropriate correc-
5 tive action upon becoming aware of any evi-
6 dence of a violation of this title, including regu-
7 lations issued under this title, by such sub-
8 grantee or contractor.

9 (3) WAIVER.—If the Secretary determines that
10 the recipient has demonstrated substantial compli-
11 ance with the requirements of paragraph (2), the
12 Secretary may waive the imposition of sanctions au-
13 thorized by this section upon such recipient. The
14 Secretary is authorized to impose any sanction con-
15 sistent with the provisions of this title and any ap-
16 plicable Federal or State law directly against any
17 subgrantee or contractor for violation of this title,
18 including regulations issued under this title.

19 (f) IMMEDIATE TERMINATION OR SUSPENSION OF
20 ASSISTANCE IN EMERGENCY SITUATIONS.—In emergency
21 situations, if the Secretary determines it is necessary to
22 protect the integrity of the funds or ensure the proper op-
23 eration of the program or activity involved, the Secretary
24 may immediately terminate or suspend financial assist-
25 ance, in whole or in part, to the recipient if the recipient

1 is given prompt notice and the opportunity for a subse-
2 quent hearing within 30 days after such termination or
3 suspension. The Secretary shall not delegate any of the
4 functions or authority specified in this subsection, other
5 than to an officer whose appointment is required to be
6 made by and with the advice and consent of the Senate.

7 (g) DISCRIMINATION AGAINST PARTICIPANTS.—If
8 the Secretary determines that any recipient of funds under
9 this title has discharged or in any other manner discrimi-
10 nated in violation of section 378 against, a participant or
11 any other individual in connection with the administration
12 of the program or activity involved, or any individual be-
13 cause such individual has filed any complaint or instituted
14 or caused to be instituted any proceeding under or related
15 to this title, or has testified or is about to testify in any
16 such proceeding or investigation under or related to this
17 title, or otherwise unlawfully denied to any individual a
18 benefit to which that individual is entitled under the provi-
19 sions of this title, including regulations issued under this
20 title, the Secretary shall, within 30 days after the date
21 of the determination, take such action or order such cor-
22 rective measures, as may be necessary, with respect to the
23 recipient or the aggrieved individual.

1 (h) REMEDIES.—The remedies described in this sec-
2 tion shall not be construed to be the exclusive remedies
3 available for violations described in this section.

4 **SEC. 375. REPORTS; RECORDKEEPING; INVESTIGATIONS.**

5 (a) REPORTS.—

6 (1) IN GENERAL.—Recipients of funds under
7 this title shall keep records that are sufficient to
8 permit the preparation of reports required by this
9 title and to permit the tracing of funds to a level of
10 expenditure adequate to ensure that the funds have
11 not been spent unlawfully.

12 (2) SUBMISSION TO THE SECRETARY.—Every
13 such recipient shall maintain such records and sub-
14 mit such reports, in such form and containing such
15 information, as the Secretary may require regarding
16 the performance of programs and activities carried
17 out under this title. Such records and reports shall
18 be submitted to the Secretary but shall not be re-
19 quired to be submitted more than once each quarter
20 unless specifically requested by Congress or a com-
21 mittee of Congress.

22 (3) MAINTENANCE OF STANDARDIZED
23 RECORDS.—In order to allow for the preparation of
24 the reports required under subsection (c), such re-
25 cipients shall maintain standardized records for all

1 individual participants and provide to the Secretary
2 a sufficient number of such records to provide for an
3 adequate analysis of the records.

4 (4) AVAILABILITY TO THE PUBLIC.—

5 (A) IN GENERAL.—Except as provided in
6 subparagraph (B), records maintained by such
7 recipients pursuant to this subsection shall be
8 made available to the public upon request.

9 (B) EXCEPTION.—Subparagraph (A) shall
10 not apply to—

11 (i) information, the disclosure of
12 which would constitute a clearly unwar-
13 ranted invasion of personal privacy; and

14 (ii) trade secrets, or commercial or fi-
15 nancial information, that is obtained from
16 a person and privileged or confidential.

17 (C) FEES TO RECOVER COSTS.—Such re-
18 cipients may charge fees sufficient to recover
19 costs applicable to the processing of requests
20 for records under subparagraph (A).

21 (b) INVESTIGATIONS OF USE OF FUNDS.—

22 (1) IN GENERAL.—

23 (A) SECRETARY.—In order to evaluate
24 compliance with the provisions of this title, the
25 Secretary shall conduct, in several States, in

1 each fiscal year, investigations of the use of
2 funds received by recipients under this title.

3 (B) COMPTROLLER GENERAL OF THE
4 UNITED STATES.—In order to ensure compli-
5 ance with the provisions of this title, the Comp-
6 troller General of the United States may con-
7 duct investigations of the use of funds received
8 under this title by any recipient.

9 (2) PROHIBITION.—In conducting any inves-
10 tigation under this title, the Secretary or the Comp-
11 troller General of the United States may not request
12 the compilation of any information that the recipient
13 is not otherwise required to compile and that is not
14 readily available to such recipient.

15 (3) AUDITS.—

16 (A) IN GENERAL.—In carrying out any
17 audit under this title (other than any initial
18 audit survey or any audit investigating possible
19 criminal or fraudulent conduct), either directly
20 or through grant or contract, the Secretary, the
21 Inspector General of the Department of Labor,
22 or the Comptroller General of the United States
23 shall furnish to the State, recipient, or other
24 entity to be audited, advance notification of the
25 overall objectives and purposes of the audit, and

1 any extensive recordkeeping or data require-
2 ments to be met, not later than 14 days (or as
3 soon as practicable), prior to the commence-
4 ment of the audit.

5 (B) NOTIFICATION REQUIREMENT.—If the
6 scope, objectives, or purposes of the audit
7 change substantially during the course of the
8 audit, the entity being audited shall be notified
9 of the change as soon as practicable.

10 (C) ADDITIONAL REQUIREMENT.—The re-
11 ports on the results of such audits shall cite the
12 law, regulation, policy, or other criteria applica-
13 ble to any finding contained in the reports.

14 (D) RULE OF CONSTRUCTION.—Nothing
15 contained in this title shall be construed so as
16 to be inconsistent with the Inspector General
17 Act of 1978 (5 U.S.C. App.) or government au-
18 diting standards issued by the Comptroller Gen-
19 eral of the United States.

20 (c) ACCESSIBILITY OF REPORTS.—Each State, each
21 local partnership, and each recipient (other than a sub-
22 recipient, subgrantee, or contractor of a recipient) receiv-
23 ing funds under this title shall—

1 (1) make readily accessible such reports con-
2 cerning its operations and expenditures as shall be
3 prescribed by the Secretary;

4 (2) prescribe and maintain comparable manage-
5 ment information systems, in accordance with guide-
6 lines that shall be prescribed by the Secretary, de-
7 signed to facilitate the uniform compilation, cross
8 tabulation, and analysis of programmatic, partici-
9 pant, and financial data, on statewide, local area,
10 and other appropriate bases, necessary for reporting,
11 monitoring, and evaluating purposes, including data
12 necessary to comply with section 378; and

13 (3) monitor the performance of providers in
14 complying with the terms of grants, contracts, or
15 other agreements made pursuant to this title.

16 (d) INFORMATION TO BE INCLUDED IN REPORTS.—

17 (1) IN GENERAL.—The reports required in sub-
18 section (c) shall include information regarding pro-
19 grams and activities carried out under this title per-
20 taining to—

21 (A) the relevant demographic characteris-
22 tics (including race, ethnicity, sex, and age) and
23 other related information regarding partici-
24 pants;

1 (B) the programs and activities in which
2 participants are enrolled, and the length of time
3 that participants are engaged in such programs
4 and activities;

5 (C) outcomes of the programs and activi-
6 ties for participants, including the occupations
7 of participants, and placement for participants
8 in nontraditional employment;

9 (D) specified costs of the programs and ac-
10 tivities; and

11 (E) information necessary to prepare re-
12 ports to comply with section 378.

13 (2) ADDITIONAL REQUIREMENT.—The Sec-
14 retary shall ensure that all elements of the informa-
15 tion required for the reports described in paragraph
16 (1) are defined and reported uniformly.

17 (e) RETENTION OF RECORDS.—The Governor of a
18 State that receives funds under this title shall ensure that
19 requirements are established for retention of all records
20 of the State pertinent to all grants awarded, and contracts
21 and agreements entered into, under this title, including
22 financial, statistical, property, and participant records and
23 supporting documentation. For funds allotted to a State
24 under this title for any program year, the State shall re-
25 tain the records for 2 subsequent program years. The

1 State shall retain records for nonexpendable property that
2 is used to carry out this title for a period of 3 years after
3 final disposition of the property.

4 (f) QUARTERLY FINANCIAL REPORTS.—

5 (1) IN GENERAL.—Each local partnership in
6 the State shall submit quarterly financial reports to
7 the Governor with respect to programs and activities
8 carried out under this title. Such reports shall in-
9 clude information identifying all program and activ-
10 ity costs by cost category in accordance with gen-
11 erally accepted accounting principles and by year of
12 the appropriation involved.

13 (2) ADDITIONAL REQUIREMENT.—Each State
14 shall submit to the Secretary, on a quarterly basis,
15 a summary of the reports submitted to the Governor
16 pursuant to paragraph (1).

17 (g) MAINTENANCE OF ADDITIONAL RECORDS.—
18 Each State and local partnership shall maintain records
19 with respect to programs and activities carried out under
20 this title that identify—

21 (1) any income or profits earned, including such
22 income or profits earned by subrecipients; and

23 (2) any costs incurred (such as stand-in costs)
24 that are otherwise allowable except for funding limi-
25 tations.

1 (h) COST CATEGORIES.—In requiring entities to
2 maintain records of costs by category under this title, the
3 Secretary shall require only that the costs be categorized
4 as administrative or programmatic costs.

5 **SEC. 376. ADMINISTRATIVE ADJUDICATION.**

6 (a) IN GENERAL.—Whenever any applicant for finan-
7 cial assistance under this title is dissatisfied because the
8 Secretary has made a determination not to award financial
9 assistance in whole or in part to such applicant, the appli-
10 cant may request a hearing before an administrative law
11 judge of the Department of Labor. A similar hearing may
12 also be requested by any recipient for whom a corrective
13 action has been required or a sanction has been imposed
14 by the Secretary under section 374. Except to the extent
15 provided for in section 371(c) or 378, all other disputes
16 arising under this title relating to the manner in which
17 the recipient carries out a program or activity under this
18 title shall be adjudicated under grievance procedures es-
19 tablished by the recipient or under applicable law other
20 than this title.

21 (b) APPEAL.—The decision of the administrative law
22 judge shall constitute final action by the Secretary unless,
23 within 20 days after receipt of the decision of the adminis-
24 trative law judge, a party dissatisfied with the decision or
25 any part of the decision has filed exceptions with the Sec-

1 retary specifically identifying the procedure, fact, law, or
 2 policy to which exception is taken. Any exception not spe-
 3 cifically urged shall be deemed to have been waived. After
 4 the 20-day period the decision of the administrative law
 5 judge shall become the final decision of the Secretary un-
 6 less the Secretary, within 30 days after such filing, has
 7 notified the parties that the case involved has been accept-
 8 ed for review.

9 (c) TIME LIMIT.—Any case accepted for review by
 10 the Secretary under subsection (b) shall be decided within
 11 180 days after such acceptance. If the case is not decided
 12 within the 180-day period, the decision of the administra-
 13 tive law judge shall become the final decision of the Sec-
 14 retary at the end of the 180-day period.

15 (d) ADDITIONAL REQUIREMENT.—The provisions of
 16 section 377 shall apply to any final action of the Secretary
 17 under this section.

18 **SEC. 377. JUDICIAL REVIEW.**

19 (a) REVIEW.—

20 (1) PETITION.—With respect to any final order
 21 by the Secretary under section 376 by which the
 22 Secretary awards, declines to award, or only condi-
 23 tionally awards, financial assistance under this title,
 24 or any final order of the Secretary under section 376
 25 with respect to a corrective action or sanction im-

1 posed under section 374, any party to a proceeding
2 which resulted in such final order may obtain review
3 of such final order in the United States Court of Ap-
4 peals having jurisdiction over the applicant or recipi-
5 ent of funds involved, by filing a review petition
6 within 30 days after the date of issuance of such
7 final order.

8 (2) ACTION ON PETITION.—The clerk of the
9 court shall transmit a copy of the review petition to
10 the Secretary who shall file the record on which the
11 final order was entered as provided in section 2112
12 of title 28, United States Code. The filing of a re-
13 view petition shall not stay the order of the Sec-
14 retary, unless the court orders a stay. Petitions filed
15 under this subsection shall be heard expeditiously, if
16 possible within 10 days after the date of filing of a
17 reply to the petition.

18 (3) STANDARD AND SCOPE OF REVIEW.—No
19 objection to the order of the Secretary shall be con-
20 sidered by the court unless the objection was specifi-
21 cally urged, in a timely manner, before the Sec-
22 retary. The review shall be limited to questions of
23 law and the findings of fact of the Secretary shall
24 be conclusive if supported by substantial evidence.

1 (b) JUDGMENT.—The court shall have jurisdiction to
2 make and enter a decree affirming, modifying, or setting
3 aside the order of the Secretary in whole or in part. The
4 judgment of the court regarding the order shall be final,
5 subject to certiorari review by the Supreme Court as pro-
6 vided in section 1254(1) of title 28, United States Code.

7 **SEC. 378. NONDISCRIMINATION.**

8 (a) PROHIBITED DISCRIMINATION.—

9 (1) PROHIBITION ON DISCRIMINATION IN FED-
10 ERAL PROGRAMS AND ACTIVITIES.—For the purpose
11 of applying the prohibitions against discrimination
12 on the basis of age under the Age Discrimination
13 Act of 1975 (42 U.S.C. 6101 et seq.), on the basis
14 of disability under section 504 of the Rehabilitation
15 Act of 1973 (29 U.S.C. 794), on the basis of sex
16 under title IX of the Education Amendments of
17 1972 (20 U.S.C. 1681 et seq.), or on the basis of
18 race, color, or national origin under title VI of the
19 Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.),
20 programs and activities funded in whole or in part
21 under this title shall be considered to be programs
22 and activities receiving Federal financial assistance,
23 and education programs and activities receiving Fed-
24 eral financial assistance.

1 (2) PROHIBITION OF DISCRIMINATION REGARD-
2 ING PARTICIPATION, BENEFITS, AND EMPLOY-
3 MENT.—No individual shall be excluded from par-
4 ticipation in, denied the benefits of, subjected to dis-
5 crimination under, or denied employment in the ad-
6 ministration of or in connection with, any such pro-
7 gram or activity because of race, color, religion, sex,
8 national origin, age, disability, or political affiliation
9 or belief.

10 (3) PROHIBITION ON ASSISTANCE FOR FACILI-
11 TIES FOR SECTARIAN INSTRUCTION OR RELIGIOUS
12 WORSHIP.—Participants shall not be employed under
13 this title to carry out the construction, operation, or
14 maintenance of any part of any facility that is used
15 or to be used for sectarian instruction or as a place
16 for religious worship.

17 (4) PROHIBITION ON DISCRIMINATION ON BASIS
18 OF PARTICIPANT STATUS.—No person may discrimi-
19 nate against an individual who is a participant in a
20 program or activity that receives funds under this
21 title, with respect to the terms and conditions affect-
22 ing, or rights provided to, the individual, solely be-
23 cause of the status of the individual as a participant,
24 in carrying out any endeavor that involves—

1 (A) participants in programs and activities
2 that receive funding under this title; and

3 (B) persons who receive no assistance
4 under this title.

5 (5) PROHIBITION ON DISCRIMINATION AGAINST
6 CERTAIN NONCITIZENS.—Participation in programs
7 and activities or receiving funds under this title shall
8 be available to citizens and nationals of the United
9 States, lawfully admitted permanent resident aliens,
10 refugees, asylees, and parolees, other aliens lawfully
11 present in the United States, and other individuals
12 authorized by the Attorney General to work in the
13 United States.

14 (b) ACTION OF SECRETARY.—Whenever the Sec-
15 retary finds that a State or other recipient of funds under
16 this title has failed to comply with a provision of law re-
17 ferred to in subsection (a)(1), or with paragraph (2), (3),
18 (4), or (5) of subsection (a), including an applicable regu-
19 lation prescribed to carry out such provision or paragraph,
20 the Secretary shall notify such State or recipient and shall
21 request that the State or recipient comply. If within a rea-
22 sonable period of time, not to exceed 60 days, the State
23 or recipient fails or refuses to comply, the Secretary
24 may—

1 (1) refer the matter to the Attorney General
2 with a recommendation that an appropriate civil ac-
3 tion be instituted;

4 (2) exercise the powers and functions provided
5 to the head of a Federal department or agency
6 under the Age Discrimination Act of 1975, title V
7 of the Rehabilitation Act of 1973 (29 U.S.C. 791 et
8 seq.), title IX of the Education Amendments of
9 1972, or title VI of the Civil Rights Act of 1964, as
10 may be applicable; or

11 (3) take such other action as may be provided
12 by law.

13 (c) ACTION OF ATTORNEY GENERAL.—When a mat-
14 ter is referred to the Attorney General pursuant to sub-
15 section (b)(1), or whenever the Attorney General has rea-
16 son to believe that a State or other recipient of funds
17 under this title is engaged in a pattern or practice of dis-
18 crimination in violation of a provision of law referred to
19 in subsection (a)(1) or in violation of paragraph (2), (3),
20 (4), or (5) of subsection (a), the Attorney General may
21 bring a civil action in any appropriate district court of the
22 United States for such relief as may be appropriate, in-
23 cluding injunctive relief.

24 (d) JOB CORPS MEMBERS.—For purposes of this sec-
25 tion, Job Corps members shall be considered as the ulti-

1 mate beneficiaries of an education program or activity re-
2 ceiving Federal financial assistance.

3 **SEC. 379. ADMINISTRATIVE PROVISIONS.**

4 (a) IN GENERAL.—The Secretary may, in accordance
5 with chapter 5 of title 5, United States Code, prescribe
6 rules and regulations to carry out this title to the extent
7 necessary to implement, administer, and ensure compli-
8 ance with the requirements of this title. Such rules and
9 regulations may include provisions making adjustments
10 authorized by section 6504 of title 31, United States Code.
11 All such rules and regulations shall be published in the
12 Federal Register at least 30 days prior to their effective
13 dates. Copies of each such rule or regulation shall be
14 transmitted to the appropriate committees of Congress on
15 the date of such publication and shall contain, with respect
16 to each material provision of such rule or regulation, a
17 citation to the particular substantive section of law that
18 is the basis for the provision.

19 (b) ACQUISITION OF CERTAIN PROPERTY AND SERV-
20 ICES.—The Secretary is authorized, in carrying out this
21 title, to accept, purchase, or lease in the name of the De-
22 partment of Labor, and employ or dispose of in further-
23 ance of the purposes of this title, any money or property,
24 real, personal, or mixed, tangible or intangible, received
25 by gift, devise, bequest, or otherwise, and to accept vol-

1 untary and uncompensated services notwithstanding the
2 provisions of section 1342 of title 31, United States Code.

3 (c) AUTHORITY TO ENTER INTO CERTAIN AGREE-
4 MENTS AND TO MAKE CERTAIN EXPENDITURES.—The
5 Secretary may make such grants, enter into such con-
6 tracts or agreements, establish such procedures, and make
7 such payments, in installments and in advance or by way
8 of reimbursement, or otherwise allocate or expend such
9 funds under this title, as may be necessary to carry out
10 this title, including making expenditures for construction,
11 repairs, and capital improvements, and including making
12 necessary adjustments in payments on account of over-
13 payments or underpayments.

14 (d) ANNUAL REPORT.—The Secretary shall prepare
15 and submit to Congress an annual report regarding the
16 programs and activities carried out under this title. The
17 Secretary shall include in such report—

18 (1) a summary of the achievements, failures,
19 and problems of the programs and activities in meet-
20 ing the objectives of this title;

21 (2) a summary of major findings from research,
22 evaluations, pilot projects, and experiments con-
23 ducted under this title in the fiscal year prior to the
24 submission of the report;

1 (3) recommendations for modifications in the
2 programs and activities based on analysis of such
3 findings; and

4 (4) such other recommendations for legislative
5 or administrative action as the Secretary determines
6 to be appropriate.

7 (e) UTILIZATION OF SERVICES AND FACILITIES.—

8 The Secretary is authorized, in carrying out this title,
9 under the same procedures as are applicable under sub-
10 section (c) or to the extent permitted by law other than
11 this title, to accept and use the services and facilities of
12 departments, agencies, and establishments of the United
13 States. The Secretary is also authorized, in carrying out
14 this title, to accept and use the services and facilities of
15 the agencies of any State or political subdivision of a
16 State, with the consent of the State or political subdivi-
17 sion.

18 (f) OBLIGATIONAL AUTHORITY.—Notwithstanding
19 any other provision of this title, the Secretary shall have
20 no authority to enter into contracts, grant agreements, or
21 other financial assistance agreements under this title ex-
22 cept to such extent and in such amounts as are provided
23 in advance in appropriations Acts.

24 (g) PROGRAM YEAR.—

1 (1) IN GENERAL.—Appropriations for any fiscal
2 year for programs and activities carried out under
3 this title shall be available for obligation only on the
4 basis of a program year. The program year shall
5 begin on July 1 in the fiscal year for which the ap-
6 propriation is made.

7 (2) AVAILABILITY.—Funds obligated for any
8 program year for a program or activity carried out
9 under this title may be expended by each State re-
10 ceiving such funds during that program year and the
11 2 succeeding program years. Funds received by local
12 areas from States under this title during a program
13 year may be expended during that program year and
14 the succeeding program year. No amount of the
15 funds described in this paragraph shall be
16 deobligated on account of a rate of expenditure that
17 is consistent with a State plan, an operating plan
18 described in section 341, or a plan, grant agreement,
19 contract, application, or other agreement described
20 in subtitle C, as appropriate.

21 (h) ENFORCEMENT OF MILITARY SELECTIVE SERV-
22 ICE ACT.—The Secretary shall ensure that each individual
23 participating in any program or activity established under
24 this title, or receiving any assistance or benefit under this
25 title, has not violated section 3 of the Military Selective

1 Service Act (50 U.S.C. App. 453) by not presenting and
2 submitting to registration as required pursuant to such
3 section. The Director of the Selective Service System shall
4 cooperate with the Secretary to enable the Secretary to
5 carry out this subsection.

6 (i) WAIVERS.—

7 (1) SPECIAL RULE.—With respect to a State
8 that has been granted a waiver under the provisions
9 relating to training and employment services of the
10 Department of Labor in title I of the Departments
11 of Labor, Health and Human Services, and Edu-
12 cation, and Related Agencies Appropriations Act,
13 1997 (Public Law 104–208; 110 Stat. 3009–234),
14 the authority provided under such waiver shall con-
15 tinue in effect and apply, and include a waiver of the
16 related provisions of subtitle A and this subtitle, for
17 the duration of the initial waiver.

18 (2) GENERAL AUTHORITY.—Notwithstanding
19 any other provision of law, the Secretary may waive
20 for a State, or a local area in a State, pursuant to
21 a request submitted by the Governor of the State (in
22 consultation with appropriate local elected officials)
23 that meets the requirements of paragraph (3)—

24 (A) any of the statutory or regulatory re-
25 quirements of subtitle A or this subtitle (except

1 for requirements relating to wage and labor
2 standards, worker rights, participation and pro-
3 tection of participants, grievance procedures
4 and judicial review, nondiscrimination, alloca-
5 tion of funds to local areas, eligibility of provid-
6 ers or participants, and the establishment and
7 functions of local areas); and

8 (B) any of the statutory or regulatory re-
9 quirements of sections 8 through 10 of the
10 Wagner-Peyser Act (29 U.S.C. 49g through
11 49i) (excluding requirements relating to the
12 provision of services to unemployment insurance
13 claimants (including veterans) but including re-
14 porting requirements relating to such provision
15 of services, and excluding requirements relating
16 to universal access to basic labor exchange serv-
17 ices without cost to jobseekers).

18 (3) REQUESTS.—A Governor requesting a waiv-
19 er under paragraph (2) shall submit a plan to the
20 Secretary to improve the statewide workforce invest-
21 ment system that—

22 (A) identifies the statutory or regulatory
23 requirements that are requested to be waived
24 and the goals that the State or local area in the

1 State, as appropriate, intends to achieve as a
2 result of the waiver;

3 (B) describes the actions that the State or
4 local area, as appropriate, has undertaken to
5 remove State or local statutory or regulatory
6 barriers;

7 (C) describes the goals of the waiver and
8 the expected programmatic outcomes if the re-
9 quest is granted;

10 (D) describes the individuals impacted by
11 the waiver; and

12 (E) describes the process used to monitor
13 the progress in implementing such a waiver,
14 and the process by which notice and an oppor-
15 tunity to comment on such request has been
16 provided to the organizations identified in sec-
17 tion 308(b)(2).

18 (4) CONDITIONS.—Not later than 90 days after
19 the date of the original submission of a request for
20 a waiver under paragraph (2), the Secretary shall
21 provide a waiver under this subsection if and only to
22 the extent that—

23 (A) the Secretary determines that the re-
24 quirements requested to be waived impede the
25 ability of the State or local area, as appro-

1 priate, to implement the plan described in para-
2 graph (3); and

3 (B) the State has executed a memorandum
4 of understanding with the Secretary requiring
5 such State to meet, or ensure that the local
6 area meets, agreed-upon outcomes and to im-
7 plement other appropriate measures to ensure
8 accountability.

9 **SEC. 380. STATE LEGISLATIVE AUTHORITY.**

10 (a) **AUTHORITY OF STATE LEGISLATURE.**—Nothing
11 in this title shall be interpreted to preclude the enactment
12 of State legislation providing for the implementation, con-
13 sistent with the provisions of this title, of the activities
14 assisted under this title. Any funds received by a State
15 under this title shall be subject to appropriation by the
16 State legislature, consistent with the terms and conditions
17 required under this title.

18 (b) **INTERSTATE COMPACTS AND COOPERATIVE**
19 **AGREEMENTS.**—In the event that compliance with provi-
20 sions of this title would be enhanced by compacts and co-
21 operative agreements between States, the consent of Con-
22 gress is given to States to enter into such compacts and
23 agreements to facilitate such compliance, subject to the
24 approval of the Secretary.

Subtitle E—Repeals and Conforming Amendments

SEC. 391. REPEALS.

(a) GENERAL IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95–250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.), except section 738 of such title (42 U.S.C. 11448).

(6) Subchapter I of chapter 421 of title 49, United States Code.

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(2) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.),

1 except subtitle B and section 738 of such title (42
2 U.S.C. 11431 et seq. and 11448).

3 **SEC. 392. CONFORMING AMENDMENTS.**

4 (a) PREPARATION.—After consultation with the ap-
5 propriate committees of Congress and the Director of the
6 Office of Management and Budget, the Secretary shall
7 prepare recommended legislation containing technical and
8 conforming amendments to reflect the changes made by
9 this subtitle.

10 (b) SUBMISSION TO CONGRESS.—Not later than 6
11 months after the date of enactment of this Act, the Sec-
12 retary shall submit to Congress the recommended legisla-
13 tion referred to under paragraph (1).

14 **SEC. 393. EFFECTIVE DATES.**

15 (a) IMMEDIATE REPEALS.—The repeals made by sec-
16 tion 391(a) shall take effect on the date of the enactment
17 of this Act.

18 (b) SUBSEQUENT REPEALS.—The repeals made by
19 section 391(b) shall take effect on July 1, 1999.

20 **TITLE IV—WORKFORCE INVEST-**
21 **MENT-RELATED ACTIVITIES**

22 **Subtitle A—Wagner-Peyser Act**

23 **SEC. 401. DEFINITIONS.**

24 Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a)
25 is amended—

1 (1) in paragraph (1)—

2 (A) by striking “or officials”; and

3 (B) by striking “Job Training Partnership
4 Act” and inserting “Workforce Investment
5 Partnership Act of 1997”;

6 (2) by striking paragraphs (2) and (4);

7 (3) by redesignating paragraphs (3) and (5) as
8 paragraphs (5) and (6), respectively;

9 (4) by inserting after paragraph (1) the follow-
10 ing:

11 “(2) the term ‘local workforce investment area’
12 means a local workforce investment area designated
13 under section 307 of the Workforce Investment
14 Partnership Act of 1997;

15 “(3) the term ‘local workforce investment part-
16 nership’ means a local workforce investment partner-
17 ship established under section 308 of the Workforce
18 Investment Partnership Act of 1997;

19 “(4) the term ‘one-stop customer service sys-
20 tem’ means a one-stop customer service system es-
21 tablished under section 315(b) of the Workforce In-
22 vestment Partnership Act of 1997;” and

23 (5) in paragraph (5) (as redesignated in para-
24 graph (3)), by striking the semicolon and inserting
25 “; and”.

1 **SEC. 402. FUNCTIONS.**

2 (a) IN GENERAL.—Section 3(a) of the Wagner-
3 Peyser Act (29 U.S.C. 49b(a)) is amended to read as fol-
4 lows:

5 “(a) The Secretary shall—

6 “(1) assist in the coordination and development
7 of a nationwide system of public labor exchange
8 services, provided as part of the one-stop customer
9 service systems of the States;

10 “(2) assist in the development of continuous
11 improvement models for such nationwide system that
12 ensure private sector satisfaction with the system
13 and meet the demands of jobseekers relating to the
14 system; and

15 “(3) ensure, for individuals otherwise eligible to
16 receive unemployment compensation, the provision of
17 reemployment services and other activities in which
18 the individuals are required to participate to receive
19 the compensation.”.

20 (b) CONFORMING AMENDMENTS.—Section 508(b)(1)
21 of the Unemployment Compensation Amendments of 1976
22 (42 U.S.C. 603a(b)(1)) is amended—

23 (1) by striking “the third sentence of section
24 3(a)” and inserting “section 3(b)”; and

25 (2) by striking “49b(a)” and inserting
26 “49b(b))”.

1 **SEC. 403. DESIGNATION OF STATE AGENCIES.**

2 Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c)
3 is amended—

4 (1) by striking “, through its legislature,” and
5 inserting “, pursuant to State statute,”;

6 (2) by inserting after “the provisions of this Act
7 and” the following: “, in accordance with such State
8 statute, the Governor shall”; and

9 (3) by striking “United States Employment
10 Service” and inserting “Secretary”.

11 **SEC. 404. APPROPRIATIONS.**

12 Section 5(c) of the Wagner-Peyser Act (29 U.S.C.
13 49d(c)) is amended by striking paragraph (3).

14 **SEC. 405. DISPOSITION OF ALLOTTED FUNDS.**

15 Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f)
16 is amended—

17 (1) in subsection (b)(2), by striking “private in-
18 dustry council” and inserting “local workforce in-
19 vestment partnership”;

20 (2) in subsection (c)(2), by striking “any pro-
21 gram under” and all that follows and inserting “any
22 workforce investment activity carried out under the
23 Workforce Investment Partnership Act of 1997.”;

24 (3) in subsection (d)—

25 (A) by striking “United States Employ-
26 ment Service” and inserting “Secretary”; and

1 (B) by striking “Job Training Partnership
2 Act” and inserting “Workforce Investment
3 Partnership Act of 1997”; and

4 (4) by adding at the end the following:

5 “(e) All job search, placement, recruitment, labor
6 market information, and other labor exchange services au-
7 thorized under subsection (a) shall be provided as part of
8 the one-stop customer service system established by the
9 State.”.

10 **SEC. 406. STATE PLANS.**

11 Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g)
12 is amended—

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

14 “(a) Any State desiring to receive assistance under
15 this Act shall submit to the Secretary, as part of the State
16 plan submitted under section 304 of the Workforce Invest-
17 ment Partnership Act of 1997, detailed plans for carrying
18 out the provisions of this Act within such State.”;

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

20 (3) by redesignating subsection (d) as sub-
21 section (b); and

22 (4) by adding at the end the following:

23 “(c) The part of the State plan described in sub-
24 section (a) shall include the information described in para-

1 graphs (8) and (16) of section 304(b) of the Workforce
 2 Investment Partnership Act of 1997.”.

3 **SEC. 407. REPEAL OF FEDERAL ADVISORY COUNCIL.**

4 Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j)
 5 is hereby repealed.

6 **SEC. 408. REGULATIONS.**

7 Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k)
 8 is amended by striking “The Director, with the approval
 9 of the Secretary of Labor,” and inserting “The Sec-
 10 retary”.

11 **SEC. 409. LABOR MARKET INFORMATION.**

12 The Wagner-Peyser Act is amended—

13 (1) by redesignating section 15 (29 U.S.C. 49
 14 note) as section 16; and

15 (2) by inserting after section 14 (29 U.S.C.
 16 49l–1) the following:

17 **“SEC. 15. LABOR MARKET INFORMATION.**

18 **“(a) SYSTEM CONTENT.—**

19 **“(1) IN GENERAL.—**The Secretary, in accord-
 20 **ance with the provisions of this section, shall oversee**
 21 **the development, maintenance, and continuous im-**
 22 **provement of a system of labor market information**
 23 **that includes—**

24 **“(A) statistical data from cooperative sta-**
 25 **tistical survey and projection programs and**

1 data from administrative reporting systems
2 that, taken together, enumerate, estimate, and
3 project the employment opportunities at the na-
4 tional, State, and local levels in a timely man-
5 ner, including data on—

6 “(i) employment and unemployment
7 status of the national, State, and local
8 populations, as such data are developed by
9 the Bureau of Labor Statistics and other
10 sources;

11 “(ii) industrial distribution of occupa-
12 tions, as well as current and projected em-
13 ployment opportunities and skill trends by
14 occupation and industry, with particular
15 attention paid to State and local employ-
16 ment opportunities;

17 “(iii) data on the incidence of, indus-
18 trial and geographical location of, and
19 number of workers displaced by, perma-
20 nent layoffs and plant closings; and

21 “(iv) employee information maintained
22 in a longitudinal manner and collected (as
23 of the date of enactment of the Workforce
24 Investment Partnership Act of 1997) by
25 States;

1 “(B) State and local employment informa-
2 tion, and other appropriate statistical data re-
3 lated to labor market dynamics (compiled for
4 States and localities with technical assistance
5 provided by the Secretary), which shall—

6 “(i) be current and comprehensive, as
7 of the date used;

8 “(ii) assist individuals to make in-
9 formed choices relating to employment and
10 training; and

11 “(iii) assist employers to locate, iden-
12 tify skill traits of, and train individuals
13 who are seeking employment and training;

14 “(C) technical standards (which the Sec-
15 retary shall make publicly available) for data
16 and information described in subparagraphs (A)
17 and (B) that, at a minimum, meet the criteria
18 of chapter 35 of title 44, United States Code;

19 “(D) procedures to ensure compatibility
20 and additivity of the data and information de-
21 scribed in subparagraphs (A) and (B) from na-
22 tional, State, and local levels;

23 “(E) procedures to support standardization
24 and aggregation of data from administrative re-

1 porting systems described in subparagraph (A)
2 of employment-related programs;

3 “(F) analysis of data and information de-
4 scribed in subparagraphs (A) and (B) for uses
5 such as State and local policymaking;

6 “(G) wide dissemination of such data, in-
7 formation, and analysis, training for users of
8 the data, information, and analysis, and vol-
9 untary technical standards for dissemination
10 mechanisms; and

11 “(H) programs of—

12 “(i) research and demonstration; and

13 “(ii) technical assistance for States
14 and localities.

15 “(2) INFORMATION TO BE CONFIDENTIAL.—

16 “(A) IN GENERAL.—No officer or em-
17 ployee of the Federal Government or agent of
18 the Federal Government may—

19 “(i) use any submission that is fur-
20 nished for exclusively statistical purposes
21 under the provisions of this section for any
22 purpose other than the statistical purposes
23 for which the submission is furnished;

24 “(ii) make any publication or media
25 transmittal of the data contained in the

1 submission described in clause (i) that per-
2 mits information concerning individual
3 subjects to be reasonably inferred by either
4 direct or indirect means; or

5 “(iii) permit anyone other than a
6 sworn officer, employee, or agent of any
7 Federal department or agency, or a con-
8 tractor (including an employee of a con-
9 tractor) of such department or agency, to
10 examine an individual submission described
11 in clause (i);

12 without the consent of the individual, agency, or
13 other person who is the subject of the submis-
14 sion or provides that submission.

15 “(B) IMMUNITY FROM LEGAL PROCESS.—
16 Any submission (including any data derived
17 from the submission) that is collected and re-
18 tained by a Federal department or agency, or
19 an officer, employee, agent, or contractor of
20 such a department or agency, for exclusively
21 statistical purposes under this section shall be
22 immune from the legal process and shall not,
23 without the consent of the individual, agency, or
24 other person who is the subject of the submis-
25 sion or provides that submission, be admitted

1 as evidence or used for any purpose in any ac-
2 tion, suit, or other judicial or administrative
3 proceeding.

4 “(C) CONSTRUCTION.—Nothing in this
5 section shall be construed to provide immunity
6 from the legal process for such submission (in-
7 cluding any data derived from the submission)
8 if the submission is in the possession of any
9 person, agency, or entity other than the Federal
10 Government or an officer, employee, agent, or
11 contractor of the Federal Government, or if the
12 submission is independently collected, retained,
13 or produced for purposes other than the pur-
14 poses of this Act.

15 “(b) SYSTEM RESPONSIBILITIES.—

16 “(1) IN GENERAL.—The labor market informa-
17 tion system shall be planned, administered, overseen,
18 and evaluated through a cooperative governance
19 structure involving the Federal Government and
20 States.

21 “(2) DUTIES.—The Secretary, with respect to
22 data collection, analysis, and dissemination of labor
23 market information for the system, shall carry out
24 the following duties:

1 “(A) Assign responsibilities within the De-
2 partment of Labor for elements of the system
3 described in subsection (a) to ensure that all
4 statistical and administrative data collected is
5 consistent with appropriate Bureau of Labor
6 Statistics standards and definitions.

7 “(B) Actively seek the cooperation of other
8 Federal agencies to establish and maintain
9 mechanisms for ensuring complementarity and
10 nonduplication in the development and oper-
11 ation of statistical and administrative data col-
12 lection activities.

13 “(C) Eliminate gaps and duplication in
14 statistical undertakings, with the systemization
15 of wage surveys as an early priority.

16 “(D) In collaboration with the Bureau of
17 Labor Statistics and States, develop and main-
18 tain the elements of the system described in
19 subsection (a), including the development of
20 consistent definitions for use by the States in
21 collecting the data and information described in
22 subparagraphs (A) and (B), of subsection
23 (a)(1) and the development of the annual plan
24 under subsection (c).

1 “(E) Establish procedures for the system
2 to ensure that—

3 “(i) such data and information are
4 timely;

5 “(ii) administrative records for the
6 system are consistent in order to facilitate
7 aggregation of such data and information;

8 “(iii) paperwork and reporting for the
9 system are reduced to a minimum; and

10 “(iv) States and localities are fully in-
11 volved in the maintenance and continuous
12 improvement of the system at the State
13 and local levels.

14 “(c) ANNUAL PLAN.—The Secretary, with the assist-
15 ance of the States and the Bureau of Labor Statistics,
16 and with the assistance of other appropriate Federal agen-
17 cies, shall prepare an annual plan which shall be the mech-
18 anism for achieving cooperative management of the na-
19 tionwide labor market information system described in
20 subsection (a) and the statewide labor market information
21 systems that comprise the nationwide system. The plan
22 shall—

23 “(1)(A) describe the elements of the system de-
24 scribed in subsection (a), including standards, defini-
25 tions, formats, collection methodologies, and other

1 necessary system elements, for use in collecting data
2 and information described in subparagraphs (A) and
3 (B) of subsection (a)(1); and

4 “(B) include assurances that—

5 “(i) the data will be timely and detailed;

6 “(ii) administrative records will be stand-
7 ardized to facilitate the aggregation of the data
8 from local areas to State and national levels
9 and to support the creation of new statistical
10 series from program records; and

11 “(iii) paperwork and reporting require-
12 ments for employers and individuals will be re-
13 duced;

14 “(2) include a report on the results of an an-
15 nual consumer satisfaction review concerning the
16 performance of the system, including the perform-
17 ance of the system in addressing the needs of Con-
18 gress, States, localities, employers, jobseekers, and
19 other consumers;

20 “(3) evaluate the performance of the system
21 and recommend needed improvements, taking into
22 consideration the results of the consumer satisfac-
23 tion review, with particular attention paid to the im-
24 provements needed at the State and local levels;

1 “(4) describe annual priorities, and priorities
2 over 5 years, for the system;

3 “(5) describe current (as of the date of the sub-
4 mission of the plan) spending and spending needs to
5 carry out activities under this section, including the
6 costs to States and localities of meeting the require-
7 ments of subsection (d)(2); and

8 “(6) describe the involvement of States in the
9 development of the plan, through formal consulta-
10 tions conducted by the Secretary in cooperation with
11 representatives of the Governors of every State, and
12 with representatives of local partnerships, pursuant
13 to a process established by the Secretary in coopera-
14 tion with the States.

15 “(d) STATE RESPONSIBILITIES.—

16 “(1) DESIGNATION OF STATE AGENCY.—In
17 order to receive Federal financial assistance under
18 this section, the Governor of a State—

19 “(A) shall designate a single State agency
20 to be responsible for the management of the
21 portions of the system described in subsection
22 (a) that comprise a statewide labor market in-
23 formation system; and

24 “(B) shall establish a process for the over-
25 sight of such system.

1 “(2) DUTIES.—In order to receive Federal fi-
2 nancial assistance under this section, the State agen-
3 cy shall—

4 “(A) consult with State and local employ-
5 ers, participants, and local partnerships about
6 the labor market relevance of the data to be col-
7 lected and disseminated through the statewide
8 labor market information system;

9 “(B) consult with State educational agen-
10 cies and local educational agencies concerning
11 providing labor market information in order to
12 meet the needs of secondary school and post-
13 secondary school students who seek such infor-
14 mation;

15 “(C) collect and disseminate for the sys-
16 tem, on behalf of the State and localities in the
17 State, the information and data described in
18 subparagraphs (A) and (B) of subsection
19 (a)(1);

20 “(D) maintain and continuously improve
21 the statewide labor market information system
22 in accordance with this section;

23 “(E) perform contract and grant respon-
24 sibilities for data collection, analysis, and dis-
25 semination for such system;

1 “(F) conduct such other data collection,
2 analysis, and dissemination activities as will en-
3 sure an effective statewide labor market infor-
4 mation system;

5 “(G) actively seek the participation of
6 other State and local agencies in data collec-
7 tion, analysis, and dissemination activities in
8 order to ensure complementarity, compatibility,
9 and usefulness of data;

10 “(H) participate in the development of the
11 annual plan described in subsection (c); and

12 “(I) utilize the quarterly records described
13 in section 321(e)(1) and section 312 to assist
14 the State and other States in measuring State
15 progress on State performance measures.

16 “(3) RULE OF CONSTRUCTION.—Nothing in
17 this section shall be construed as limiting the ability
18 of a State agency to conduct additional data collec-
19 tion, analysis, and dissemination activities with
20 State funds or with Federal funds from sources
21 other than this section.

22 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section
24 such sums as may be necessary for each of fiscal years
25 1999 through 2003.

1 “(f) DEFINITIONS.—In this section, the terms ‘local
2 area’ and ‘local partnership’ have the meanings given the
3 terms in section 2 of the Workforce Investment Partner-
4 ship Act of 1997.”.

5 **SEC. 410. TECHNICAL AMENDMENTS.**

6 Sections 3(b), 6(b)(1), and 7(d) of the Wagner
7 Peyser Act (29 U.S.C. 49b(b), 49e(b)(1), and 49f(d)) are
8 amended by striking “Secretary of Labor” and inserting
9 “Secretary”.

10 **Subtitle B—Linkages With Other**
11 **Programs**

12 **SEC. 421. TRADE ACT OF 1974.**

13 Section 241 of the Trade Act of 1974 (19 U.S.C.
14 2313) is amended by adding at the end the following:

15 “(d) To be eligible to receive funds under this section,
16 a State shall submit to the Secretary an application that
17 includes the description and information described in
18 paragraphs (8) and (16) of section 304(b) of the
19 Workforce Investment Partnership Act of 1997.”.

20 **SEC. 422. NATIONAL APPRENTICESHIP ACT.**

21 The Act of August 16, 1937 (commonly known as
22 the “National Apprenticeship Act”; 50 Stat. 664, chapter
23 663; 29 U.S.C. 50 et seq.) is amended by inserting after
24 section 3 the following:

1 **“SEC. 3A. COORDINATION AND NONDUPLICATION.**

2 “In carrying out this Act, the Secretary of Labor
3 shall require that an appropriate administrative entity in
4 each State enter into an agreement with the Secretary re-
5 garding the implementation of this Act that includes the
6 description and information described in paragraphs (8)
7 and (16) of section 304(b) of the Workforce Investment
8 Partnership Act of 1997.”.

9 **SEC. 423. VETERANS’ EMPLOYMENT PROGRAMS.**

10 Chapter 41 of title 38, United States Code, is amend-
11 ed by adding at the end the following:

12 **“§ 4110B. Coordination and nonduplication**

13 “In carrying out this chapter, the Secretary shall re-
14 quire that an appropriate administrative entity in each
15 State enter into an agreement with the Secretary regard-
16 ing the implementation of this Act that includes the de-
17 scription and information described in paragraphs (8) and
18 (16) of section 304(b) of the Workforce Investment Part-
19 nership Act of 1997.”.

20 **SEC. 424. OLDER AMERICANS ACT OF 1965.**

21 Section 502(b)(1) of the Older Americans Act of
22 1965 (42 U.S.C. 3056(b)(1)) is amended—

23 (1) in subparagraph (O), by striking “; and”
24 and inserting a semicolon;

25 (2) in subparagraph (P), by striking the period
26 and inserting “; and”; and

1 (3) by adding at the end the following subpara-
2 graph:

3 “(Q) will provide to the Secretary the descrip-
4 tion and information described in paragraphs (8)
5 and (16) of section 304(b) of the Workforce Invest-
6 ment Partnership Act of 1997.”.

7 **TITLE V—GENERAL PROVISIONS**

8 **SEC. 501. STATE UNIFIED PLANS.**

9 (a) PURPOSE.—The purpose of this section is to per-
10 mit and encourage the submission of State unified plans,
11 to assure coordination of and to avoid duplication between
12 the activities carried out through the one-stop customer
13 service systems.

14 (b) DEFINITIONS.—In this section:

15 (1) APPROPRIATE SECRETARY.—The term “ap-
16 propriate Secretary” means the head of the Federal
17 agency with authority to carry out a system pro-
18 gram.

19 (2) APPROPRIATE STATE AGENCY.—The term
20 “appropriate State agency”—

21 (A) used with respect to a system program
22 authorized under title I or II, means an eligible
23 agency; and

24 (B) used with respect to another system
25 program, means a State agency with authority

1 to carry out the system program, as specified
2 by the Governor of the State.

3 (3) SYSTEM PROGRAM.—The term “system pro-
4 gram” means a program of activities, carried out
5 through the one-stop customer service system, that
6 are—

7 (A) activities authorized under title I or II;

8 (B) workforce investment activities author-
9 ized under subtitle A of title III;

10 (C) other activities authorized under title
11 III;

12 (D) programs authorized under section
13 6(d) of the Food Stamp Act of 1977 (7 U.S.C.
14 2015(d));

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

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

21 (G) programs authorized under the Wag-
22 ner-Peyser Act (29 U.S.C. 49 et seq.);

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

1 (I) programs authorized under title I of
 2 the Rehabilitation Act of 1973 (29 U.S.C. 720
 3 et seq.);

4 (J) activities authorized under chapter 41
 5 of title 38, United States Code;

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

12 (L) programs authorized under part A of
 13 title IV of the Social Security Act (42 U.S.C.
 14 601 et seq.);

15 (M) programs authorized under title V of
 16 the Older Americans Act of 1965 (42 U.S.C.
 17 3056 et seq.); or

18 (N) training activities carried out by the
 19 Department of Housing and Urban Develop-
 20 ment.

21 (c) STATE UNIFIED PLAN.—A State may develop
 22 and submit to the appropriate Secretaries a State unified
 23 plan for 2 or more of the system programs.

24 (d) CONTENTS.—

25 (1) PLANNING PROVISIONS.—

1 (A) IN GENERAL.—In a State that elects
2 to develop a State unified plan, the plan shall
3 contain planning provisions, which shall be de-
4 veloped in a manner that substantially reflects
5 the planning requirements of the provisions of
6 the Federal statutes authorizing the system
7 programs.

8 (B) PLANNING REQUIREMENTS.—In sub-
9 paragraph (A), the term “planning require-
10 ments”, used with respect to a system program,
11 means such requirements as the appropriate
12 Secretary shall by regulation specify for the sys-
13 tem program.

14 (2) INFORMATION PROVISIONS.—In addition to
15 the planning provisions required to be included pur-
16 suant to paragraph (1), the plan shall include the
17 following:

18 (A) A description of the process used for
19 developing the State unified plan.

20 (B) A description of the process used to
21 consult the chief elected officials in the State
22 about the State unified plan.

23 (C) A description of the accountability sys-
24 tem of the State for activities carried out
25 through the one-stop customer service system.

1 (D) A description of how the one-stop cus-
2 tomer service system will provide the services
3 identified in the State unified plan through
4 such system.

5 (E) An assurance that the funds appro-
6 priated under Federal law to carry out the ac-
7 tivities identified in the State unified plan will
8 be used to supplement and not supplant other
9 Federal, State, and local public funds expended
10 to carry out the activities for eligible individ-
11 uals.

12 (e) DEVELOPMENT.—

13 (1) PLANNING PROVISIONS.—The provisions of
14 the plan described in subsection (d)(1) shall be de-
15 veloped by the statewide partnership. The portion of
16 the State unified plan relating to a system program
17 may be modified, as appropriate, with the agreement
18 of the Governor and the head of the appropriate
19 State agency with authority to carry out the system
20 program. The Governor and the head of the appro-
21 priate State agency shall have the final authority to
22 determine the content of the portion of the State
23 unified plan that relates to the system program.

24 (2) INFORMATION PROVISIONS.—The provisions
25 of the plan described in subsection (d)(2) shall be

1 developed by the statewide partnership, which shall
2 have the final authority to determine the content of
3 the provisions.

4 (f) SUBMISSION.—After the heads of the appropriate
5 State agencies approve the portions of the State unified
6 plan that relate to their system programs, the State uni-
7 fied plan shall be submitted to the appropriate Secretaries
8 by—

9 (1) the Governor; and

10 (2) an eligible agency, in the case of a plan con-
11 taining a portion relating to the system program of
12 the eligible agency.

13 (g) APPROVAL BY THE APPROPRIATE SECRETAR-
14 IES.—

15 (1) JURISDICTION.—Each of the appropriate
16 Secretaries shall have the authority to approve the
17 portion of the State unified plan relating to the sys-
18 tem program for which the Secretary has authority.
19 On the approval of the Secretary, the portion of the
20 plan relating to the system program shall be imple-
21 mented by the State pursuant to the State unified
22 plan.

23 (2) APPROVAL.—A portion of a State unified
24 plan submitted to an appropriate Secretary under
25 this section shall be considered to be approved by

1 the appropriate Secretary at the end of the 60-day
2 period beginning on the day the appropriate Sec-
3 retary receives the portion, unless the Secretary
4 makes a written determination, during the 60-day
5 period, that the portion does not substantially reflect
6 the planning requirements of the appropriate Fed-
7 eral statutes authorizing the system programs.

8 **SEC. 502. TRANSITION PROVISIONS.**

9 (a) IN GENERAL.—The Secretary of Education or the
10 Secretary of Labor, as appropriate, shall take such steps
11 as such Secretary determines to be appropriate to provide
12 for the orderly transition to the authority of this Act from
13 any authority under provisions of law to be repealed under
14 subtitle E of title I, subtitle B of title II, or subtitle E
15 of title III, or any related authority.

16 (b) EXTENDED TRANSITION PERIOD.—

17 (1) IN GENERAL.—If, on or before July 1,
18 1999, a State has enacted a State statute that pro-
19 vides for the establishment or conduct of 3 or more
20 of the programs, projects, or activities described in
21 subparagraphs (A) through (E) of paragraph (2),
22 the State shall not be required to comply with provi-
23 sions of this Act that conflict the provisions of with
24 such State statute relating to such programs,
25 projects, or activities for the period ending 3 years

1 after the effective date specified in section 503(a).
2 After such 3-year period, the Secretary of Education
3 or the Secretary of Labor, as appropriate, shall
4 allow a State to continue operating under such State
5 statute if the State is meeting the State performance
6 measures of the State.

7 (2) PROGRAMS, PROJECTS, AND ACTIVITIES DE-
8 SCRIBED.—The programs, projects, and activities
9 described in this paragraph are the following:

10 (A) Establishment of statewide partner-
11 ships or substate partnerships, including local
12 and regional partnerships.

13 (B) Reorganization or consolidation of
14 State agencies with responsibility for workforce
15 investment activities.

16 (C) Reorganization or consolidation of
17 workforce investment activities.

18 (D) Restructuring of local delivery systems
19 for workforce investment activities.

20 (E) Development or restructuring of State
21 accountability or oversight systems for
22 workforce investment systems to focus on per-
23 formance.

1 **SEC. 503. EFFECTIVE DATE.**

2 (a) IN GENERAL.—Except as otherwise provided in
3 this Act, this Act takes effect on July 1, 1999.

4 (b) EARLY IMPLEMENTATION.—At the option of a
5 State, the Governor of the State and the chief official of
6 the eligible agencies in the State may use funds made
7 available under a provision of law described in section
8 502(a), or any related authority to implement this Act at
9 any time prior to July 1, 1999.

○