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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, May 4, 1998, at 2 p.m.

Senate

FRIDAY, MAY 1, 1998

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

On this Friday, as we complete another week of work, we thank You, Sovereign God, for Your help in all the ups and downs of life, all the triumphs and defeats of political life, and all the challenges of leadership. You are our Lord in all seasons and for all reasons. We can come to You when life makes us glad or sad. There is no circumstance beyond Your control. Wherever we go, You are there waiting for us. You are already at work with people before we encounter them. You prepare solutions for our complexities, and You are ready to help us resolve conflicts even before we ask. And so, we claim Your promise given through Jeremiah, ''Call on Me, and I will answer you, and show great and mighty things, which you do not know.''—Jeremiah 33:3.

This morning, Lord, we accept the admonition of Scripture to pray for the peace of Jerusalem. We do that in a special way by joining in gratitude for the nation of Israel as it celebrates its fiftieth anniversary. Continue to bless this new nation and its strategic place in the Middle East. In Your Holy Name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. JEFFORDS. Mr. President, this morning the Senate will begin consideration of S. 1186, the job training partnership bill, also known as the Workforce Investment Partnership Act. This will be taken up under a previous consent agreement. That agreement allows for 4 hours of debate divided equally among several amendments to be offered to the job training bill.

At the conclusion of the consideration of S. 1186, the Senate will begin a period of morning business, with Senator COVERDELL controlling 1 hour and Senator DASCHLE or his designee controlling 1 hour.

Members are reminded that no rollcall votes will occur during today's session, and any votes ordered with respect to the job training bill will be postponed, to occur at 5:30 p.m. on Tuesday, May 5.

As a further reminder, on Monday, May 4, the Senate will begin consideration of the IRS reform bill. It is hoped that Members will come to the floor on Monday to debate and to offer amendments to this important piece of legislation. Once again, as with the job training bill, any votes ordered with respect to the IRS reform bill will be stacked, to occur at 5:30 on Tuesday.

I thank my colleagues for their attention.

WORKFORCE INVESTMENT PARTNERSHIP ACT OF 1997

The PRESIDING OFFICER (Mr. ALLARD). The Chair lays before the Senate S. 1186.

The assistant legislative clerk read as follows:

A bill (S. 1186) to provide for education and training and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Workforce Investment Partnership Act of 1997''.

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

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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CHAPTER 3—LOCAL PROVISIONS
Sec. 131. Distribution for secondary school vocational education.
Sec. 132. Distribution for postsecondary vocational education.
Sec. 133. Local activities.
Sec. 134. Local application.
Subtitle B—Tech-Prep Education
Sec. 151. Short title.
Sec. 152. Purposes.
Sec. 153. Definitions.
Sec. 154. Program authorized.
Sec. 155. Tech-prep education programs.
Sec. 156. Applications.
Sec. 157. Authorization of appropriations.
Subtitle C—General Provisions
Sec. 161. Administrative provisions.
Sec. 162. Evaluation, improvement, and accountability.
Sec. 163. National activities.
Sec. 164. National assessment of vocational education programs.
Sec. 165. National research center.
Sec. 166. Data systems.
Subtitle D—Authorization of Appropriations
Sec. 171. Authorization of appropriations.
Subtitle E—Repeal
Sec. 181. Repeal.
TITLE II—ADULT EDUCATION AND LITERACY
Sec. 201. Short title.
Sec. 202. Findings and purpose.
Subtitle A—Adult Education and Literacy Programs
CHAPTER 1—FEDERAL PROVISIONS
Sec. 211. Reservation; grants to States; allotments.
Sec. 212. Performance measures and expected levels of performance.
Sec. 213. National leadership activities.
CHAPTER 2—STATE PROVISIONS
Sec. 221. State administration.
Sec. 222. State distribution of funds; State share.
Sec. 223. State leadership activities.
Sec. 224. State plan.
Sec. 225. Programs for corrections education and other institutionalized individuals.
CHAPTER 3—LOCAL PROVISIONS
Sec. 231. Grants and contracts for eligible providers.
Sec. 232. Local application.
Sec. 233. Local administrative cost limits.
CHAPTER 4—GENERAL PROVISIONS
Sec. 241. Administrative provisions.
Sec. 242. Priorities and preferences.
Sec. 243. Incentive grants.
Sec. 244. Evaluation, improvement, and accountability.
Sec. 245. National Institute for Literacy.
Sec. 246. Authorization of appropriations.
Subtitle B—Repeal
Sec. 251. Repeal.
TITLE III—WORKFORCE INVESTMENT AND RELATED ACTIVITIES
Subtitle A—Workforce Investment Activities
CHAPTER 1—ALLOTMENTS TO STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES, DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES, AND YOUTH ACTIVITIES
Sec. 301. General authorization.
Sec. 302. State allotments.
Sec. 303. Statewide partnership.
Sec. 304. State plan.
CHAPTER 2—ALLOCATIONS TO LOCAL WORKFORCE INVESTMENT AREAS
Sec. 306. Within State allocations.
Sec. 307. Local workforce investment areas.
Sec. 308. Local workforce investment partnerships and youth partnerships.
Sec. 309. Local plan.
CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES AND PROVIDERS
Sec. 311. Identification and oversight of one-stop partners and one-stop customer service center operators.
Sec. 312. Determination and identification of eligible providers of training services by program.
Sec. 313. Identification of eligible providers of youth activities.
Sec. 314. Statewide workforce investment activities.
Sec. 315. Local employment and training activities.
Sec. 316. Local youth activities.
CHAPTER 4—GENERAL PROVISIONS
Sec. 321. Accountability.
Sec. 322. Authorization of appropriations.
Subtitle B—Job Corps
Sec. 331. Purposes.
Sec. 332. Definitions.
Sec. 333. Establishment.
Sec. 334. Individuals eligible for the Job Corps.
Sec. 335. Recruitment, screening, selection, and assignment of enrollees.
Sec. 336. Enrollment.
Sec. 337. Job Corps centers.
Sec. 338. Program activities.
Sec. 339. Counseling and job placement.
Sec. 340. Support.
Sec. 341. Operating plan.
Sec. 342. Standards of conduct.
Sec. 343. Community participation.
Sec. 344. Industry councils.
Sec. 345. Advisory committees.
Sec. 346. Experimental, research, and demonstration projects.
Sec. 347. Application of provisions of Federal law.
Sec. 348. Special provisions.
Sec. 349. Management information.
Sec. 350. General provisions.
Sec. 351. Authorization of appropriations.
Subtitle C—National Programs
Sec. 361. Native American programs.
Sec. 362. Migrant and seasonal farmworker programs.
Sec. 363. Veterans' workforce investment programs.
Sec. 364. Youth opportunity grants.
Sec. 365. Incentive grants.
Sec. 366. Technical assistance.
Sec. 367. Demonstration, pilot, multiservice, research, and multistate projects.
Sec. 368. Evaluations.
Sec. 369. National emergency grants.
Sec. 370. Authorization of appropriations.
Subtitle D—Administration
Sec. 371. Requirements and restrictions.
Sec. 372. Prompt allocation of funds.
Sec. 373. Monitoring.
Sec. 374. Fiscal controls; sanctions.
Sec. 375. Reports; recordkeeping; investigations.
Sec. 376. Administrative adjudication.
Sec. 377. Judicial review.
Sec. 378. Nondiscrimination.
Sec. 379. Administrative provisions.
Sec. 380. State legislative authority.
Subtitle E—Repeals and Conforming Amendments
Sec. 391. Repeals.
Sec. 392. Conforming amendments.
Sec. 393. Effective dates.
TITLE IV—WORKFORCE INVESTMENT-RELATED ACTIVITIES
Subtitle A—Wagner-Peyser Act
Sec. 401. Definitions.
Sec. 402. Functions.
Sec. 403. Designation of State agencies.
Sec. 404. Appropriations.
Sec. 405. Disposition of allotted funds.
Sec. 406. State plans.
Sec. 407. Repeal of Federal Advisory Council.
Sec. 408. Regulations.
Sec. 409. Labor market information.
Sec. 410. Technical amendments.
Subtitle B—Linkages With Other Programs
Sec. 421. Trade Act of 1974.
Sec. 422. National Apprenticeship Act.
Sec. 423. Veterans' employment programs.
Sec. 424. Older Americans Act of 1965.
TITLE V—GENERAL PROVISIONS
Sec. 501. State unified plans.
Sec. 502. Transition provisions.
Sec. 503. Effective date.

SEC. 2. DEFINITIONS.

In this Act:

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

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

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

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

(C) who—

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

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

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

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

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

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

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

(D) the department or division of a junior college, community college, or university operating under the policies of the eligible agency and that provides vocational education in not fewer than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed public secondary school and individuals who have left public secondary school.

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

(5) DISADVANTAGED ADULT.—In title III, and except as provided in section 302, the term ''disadvantaged adult'' means an adult who is a low-income individual.

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

(A)(i) has been terminated or laid off, or who has received a notice of termination or layoff, from employment;

(ii)(I) is eligible for or has exhausted entitlement to unemployment compensation; or

(II) has been employed for a duration sufficient to demonstrate, to the appropriate entity at a one-stop customer service center, attachment to the workforce, but is not eligible for unemployment compensation due to insufficient earnings or having performed services for an

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

(iii) is unlikely to return to a previous industry or occupation;

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

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

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

(C) was self-employed (including employment as a farmer, a rancher, or a fisherman) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; or

(D) is a displaced homemaker.

(7) DISPLACED HOMEMAKER.—The term ''displaced homemaker'' means an individual who has been providing unpaid services to family members in the home and who—

(A) has been dependent on the income of another family member but is no longer supported by that income; and

(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(8) ECONOMIC DEVELOPMENT AGENCIES.—The term ''economic development agencies'' includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

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

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

(11) ELIGIBLE AGENCY.—The term ''eligible agency'' means—

(A) in the case of vocational education activities or requirements described in title I—

(i) the individual, entity, or agency in a State or an outlying area responsible for administering or setting policy for vocational education in the State or outlying area, respectively, pursuant to the law of the State or outlying area, respectively; or

(ii) if no individual, entity, or agency is responsible for administering or setting such policy pursuant to the law of the State or outlying area, the individual, entity, or agency in a State or outlying area, respectively, responsible for administering or setting policy for vocational education in the State or outlying area, respectively, on the date of enactment of the Workforce Investment Partnership Act of 1997; and

(B) in the case of adult education and literacy activities or requirements described in title II—

(i) the individual, entity, or agency in a State or an outlying area responsible for administering or setting policy for adult education and literacy in the State or outlying area, respectively, pursuant to the law of the State or outlying area, respectively; or

(ii) if no individual, entity, or agency is responsible for administering or setting such policy pursuant to the law of the State or outlying area, the individual, entity, or agency in a State or outlying area, respectively, responsible for administering or setting policy for adult education and literacy in the State or outlying area, respectively, on the date of enactment of the Workforce Investment Partnership Act of 1997.

(12) ELIGIBLE INSTITUTION.—In title I, the term ''eligible institution'' means—

(A) an institution of higher education;

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

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

(D) a postsecondary educational institution 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;

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

(iii) other workforce investment activities, means a public or private entity selected to be responsible for such activities, in accordance with subtitle A of title III, such as a one-stop customer service center operator designated or certified under section 311.

(14) EMPLOYMENT AND TRAINING ACTIVITY.—The term ''employment and training activity'' means an activity described in section 314(b)(1) or subsection (c)(1) or (d) of section 315, carried out for an adult or dislocated worker.

(15) ENGLISH LITERACY PROGRAM.—The term ''English literacy program'' means a program of instruction designed to help individuals of limited English proficiency achieve competence in the English language.

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

(17) INDIVIDUAL WITH A DISABILITY.—

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

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

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

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

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

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

(20) LITERACY.—

(A) IN GENERAL.—The term ''literacy'' means an individual's ability to read, write, and speak in English, compute, and solve problems, at levels of proficiency necessary to function on the job and in society.

(B) WORKPLACE LITERACY PROGRAM.—The term ''workplace literacy program'' means a program of literacy activities that is offered in the workplace for the purpose of improving the productivity of the workforce through the improvement of literacy skills.

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

(22) LOCAL PARTNERSHIP.—In title III, the term ''local partnership'' means a local workforce investment partnership established under section 308(a).

(23) LOCAL PERFORMANCE MEASURE.—The term ''local performance measure'' means a performance measure established under section 321(b).

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

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

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

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

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

(C) is a member of a household that receives (or has been determined within the 6-month period prior to application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

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

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

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

(25) LOWER LIVING STANDARD INCOME LEVEL.—The term ''lower living standard income level'' means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor based on the most recent lower living family budget issued by the Secretary of Labor.

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

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

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

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

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

(28) OUT-OF-SCHOOL YOUTH.—The term ''out-of-school youth'' means—

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

(B) a youth who has received a secondary school diploma or its equivalent but is basic literacy skills deficient, unemployed, or underemployed.

(29) OUTLYING AREA.—The term ''outlying area'' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(30) PARTICIPANT.—The term ''participant'', used with respect to an activity carried out under title III, means an individual participating in the activity.

(31) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term ''postsecondary educational institution'' means—

(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

(B) a tribally controlled community college; or

(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

(32) POVERTY LINE.—The term ''poverty line'' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

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

(34) RAPID RESPONSE ACTIVITY.—In title III, the term ''rapid response activity'' means an activity provided by a State, or by an entity designated by a State, with funds provided by the State under section 306(a)(2), in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including—

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

(i) immediately after the State is notified of a current or projected permanent closure or mass layoff; or

(ii) in the case of a disaster, immediately after the State is made aware of mass job dislocation as a result of such disaster;

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

(C) assistance in establishing a labor-management 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.

(B) TITLE III.—In title III, the term ''Secretary'' means the Secretary of Labor.

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

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

(40) STATE PERFORMANCE MEASURE.—In title III, the term ''State performance measure'' means a performance measure established under section 321(a).

(41) STATEWIDE PARTNERSHIP.—The term ''statewide partnership'' means a partnership established under section 303.

(42) SUPPORTIVE SERVICES.—In title III, the term ''supportive services'' means services such as transportation, child care, dependent care, housing, and needs-based payments, that are necessary to enable an individual to participate in employment and training activities or youth activities.

(43) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term ''tribally controlled community college'' means an institution that receives assistance under the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Act (25 U.S.C. 640a et seq.).

(44) UNIT OF GENERAL LOCAL GOVERNMENT.—In title III, the term ''unit of general local government'' means any general purpose political subdivision of a State that has the power to levy taxes and spend funds, as well as general corporate and police powers.

(45) VETERAN; RELATED DEFINITIONS.—

(A) VETERAN.—The term ''veteran'' means an individual who served in the active military, naval, or air service, and who was discharged or released from such service under conditions other than dishonorable.

(B) DISABLED VETERAN.—The term ''disabled veteran'' means—

(i) a veteran who is entitled to compensation under laws administered by the Secretary of Veterans Affairs; or

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

(C) RECENTLY SEPARATED VETERAN.—The term ''recently separated veteran'' means any veteran who applies for participation under title III within 48 months of the discharge or release from active military, naval, or air service.

(D) VIETNAM ERA VETERAN.—The term ''Vietnam era veteran'' means a veteran any part of whose active military, naval, or air service occurred between August 5, 1964, and May 7, 1975.

(46) VOCATIONAL EDUCATION.—The term ''vocational education'' means organized education that—

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

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

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

(48) WORKFORCE INVESTMENT ACTIVITY.—The term ''workforce investment activity'' means an employment and training activity, a youth activity, and an activity described in section 314.

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

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

(B) is a low-income individual; and

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

(i) Deficient in basic literacy skills.

(ii) A school dropout.

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

(iv) Pregnant or a parent.

(v) An offender.

(vi) An individual who requires additional assistance to complete an educational program, or to secure and hold employment.

(50) YOUTH ACTIVITY.—The term ''youth activity'' means an activity described in section 316, carried out for youth.

(51) YOUTH PARTNERSHIP.—The term ''youth partnership'' means a partnership established under section 308(i).

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

SEC. 101. SHORT TITLE.

This title may be cited as the ''Carl D. Perkins Vocational and Applied Technology Education Act of 1997''.

SEC. 102. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

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

(A) a combination of strong basic and advanced academic skills;

(B) computer and other technical skills;

(C) theoretical knowledge;

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

(E) the ability to acquire additional knowledge and skills throughout a lifetime;

(2) students participating in vocational education can achieve challenging academic and technical skills, and may learn better and retain more, when the students learn in context, learn by doing, and have an opportunity to learn and understand how academic, vocational, and technological skills are used outside the classroom;

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

(B) adult students are an increasingly diverse group and often enter postsecondary education unprepared for academic and technical work; and

(C) certain individuals often face great challenges in acquiring the knowledge and skills needed for successful employment;

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

(A) ensuring that the academic, vocational, and technological skills gained by students adequately prepare the students for the workforce; and

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

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

(6) the Federal Government can assist States and localities by carrying out nationally significant research, program development, demonstration, dissemination, evaluation, data collection, professional development, and technical assistance activities that support State and local efforts regarding vocational education; and

(7) through a performance partnership with States and localities based on clear programmatic goals, increased State and local flexibility, improved accountability, and performance measures, the Federal Government will provide to States and localities financial assistance for the improvement and expansion of vocational education for students participating in vocational education.

(b) PURPOSE.—The purpose of this title is to make the United States more competitive in the

world economy by developing more fully the academic, vocational, and employability skills of secondary students and postsecondary students who elect to enroll in vocational education programs, by—

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

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

(3) increasing State and local flexibility in providing services and activities designed to develop, implement, and improve vocational education, including tech-prep education; and

(4) disseminating national research, and providing professional development and technical assistance, that will improve vocational education programs, services, and activities.

SEC. 103. VOLUNTARY SELECTION AND PARTICIPATION.

No funds made available under this title shall be used—

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

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

Subtitle A—Vocational Education

CHAPTER 1—FEDERAL PROVISIONS

SEC. 111. RESERVATIONS AND STATE ALLOTMENT.

(a) RESERVATIONS AND STATE ALLOTMENT.—

(1) RESERVATIONS.—From the sum appropriated under section 171 for each fiscal year, the Secretary shall reserve—

(A) 0.2 percent to carry out section 113;

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

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

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

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

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

(2) STATE ALLOTMENT FORMULA.—Subject to paragraphs (3) and (4), from the remainder of the sums appropriated under section 171 and not reserved under paragraph (1) for a fiscal year, the Secretary shall allot to a State for the fiscal year—

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

(B) an amount that bears the same ratio to 20 percent of the sums being allotted as the product of the population aged 20 to 24, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States;

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

(D) an amount that bears the same ratio to 15 percent of the sums being allotted as the amounts allotted to the State under subparagraphs (A), (B), and (C) for such years bears to the sum of the amounts allotted to all the States under subparagraphs (A), (B), and (C) for such year.

(3) MINIMUM ALLOTMENT.—

(A) IN GENERAL.—Notwithstanding any other provision of law and subject to subparagraphs (B) and (C), and paragraph (4), no State shall receive for a fiscal year under this subsection less than ½ of 1 percent of the amount appropriated under section 171 and not reserved under paragraph (1) for such fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

(B) REQUIREMENT.—Due to the application of subparagraph (A), for any fiscal year, no State shall receive more than 150 percent of the amount the State received under this subsection for the preceding fiscal year (or in the case of fiscal year 1999 only, under section 101 of the Carl D. Perkins Vocational and Applied Technology Education Act, as such section was in effect on the day before the date of enactment of this Act).

(C) SPECIAL RULE.—

(i) IN GENERAL.—Subject to paragraph (4), no State, by reason of subparagraph (A), shall be allotted for a fiscal year more than the lesser of—

(I) 150 percent of the amount that the State received in the preceding fiscal year (or in the case of fiscal year 1999 only, under section 101 of the Carl D. Perkins Vocational and Applied Technology Education Act, as such section was in effect on the day before the date of enactment of this Act); and

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

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

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

(II) 150 percent of the national average per pupil payment made with funds available under this section for that year (or in the case of fiscal year 1999, only, under section 101 of the Carl D. Perkins Vocational and Applied Technology Education Act, as such section was in effect on the day before the date of enactment of this Act).

(4) HOLD HARMLESS.—

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

(B) RATABLE REDUCTION.—If for any fiscal year the amount appropriated for allotments under this section is insufficient to satisfy the provisions of subparagraph (A), the payments to all States under such subparagraph shall be ratably reduced.

(b) REALLOTMENT.—If the Secretary determines that any amount of any State's allotment under subsection (a) for any fiscal year will not be required for such fiscal year for carrying out the activities for which such amount has been allotted, the Secretary shall make such amount available for reallotment. Any such reallotment among other States shall occur on such dates during the same year as the Secretary shall fix, and shall be made on the basis of criteria established by regulation. No funds may be reallotted for any use other than the use for which the funds were appropriated. Any amount reallotted to a State under this subsection for any fiscal year shall remain available for obligation during the succeeding fiscal year and shall be deemed to be part of the State's allotment for the year in which the amount is obligated.

(c) ALLOTMENT RATIO.—

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

(A) 0.50; and

(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of the Commonwealth of Puerto Rico), except that—

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

(ii) the allotment ratio for the Commonwealth of Puerto Rico shall be 0.60.

(2) PROMULGATION.—The allotment ratios shall be promulgated by the Secretary for each fiscal year between October 1 and December 31 of the fiscal year preceding the fiscal year for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the 3 most recent consecutive fiscal years for which satisfactory data are available.

(3) DEFINITION OF PER CAPITA INCOME.—For the purpose of this section, the term ''per capita income'' means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

(4) POPULATION DETERMINATION.—For the purposes of this section, population shall be determined by the Secretary on the basis of the latest estimates available to the Department of Education.

SEC. 112. PERFORMANCE MEASURES AND EXPECTED LEVELS OF PERFORMANCE.

(a) ESTABLISHMENT OF PERFORMANCE MEASURES.—After consultation with eligible agencies, local educational agencies, eligible institutions, and other interested parties (including representatives of business and representatives of labor organizations), the Secretary shall establish and publish performance measures described in this subsection to assess the progress of each eligible agency in achieving the following:

(1) Student mastery of academic skills.

(2) Student mastery of job readiness skills.

(3) Student mastery of vocational skill proficiencies for students in vocational education programs, that are necessary for the receipt of a secondary school diploma or its recognized equivalent, or a secondary school skill certificate.

(4) Receipt of a postsecondary degree or certificate.

(5) Placement in, retention in, and completion of, secondary school education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service, including for the populations described in section 124(c)(16).

(6) Participation in and completion of nontraditional vocational education programs.

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

(b) EXPECTED LEVELS OF PERFORMANCE.—In developing a State plan, each eligible agency shall negotiate with the Secretary the expected levels of performance for the performance measures described in subsection (a).

SEC. 113. ASSISTANCE FOR THE OUTLYING AREAS.

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

(1) shall award a grant in the amount of $500,000 to Guam for vocational education and training for the purpose of providing direct educational services related to vocational education, including—

(A) teacher and counselor training and retraining;

(B) curriculum development; and

(C) improving vocational education programs in secondary schools and institutions of higher education, or improving cooperative education programs involving both secondary schools and institutions of higher education;

(2) shall award a grant in the amount of $600,000 to the United States Virgin Islands for vocational education for the purpose described in paragraph (1); and

(3) shall award a grant in the amount of $190,000 to each of American Samoa and the Commonwealth of the Northern Mariana Islands for vocational education for the purpose described in paragraph (1).

(b) SPECIAL RULE.—

(1) IN GENERAL.—From funds reserved under section 111(a)(1)(A) and not awarded under subsection (a), the Secretary shall make available

the amount awarded to the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau under section 101A of the Carl D. Perkins Vocational and Applied Technology Education Act (as such section was in effect on the day before the date of enactment of this Act) to award grants under the succeeding sentence. From the amount made available under the preceding sentence, the Secretary shall award grants, to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau for the purpose described in subsection (a)(1).

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

(3) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this title for any fiscal year that begins after September 30, 2004.

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

SEC. 114. INDIAN AND HAWAIIAN NATIVE PROGRAMS.

(a) DEFINITIONS; AUTHORITY OF SECRETARY.—

(1) DEFINITIONS.—For the purpose of this section—

(A) the term ''Act of April 16, 1934'' means the Act entitled ''An Act authorizing the Secretary of the Interior to arrange with States or territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes'', enacted April 16, 1934 (48 Stat. 596; 25 U.S.C. 452 et seq.);

(B) the term ''Bureau funded school'' has the meaning given the term in section 1146 of the Education Amendments of 1978 (25 U.S.C. 2026); and

(C) the term ''Hawaiian native'' means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

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

(b) INDIAN PROGRAMS.—

(1) AUTHORITY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), from the funds reserved pursuant to section 111(a)(1)(B)(i), the Secretary is directed—

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

(ii) upon an application received from a Bureau funded school offering postsecondary or adult education programs filed at such time and under such conditions as the Secretary may prescribe,

to make grants to or enter into contracts with any Indian tribe or tribal organization, or to make a grant to such Bureau funded school, as appropriate, to plan, conduct, and administer programs or portions of programs authorized by, and consistent with the 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 eligible to receive assistance under this paragraph may apply individually or as part of a consortium with another such Indian tribe, tribal organization, or Bureau funded school.

(D) PERFORMANCE MEASURES AND EVALUATION.—Any Indian tribe, tribal organization, or Bureau funded school that receives assistance under this section shall—

(i) establish performance measures and expected level of performance to be achieved by students served under this section; and

(ii) evaluate the quality and effectiveness of activities and services provided under this subsection.

(E) MINIMUM.—In the case of a Bureau funded school, the minimum amount of a grant awarded or contract entered into under this section shall be $35,000.

(F) RESTRICTIONS.—The Secretary may not place upon grants awarded or contracts entered into under this paragraph any restrictions relating to programs other than restrictions that apply to grants made to or contracts entered 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 in subparagraph (A) may be used to provide stipends to students who are enrolled in vocational education programs and who have acute economic needs which cannot be met through work-study programs.

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

(2) MATCHING.—If sufficient funding is available, the Bureau of Indian Affairs shall expend an amount equal to the amount made available under this subsection, relating to programs for Indians, to pay a part of the costs of programs funded under this subsection. During each fiscal year the Bureau of Indian Affairs shall expend no less than the amount expended during the prior fiscal year on vocational education programs, services, and activities administered either directly by, or under contract with, the Bureau of Indian Affairs, except that in no year shall funding for such programs, services, and activities be provided from accounts and programs that support other Indian education programs. The Secretary and the Assistant Secretary of the Interior for Indian Affairs shall prepare jointly a plan for the expenditure of funds made available and for the evaluation of programs assisted under this subsection. Upon the completion of a joint plan for the expenditure of the funds and the evaluation of the programs, the Secretary shall assume responsibility for the administration of the program, with the assistance and consultation of the Bureau of Indian Affairs.

(3) SPECIAL RULE.—Programs funded under this subsection shall be in addition to such other programs, services, and activities as are made available to eligible Indians under other provisions of this Act.

(c) HAWAIIAN NATIVE PROGRAMS.—From the funds reserved pursuant to section 111(a)(1)(B)(ii), the Secretary is directed, to award grants or enter into contracts with organizations primarily serving and representing Hawaiian natives which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the purpose of this title, for the benefit of Hawaiian natives.

SEC. 115. TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTIONS.

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

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

(c) ELIGIBLE GRANT RECIPIENTS.—To be eligible for assistance under this section a tribally controlled postsecondary vocational institution shall—

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

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

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

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

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

(d) GRANT REQUIREMENTS.—

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

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

(3) CONSULTATION.—In awarding grants under this section, the Secretary shall, to the extent practicable, consult with the boards of trustees of, and the tribal governments chartering, the institutions desiring the grants.

(4) LIMITATION.—Amounts made available through grants under this section shall not be used in connection with religious worship or sectarian instruction.

(e) USES OF GRANTS.—

(1) IN GENERAL.—The Secretary shall, subject to the availability of appropriations, provide for each program year to each tribally controlled vocational institution having an application approved by the Secretary, an amount necessary to pay expenses associated with—

(A) the maintenance and operation of the program, including development costs, costs of basic

and special instruction (including special programs for individuals with disabilities and academic instruction), materials, student costs, administrative expenses, boarding costs, transportation, student services, daycare and family support programs for students and their families (including contributions to the costs of education for dependents), and student stipends;

(B) capital expenditures, including operations and maintenance, and minor improvements and repair, and physical plant maintenance costs, for the conduct of programs funded under this section; and

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

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

(f) EFFECT ON OTHER PROGRAMS.—

(1) IN GENERAL.—Except as specifically provided in this Act, eligibility for assistance under this section shall not preclude any tribally controlled postsecondary vocational institution from receiving Federal financial assistance under any program authorized under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) or any other applicable program for the benefit of institutions of higher education or vocational education.

(2) PROHIBITION ON ALTERATION OF GRANT AMOUNT.—The amount of any grant for which tribally controlled postsecondary vocational institutions are eligible under this section shall not be altered because of funds allocated to any such institution from funds appropriated under the Act of November 2, 1921 (commonly known as the ''Snyder Act'') (42 Stat. 208, chapter 115; 25 U.S.C. 13).

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

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

(1) NEEDS ESTIMATE.—The Secretary shall, based on the most accurate data available from the institutions and Indian tribes whose Indian students are served under this section, and in consideration of employment needs, economic development needs, population training needs, and facilities needs, prepare an actual budget needs estimate for each institution eligible under this section for each subsequent program year, and submit such budget needs estimate to Congress in such a timely manner as will enable the appropriate committees of Congress to consider such needs data for purposes of the uninterrupted flow of adequate appropriations to such institutions. Such data shall take into account the goals and requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105).

(2) STUDY OF TRAINING AND HOUSING NEEDS.—

(A) IN GENERAL.—The Secretary shall conduct a detailed study of the training, housing, and immediate facilities needs of each institution eligible under this section. The study shall include an examination of—

(i) training equipment needs;

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

(iii) immediate facilities needs.

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

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

(D) PRIORITY.—In conducting the study required by subparagraph (A), the Secretary shall give priority to institutions that are receiving assistance under this section.

(3) LONG-TERM STUDY OF FACILITIES.—

(A) IN GENERAL.—The Secretary shall provide for the conduct of a long-term study of the facilities of each institution eligible for assistance under this section.

(B) CONTENTS.—The study required by subparagraph (A) shall include a 5-year projection of training facilities, equipment, and housing needs and shall consider such factors as projected service population, employment, and economic development forecasting, based on the most current and accurate data available from the institutions and Indian tribes affected.

(B) SUBMISSION.—The Secretary shall submit to Congress a detailed report on the results of such study not later than the end of the 18-month period beginning on the date of enactment of this Act.

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

(1) INDIAN; INDIAN TRIBE.—The terms ''Indian'' and ''Indian tribe'' have the meaning given such terms in section 2 of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801).

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

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

(B) offers technical degrees or certificate granting programs.

SEC. 116. INCENTIVE GRANTS.

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

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

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

(b) PRIORITY.—In awarding incentive grants under this section, the Secretary shall give priority to those States submitting a State unified plan as described in section 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) not more than 14 percent of the funds to carry out section 123;

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

(A) $60,000 shall be available to provide technical assistance and advice to local educational agencies, postsecondary educational institutions, and other interested parties in the State for gender equity activities; and

(B) the remainder may be used to—

(i) develop the State plan;

(ii) review local applications;

(iii) monitor and evaluate program effectiveness;

(iv) provide technical assistance; and

(v) assure compliance with all applicable Federal laws, including required services and activities for individuals who are members of populations described in section 124(c)(16); and

(3) 1 percent of the funds, or the amount the State expended under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) for vocational education programs for criminal offenders for the fiscal year 1997, whichever is greater, to carry out programs for criminal offenders.

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

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

SEC. 123. STATE LEADERSHIP ACTIVITIES.

(a) MANDATORY.—Each eligible agency shall use the funds reserved under section 122(a)(1) to conduct programs, services, and activities that further the development, implementation, and improvement of vocational education within the State and that are integrated, to the maximum extent possible, with challenging State academic standards, including—

(1) providing comprehensive professional development (including initial teacher preparation) for vocational, academic, guidance, and administrative personnel, that—

(A) will help the teachers and personnel to meet the expected levels of performance established under section 112;

(B) reflects the eligible agency's assessment of the eligible agency's needs for professional development; and

(C) is integrated with the professional development activities that the State carries out under title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6001 et seq.);

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

(3) monitoring and evaluating the quality of, and improvement in, activities conducted with assistance under this subtitle;

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

(5) supporting tech-prep education activities;

(6) improving and expanding the use of technology in instruction;

(7) supporting partnerships among local educational agencies, institutions of higher education, adult education providers, and, as appropriate, other entities, such as employers, labor organizations, parents, and local partnerships, to enable students to achieve to challenging State academic standards, and vocational and technological skills; and

(8) serving individuals in State institutions, such as State correctional institutions and institutions that serve individuals with disabilities.

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

(1) improving guidance and counseling programs that assist students in making informed education and vocational decisions;

(2) supporting vocational student organizations, especially with respect to efforts to increase the participation of students who are members of populations described in section 124(c)(16);

(3) providing vocational education programs for adults and school dropouts to complete their secondary school education; and

(4) providing assistance to students who have participated in services and activities under this subtitle in finding an appropriate job and continuing their education.

SEC. 124. STATE PLAN.

(a) STATE PLAN.—

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

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

(3) HEARING PROCESS.—The eligible agency shall conduct public hearings in the State, after appropriate and sufficient notice, for the purpose of affording all segments of the public and interested organizations and groups (including employers, labor organizations, and parents), an opportunity to present their views and make recommendations regarding the State plan. A summary of such recommendations and the eligible agency's response to such recommendations shall be included with the State plan.

(b) DEVELOPMENT OF PLAN.—The eligible agency shall develop the State plan with representatives of secondary and postsecondary vocational education, and business, in the State and shall also consult the Governor of the State.

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

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

(2) describes the integration of academic education with vocational education, and with technological education related to vocational education;

(3) describes how the eligible agency will disaggregate data relating to students participating in vocational education in order to adequately measure the progress of the students;

(4) describes how the eligible agency will adequately address the needs of students in alternative education programs;

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

(6) describes how the eligible agency will encourage the participation of the parents of secondary school students who are involved in vocational education activities;

(7) identifies how the eligible agency will obtain the active participation of business, labor organizations, and parents in the development and improvement of vocational education activities carried out by the eligible agency;

(8) describes how vocational education is aligned with State and regional employment opportunities;

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

(10) describes how funds will be used to promote gender equity in secondary and postsecondary vocational education;

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

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

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

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

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

(16) describes how the eligible agency will develop program strategies for populations that include, at a minimum—

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

(B) individuals with disabilities;

(C) single parents and displaced homemakers; and

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

(17) contains the description and information specified in paragraphs (8) and (16) of section 304(b) concerning the provision of services only for postsecondary students and school dropouts.

(d) PLAN APPROVAL.—

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

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

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

(2) DISAPPROVAL.—The Secretary shall not finally disapprove a State plan, except after giving the eligible agency notice and an opportunity for a hearing.

(3) PEER REVIEW.—The Secretary shall establish a peer review process to make recommendations regarding approval of State plans and revisions to State plans.

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

(e) ELIGIBLE AGENCY REPORT.—

(1) IN GENERAL.—The eligible agency shall annually report to the Secretary regarding—

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

(B) the progress each population of individuals described in section 124(c)(16) is making toward achieving the expected levels of performance.

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

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

(B) shall be made available to the public.

CHAPTER 3—LOCAL PROVISIONS

SEC. 131. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

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

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

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

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

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

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

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

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

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

(c) LIMITED JURISDICTION AGENCIES.—

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

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

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

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

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

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

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

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

sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

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

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

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

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the eligible agency may determine 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 determination described in such subparagraph, the eligible agency shall ensure that the data used is not duplicative.

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

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

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

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

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

SEC. 132. DISTRIBUTION FOR POSTSECONDARY VOCATIONAL EDUCATION.

(a) DISTRIBUTION.—

(1) IN GENERAL.—Except as otherwise provided in this section, each eligible agency shall distribute the portion of funds made available for postsecondary vocational education under section 122(b) for any fiscal year to eligible institutions within the State in accordance with paragraph (2).

(2) ALLOCATION.—Each eligible institution in the State having an application approved under section 134 for a fiscal year shall be allocated an amount that bears the same relationship to the amount of funds made available for postsecondary vocational education under section 122(b) for the fiscal year as the number of Pell Grant recipients and recipients of assistance from the Bureau of Indian Affairs enrolled for the preceding fiscal year by such eligible institution in vocational education programs that do not exceed 2 years in duration bears to the number of such recipients enrolled in such programs within the State for such fiscal year.

(3) MINIMUM ALLOCATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no eligible institution shall receive an allocation under paragraph (2) unless the amount allocated to the eligible institution under paragraph (2) is not less than $65,000.

(B) WAIVER.—The eligible agency may waive the application of subparagraph (A) in any case in which the eligible institution is located in a rural, sparsely populated area.

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

(4) DEFINITION OF PELL GRANT RECIPIENT.—The term ''Pell Grant recipient'' means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a).

(b) ALTERNATIVE ALLOCATION.—An eligible agency may allocate funds made available for postsecondary education under section 122(b) for a fiscal year using an alternative formula if the eligible agency demonstrates to the Secretary's satisfaction that—

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

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

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

SEC. 133. LOCAL ACTIVITIES.

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

(1) to conduct vocational education programs, and technological education programs related to vocational education, that further student achievement;

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

(3) to integrate academic education with vocational education for students participating in vocational education;

(4) to link secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(5) to provide professional development activities to teachers, counselors, and administrators, including—

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

(B) internship programs that provide business experience to teachers; and

(C) programs designed to train teachers specifically in the use and application of technology;

(6) to improve or expand the use of technology in vocational instruction, including professional development in the use of technology, which may include distance learning;

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

(8) to provide access to quality vocational education programs for students, including students who are members of the populations described in section 124(c)(16);

(9) to develop and implement performance management systems and evaluations; and

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

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

(1) to carry out student internships;

(2) to provide guidance and counseling for students participating in vocational education programs;

(3) to provide vocational education programs for adults and school dropouts to complete their secondary school education;

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

(5) to support vocational student organizations;

(6) to provide assistance to students who have participated in services and activities under this subtitle in finding an appropriate job and continuing their education; and

(7) to support other activities that are consistent with the purpose of this title.

SEC. 134. LOCAL APPLICATION.

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

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

(1) describe how the vocational education activities will be carried out pertaining to meeting the expected levels of performance;

(2) describe the process that will be used to independently evaluate and continuously improve the performance of the local educational agency or eligible institution, as appropriate; and

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

Subtitle B—Tech-Prep Education

SEC. 151. SHORT TITLE.

This subtitle may be cited as the ''Tech-Prep Education Act''.

SEC. 152. PURPOSES.

The purposes of this subtitle are—

(1) to provide implementation grants to consortia of local educational agencies, postsecondary educational institutions, and employers or labor organizations, for the development and operation of programs designed to provide a tech-prep education program leading to a 2-year associate degree or a 2-year certificate;

(2) to provide, in a systematic manner, strong, comprehensive links among secondary schools, postsecondary educational institutions, and local or regional employers, or labor organizations; and

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

SEC. 153. DEFINITIONS.

(a) In this subtitle:

(1) ARTICULATION AGREEMENT.—The term ''articulation agreement'' means a written commitment to a program designed to provide students with a non duplicative sequence of progressive

achievement leading to degrees or certificates in a tech-prep education program.

(2) COMMUNITY COLLEGE.—The term ''community college''—

(A) has the meaning provided in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141) for an institution which provides not less than a 2-year program which is acceptable for full credit toward a bachelor's degree; and

(B) includes tribally controlled community colleges.

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

(A) combines at a minimum 2 years of secondary education (as determined under State law) and a minimum 2 years of postsecondary education in a nonduplicative, sequential course of study;

(B) integrates academic and vocational instruction, and utilizes work-based and worksite learning where appropriate and available;

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

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

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

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

SEC. 154. PROGRAM AUTHORIZED.

(a) DISCRETIONARY AMOUNTS.—

(1) IN GENERAL.—For any fiscal year for which the amount appropriated under section 157 to carry out this subtitle is equal to or less than $50,000,000, the Secretary shall award grants for tech-prep education programs to consortia of—

(A) local educational agencies, intermediate educational agencies or area vocational education schools serving secondary school students, or secondary schools funded by the Bureau of Indian Affairs;

(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 program and which 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)) if such proprietary institutions of higher education are not subject to a default management plan required by the Secretary; or

(C) employers or labor organizations.

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

(b) STATE GRANTS.—

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

(2) PAYMENTS TO ELIGIBLE AGENCIES.—The Secretary shall make a payment in the amount of a State's allotment under this paragraph to the eligible agency that serves the State and has an application approved under paragraph (4).

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

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

SEC. 155. TECH-PREP EDUCATION PROGRAMS.

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

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

(1) be carried out under an articulation agreement between the participants in the consortium;

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

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

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

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

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

(D) uses educational technology and distance learning, as appropriate, to involve all the consortium partners more fully in the development and operation of programs.

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

(A) is designed to train teachers to effectively implement tech-prep education curricula;

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

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

(D) focuses on training postsecondary education faculty in the use of contextual and applied curricula and instruction; and

(E) provides training in the use and application of technology;

(5) include training programs for counselors designed to enable counselors to more effectively—

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

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

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

(D) stay current with the needs, expectations, and methods of business and industry;

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

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

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

(1) provide for the acquisition of tech-prep education program equipment;

(2) as part of the program's planning activities, acquire technical assistance from State or local entities that have successfully designed, established and operated tech-prep programs;

(3) acquire technical assistance from State or local entities that have designed, established, and operated tech-prep programs that have effectively used educational technology and distance learning in the delivery of curricula and services and in the articulation process; and

(4) establish articulation agreements with institutions of higher education, labor organizations, or businesses located outside of the State served by the consortium, especially with regard to using distance learning and educational technology to provide for the delivery of services and programs.

SEC. 156. APPLICATIONS.

(a) IN GENERAL.—Each consortium that desires to receive a grant under this subtitle shall submit an application 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 shortages, including the information technology industry; and

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

(e) EQUITABLE DISTRIBUTION OF ASSISTANCE.—In awarding grants under this subtitle, the Secretary shall ensure an equitable distribution of assistance among States, and the Secretary or the eligible agency, as appropriate, shall ensure an equitable distribution of assistance between urban and rural consortium participants.

(f) NOTICE.—

(1) IN GENERAL.—In the case of grants to be awarded by the Secretary, each consortium that submits an application under this section shall provide notice of such submission and a copy of such application to the State educational agency and the State agency for higher education of the State in which the consortium is located.

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

SEC. 157. AUTHORIZATION OF APPROPRIATIONS.

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

Subtitle C—General Provisions

SEC. 161. ADMINISTRATIVE PROVISIONS.

(a) SUPPLEMENT NOT SUPPLANT.—Funds made available under this title for vocational education activities shall supplement, and shall not

supplant, other public funds expended to carry out vocational education and tech-prep activities.

(b) MAINTENANCE OF EFFORT.—

(1) DETERMINATION.—No payments shall be made under this title for any fiscal year to an eligible agency for vocational education or tech-prep activities unless the Secretary determines that the fiscal effort per student or the aggregate expenditures of the State for vocational education for the fiscal year preceding the fiscal year for which the determination is made, equaled or exceeded such effort or expenditures for vocational education for the second fiscal year preceding the fiscal year for which the determination is made.

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

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

SEC. 162. EVALUATION, IMPROVEMENT, AND ACCOUNTABILITY.

(a) LOCAL EVALUATION.—Each eligible agency shall evaluate annually the vocational education and tech-prep activities of each local educational agency or eligible institution receiving assistance under this title, using the performance measures established under section 112.

(b) IMPROVEMENT ACTIVITIES.—If, after reviewing the evaluation, an eligible agency determines that a local educational agency or eligible institution is not making substantial progress in achieving the purpose of this title, the eligible agency may work jointly with the local educational agency or eligible institution, respectively, to develop an improvement plan. If, after not more than 2 years of implementation of the improvement plan, the eligible agency determines that the local educational agency or eligible institution, respectively, is not making substantial progress, the eligible agency shall take whatever corrective action the eligible agency deems necessary, which may include termination of funding or the implementation of alternative service arrangements, consistent with State law. The eligible agency shall take corrective action under the preceding sentence only after the eligible agency has provided technical assistance to the local educational agency or eligible institution and shall ensure, to the extent practicable, that any corrective action the eligible agency takes allows for continued services to and activities for individuals served by the local educational agency or eligible institution, respectively.

(c) TECHNICAL ASSISTANCE.—If the Secretary determines that an eligible agency is not properly implementing the eligible agency's responsibilities under section 124, or is not making substantial progress in meeting the purpose of this title, based on the performance measures and expected levels of performance under section 112 included in the eligible agency's State plan, the Secretary shall work with the eligible agency to implement improvement activities.

(d) WITHHOLDING OF FEDERAL FUNDS.—If, after a reasonable time, but not earlier than 1 year after implementing activities described in subsection (c), the Secretary determines that the eligible agency is not making sufficient progress, based on the eligible agency's performance measures and expected levels of performance, the Secretary, after notice and opportunity for a hearing, shall withhold from the eligible agency all, or a portion, of the eligible agency's grant funds under this subtitle. The Secretary may use funds withheld under the preceding sentence to provide, through alternative arrangements, services, and activities within the State to meet the purpose of this title.

SEC. 163. NATIONAL ACTIVITIES.

The Secretary may, directly or through grants, contracts, or cooperative agreements, carry out research, development, dissemination, evaluation, capacity-building, and technical assistance activities that carry out the purpose of this title.

SEC. 164. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

(a) IN GENERAL.—The Secretary shall conduct a national assessment of vocational education programs assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) INDEPENDENT ADVISORY PANEL.—The Secretary shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of labor organizations, business, parents, guidance and counseling professionals, and other relevant groups, to advise the Secretary on the implementation of such assessment, including the issues to be addressed and the methodology of the studies involved, and the findings and recommendations resulting from the assessment. The panel shall submit to the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Secretary an independent analysis of the findings and recommendations resulting from the assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.

(c) CONTENTS.—The assessment required under subsection (a) shall include descriptions and evaluations of—

(1) the effect of the vocational education programs assisted under this title on State and tribal administration of vocational education programs and on local vocational education practices, including the capacity of State, tribal, and local vocational education systems to address the purpose of this title;

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

(3) preparation and qualifications of teachers of vocational and academic curricula in vocational education programs, as well as shortages of such teachers;

(4) participation in vocational education programs;

(5) academic and employment outcomes of vocational education, including analyses of—

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

(B) the degree to which vocational education is relevant to subsequent employment or participation in postsecondary education;

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

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

(d) CONSULTATION.—

(1) IN GENERAL.—The Secretary shall consult with the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate in the design and implementation of the assessment required under subsection (a).

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

(A) an interim report regarding the assessment on or before July 1, 2001; and

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

(3) PROHIBITION.—Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Department of Education before their transmittal to the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Secretary, but the President, the Secretary, and the independent advisory panel established under subsection (b) may make such additional recommendations to Congress with respect to the assessment as the President, the Secretary, or the panel determine to be appropriate.

SEC. 165. NATIONAL RESEARCH CENTER.

(a) GENERAL AUTHORITY.—

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

(A) applied research and development; and

(B) dissemination and training.

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

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

(b) ACTIVITIES.—

(1) IN GENERAL.—The national center or centers shall carry out such activities as the Secretary determines to be appropriate to assist State and local recipients of funds under this title to achieve the purpose of this title, which may include the research and evaluation activities in such areas as—

(A) the integration of vocational and academic instruction, secondary and postsecondary instruction;

(B) effective inservice and preservice teacher education that assists vocational education systems;

(C) performance measures and expected levels of performance that serve to improve vocational education programs and student achievement;

(D) effects of economic changes on the kinds of knowledge and skills required for employment or participation in postsecondary education;

(E) longitudinal studies of student achievement; and

(F) dissemination and training activities related to the applied research and demonstration activities described in this subsection, which may also include—

(i) serving as a repository for information on vocational and technological skills, State academic standards, and related materials; and

(ii) developing and maintaining national networks of educators who facilitate the development of vocational education systems.

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

(c) REVIEW.—The Secretary shall—

(1) consult at least annually with the national center or centers and with experts in education to ensure that the activities of the national center or centers meet the needs of vocational education programs; and

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

SEC. 166. DATA SYSTEMS.

(a) IN GENERAL.—The Secretary shall maintain a data system to collect information about, and report on, the condition of vocational education and on the effectiveness of State and local programs, services, and activities carried out under this title in order to provide the Secretary and Congress, as well as Federal, State, local, and tribal agencies, with information relevant to improvement in the quality and effectiveness of vocational education. The Secretary annually shall report to Congress on the Secretary's analysis of performance data collected each year pursuant to this title.

(b) DATA SYSTEM.—In maintaining the data system, the Secretary shall ensure that the data system is compatible with other Federal information systems.

(c) ASSESSMENTS.—As a regular part of its assessments, the National Center for Education Statistics shall collect and report information on vocational education for a nationally representative sample of students. Such assessment may include international comparisons.

Subtitle D—Authorization of Appropriations

SEC. 171. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out subtitle (A), and sections 163, 164, 165, and 166, such sums as may be necessary for fiscal year 1999 and each of the 5 succeeding fiscal years.

Subtitle E—Repeal

SEC. 181. REPEAL.

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

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

(1) IMMIGRATION AND NATIONALITY ACT.—Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking ''Vocational Education Act of 1963'' and inserting ''Carl D. Perkins Vocational and Applied Technology Education Act of 1997''.

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

(A) by striking paragraph (4); and

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

(3) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(A) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act,'' and inserting ''Carl D. Perkins Vocational and Applied Technology Education Act of 1997'';

(B) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act'' and inserting ''Carl D. Perkins Vocational and Applied Technology Education Act of 1997'';

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

(i) by striking subparagraph (C); and

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

(D) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking ''Carl D. Perkins Vocational and Applied Technology Education Act'' and inserting ''Carl D. Perkins Vocational and Applied Technology Education Act of 1997''.

(4) EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.—Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''(20 U.S.C. 2397h(3)'' and inserting '', as such section was in effect on the day preceding the date of enactment of the Carl D. Perkins Vocational and Applied Technology Education Act of 1997''.

(5) IMPROVING AMERICA'S SCHOOLS ACT OF 1994.—Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking ''the date of enactment of an Act reauthorizing the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)'' and inserting ''July 1, 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 striking ''section 3 of the Carl D. Perkins Vocational Education Act'' and inserting ''the Carl D. Perkins Vocational and Applied Technology Education Act of 1997''.

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

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

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

(i) by striking ''employment and training programs'' and inserting ''workforce investment activities''; and

(ii) by striking ''the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)'' and inserting ''the Carl D. Perkins Vocational and Applied Technology Education Act of 1997''.

TITLE II—ADULT EDUCATION AND LITERACY

SEC. 201. SHORT TITLE.

This title may be cited as the ''Adult Education and Literacy Act''.

SEC. 202. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

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

(2) data from the National Adult Literacy Survey show that adults with very low levels of literacy are 10 times as likely to be poor as adults with high levels of literacy; and

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

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

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

(2) complete a secondary school education; and

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

Subtitle A—Adult Education and Literacy Programs

CHAPTER 1—FEDERAL PROVISIONS

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

(a) RESERVATION OF FUNDS FOR NATIONAL LEADERSHIP ACTIVITIES.—From the amount appropriated for any fiscal year under section 246, the Secretary shall reserve—

(1) 1.5 percent to carry out section 213;

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

(3) 1.5 percent to carry out section 245.

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

(c) ALLOTMENTS.—

(1) INITIAL ALLOTMENTS.—From the sum appropriated under section 246 and not reserved under subsection (a) for a fiscal year, the Secretary first shall allot to each eligible agency having a State plan approved under section 224 the following amounts:

(A) $100,000 in the case of an eligible agency serving the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(B) $250,000, in the case of any other eligible agency.

(2) ADDITIONAL ALLOTMENTS.—From the sum appropriated under section 246, not reserved under subsection (a), and not allotted under paragraph (1), for any fiscal year, the Secretary shall allot to each eligible agency an amount that bears the same relationship to such sum as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

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

(1) is at least 16 years of age;

(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

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

(4) is not enrolled in secondary school.

(e) SPECIAL RULE.—

(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this part in accordance with the provisions of this subtitle that the Secretary determines are not inconsistent with this subsection.

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

(3) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this part for any fiscal year that begins after September 30, 2004.

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

(f) MAINTENANCE OF EFFORT.—

(1) IN GENERAL.—An eligible agency may receive a grant under this subtitle for any fiscal year only if the Secretary finds that the amount expended by the State for adult education and literacy, in the second fiscal year preceding the fiscal year for which the determination is made, was not less than 90 percent of the amount expended for adult education and literacy in the third fiscal year preceding the fiscal year for which the determination is made.

(2) WAIVER.—The Secretary may waive the requirements of this subsection for 1 fiscal year only if the Secretary determines that such a waiver is equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State.

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

SEC. 212. PERFORMANCE MEASURES AND EXPECTED LEVELS OF PERFORMANCE.

(a) ESTABLISHMENT OF PERFORMANCE MEASURES.—After consultation with eligible agencies, eligible providers, and other interested parties (including representatives of business, representatives of labor organizations, and institutions of higher education), the Secretary shall establish and publish performance measures described in this subsection that assess the progress of each eligible agency in enhancing and developing more fully the literacy skills of the adult population in the State or outlying area. The measures, at a minimum, shall include—

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

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

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

(4) other performance measures the Secretary determines necessary.

(b) EXPECTED LEVELS OF PERFORMANCE.—In developing a State plan, each eligible agency shall negotiate with the Secretary the expected levels of performance for the performance measures described in subsection (a).

SEC. 213. NATIONAL LEADERSHIP ACTIVITIES.

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

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

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

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

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

(3) dissemination, such as dissemination of information regarding promising practices resulting from federally funded demonstration programs;

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

(5) efforts to support capacity building at the State and local levels, such as technical assistance in program planning, assessment, evaluation, and monitoring of activities under this subtitle;

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

(7) professional development, such as technical assistance activities to advance effective training practices, identify exemplary professional development projects, and disseminate new findings in adult education training;

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

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

CHAPTER 2—STATE PROVISIONS

SEC. 221. STATE ADMINISTRATION.

(a) IN GENERAL.—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) consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this subtitle; and

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

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

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

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

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

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

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

(b) STATE SHARE REQUIREMENT.—

(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b) each eligible agency shall provide an amount equal to 25 percent of the total amount of funds expended for adult education in the State or outlying area, except that the Secretary may decrease the amount of funds required under this subsection for an eligible agency serving an outlying area.

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

SEC. 223. STATE LEADERSHIP ACTIVITIES.

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

(1) Professional development and training, including training in the use of software and technology.

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

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

(4) Establishing challenging performance measures and levels of performance for literacy proficiency in order to assess program quality and improvement.

(5) Integration of literacy instruction and occupational skill training, and promoting linkages with employers.

(6) Linkages with postsecondary institutions.

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

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

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

SEC. 224. STATE PLAN.

(a) 3-YEAR PLANS.—

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

(2) COMPREHENSIVE PLAN OR APPLICATION.—The eligible agency may submit the State plan as part of a comprehensive plan or application for Federal education assistance.

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

(1) an objective assessment of the needs of individuals in the State for adult education and literacy activities, including individuals most in need or hardest to serve, such as educationally disadvantaged adults, immigrants, individuals with limited English proficiency, incarcerated individuals, homeless individuals, recipients of public assistance, and individuals with disabilities;

(2) a description of the adult education and literacy activities that will be carried out with any funds received under this subtitle;

(3) a description of how the eligible agency will evaluate annually the effectiveness of the adult education and literacy activities based on the performance measures described in section 212;

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

(5) a description of the performance measures required under section 212(a) and how such performance measures and the expected levels of performance will ensure improvement of adult education and literacy activities in the State or outlying area;

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

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

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

(9) a description of how funds will be used for State leadership activities, which activities may include professional development and training, instructional technology, and management technology;

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

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

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

(A) low-income students;

(B) individuals with disabilities;

(C) single parents and displaced homemakers; and

(D) individuals with multiple barriers to educational enhancement;

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

(A) adult education activities authorized under this subtitle;

(B) activities authorized under title III;

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

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

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

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

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

(H) training activities carried out by the Department of Housing and Urban Development; and

(I) programs authorized under State unemployment compensation laws and the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.); and

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

(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit a revision to the State plan to the Secretary.

(d) CONSULTATION.—The eligible agency shall—

(1) submit the State plan, and any revisions to the State plan, to the Governor of the State for review and comment; and

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

(e) PLAN APPROVAL.—

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

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

(B) the State's performance measures and expected levels of performance under section 212 are sufficiently rigorous to meet the purpose of this title.

(2) DISAPPROVAL.—The Secretary shall not finally disapprove a State plan, except after giving the eligible agency notice and an opportunity for a hearing.

(3) PEER REVIEW.—The Secretary shall establish a peer review process to make recommendations regarding the approval of State plans and revisions to the State plan.

SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

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

(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in corrections institutions and for other institutionalized individuals, including academic programs for—

(1) basic education;

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

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

(4) secondary school credit programs.

(c) DEFINITION OF CRIMINAL OFFENDER.—

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

(2) CORRECTIONAL INSTITUTION.—The term ''correctional institution'' means any—

(A) prison;

(B) jail;

(C) reformatory;

(D) work farm;

(E) detention center; or

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

CHAPTER 3—LOCAL PROVISIONS

SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

(a) GRANTS.—From funds made available under section 222(a)(1), each eligible agency shall award multiyear grants or contracts to eligible providers within the State to enable the eligible providers to develop, implement, and improve adult education and literacy activities within the State.

(b) SPECIAL RULE.—Each eligible agency receiving funds under this subtitle shall ensure that all eligible providers have direct and equitable access to apply for grants or contracts under this section.

(c) REQUIRED LOCAL ACTIVITIES.—Each eligible provider receiving a grant or contract under this subtitle shall establish programs that provide instruction or services that meet the purpose described in section 202(b), such as—

(1) adult education and literacy services; or

(2) English literacy programs.

SEC. 232. LOCAL APPLICATION.

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

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

(2) how the expected levels of performance of the eligible provider with respect to participant recruitment, retention, and performance measures described in section 212, will be met and reported to the eligible agency; and

(3) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult education and literacy programs.

SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

(a) IN GENERAL.—Subject to subsection (b), of the sum that is made available under this subtitle to an eligible provider—

(1) not less than 95 percent shall be expended for carrying out adult education and literacy activities; and

(2) the remaining amount, not to exceed 5 percent, shall be used for planning, administration, personnel development, and interagency coordination.

(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider shall negotiate with the eligible agency in order to determine an adequate level of funds to be used for noninstructional purposes.

CHAPTER 4—GENERAL PROVISIONS

SEC. 241. ADMINISTRATIVE PROVISIONS.

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

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

SEC. 242. PRIORITIES AND PREFERENCES.

(a) PRIORITIES.—Each eligible agency and eligible provider receiving assistance under this subtitle shall give priority in using the assistance to adult education and literacy activities that—

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

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

(3) provide learning in real life contexts to ensure that an individual has the skills needed to compete in a global economy and exercise the rights and responsibilities of citizenship;

(4) are staffed by well-trained instructors, counselors, and administrators;

(5) are of sufficient intensity and duration for participants to achieve substantial learning gains, such as by earning a basic skills certificate that reflects skills acquisition and has meaning to employers;

(6) establish measurable performance levels for participant outcomes, such as levels of literacy achieved and attainment of a secondary school diploma or its recognized equivalent, that are tied to challenging State performance levels for literacy proficiency;

(7) coordinate with other available resources in the community, such as by establishing strong links with elementary schools and secondary schools, postsecondary institutions, 1-stop customer service centers, job training programs, and social service agencies;

(8) offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs; and

(9) maintain a high-quality information management system that has the capacity to report client outcomes and to monitor program performance against the State performance measures.

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

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

(2) consider—

(A) the results, if any, of the evaluations required under section 244(a); and

(B) the degree to which the eligible provider will coordinate with and utilize other literacy and social services available in the community.

SEC. 243. INCENTIVE GRANTS.

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

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

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

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

SEC. 244. EVALUATION, IMPROVEMENT, AND ACCOUNTABILITY.

(a) LOCAL EVALUATION.—Each eligible agency shall biennially evaluate the adult education and literacy activities of each eligible provider that receives a grant or contract under this subtitle, using the performance measures established under section 212.

(b) IMPROVEMENT ACTIVITIES.—If, after reviewing the evaluation, an eligible agency determines that an eligible provider is not making substantial progress in achieving the purpose of this subtitle, the eligible agency may work jointly with the eligible provider to develop an improvement plan. If, after not more than 2 years of implementation of the improvement plan, the eligible agency determines that the eligible provider is not making substantial progress, the eligible agency shall take whatever corrective action the eligible agency deems necessary, which may include termination of funding or the implementation of alternative service arrangements, consistent with State law. The eligible agency shall take corrective action under the preceding sentence only after the eligible agency has provided technical assistance to the eligible provider and shall ensure, to the extent practicable, that any corrective action the eligible agency takes allows for continued services to and activities for the individuals served by the eligible provider.

(c) STATE REPORT.—

(1) IN GENERAL.—The eligible agency shall report annually to the Secretary regarding the quality and effectiveness of the adult education and literacy activities funded through the eligible agency's grants or contracts under this subtitle, based on the performance measures and expected levels of performance included in the State plan.

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

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

(d) TECHNICAL ASSISTANCE.—If the Secretary determines that the eligible agency is not properly implementing the eligible agency's responsibilities under subsection (b), or is not making substantial progress in meeting the purpose of this subtitle, based on the performance measures and expected levels of performance included in the eligible agency's State plan, the Secretary shall work with the eligible agency to implement improvement activities.

(e) WITHHOLDING OF FEDERAL FUNDS.—If, not earlier than 2 years after implementing activities described in subsection (d), the Secretary determines that the eligible agency is not making sufficient progress, based on the eligible agency's performance measures and expected levels of performance, the Secretary, after notice and opportunity for a hearing, shall withhold from the eligible agency all, or a portion, of the eligible agency's grant under this subtitle. The Secretary may use funds withheld under the preceding sentence to provide, through alternative arrangements, services and activities within the State to meet the purpose of this title.

SEC. 245. NATIONAL INSTITUTE FOR LITERACY.

(a) PURPOSE.—The purpose of this section is to establish a National Institute for Literacy that—

(1) provides national leadership regarding literacy;

(2) coordinates literacy services and policy; and

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

(b) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be a National Institute for Literacy (in this section referred to as the ''Institute''). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the ''Interagency Group''). The Secretary may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education the purpose of which is determined by the Secretary to be related to the purpose of the Institute.

(2) RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the ''Board'') established under subsection (e) in planning the goals of the Institute and in the implementation of any programs to achieve the goals. If the Board's recommendations are not followed, the Interagency Group shall provide a written explanation to the Board concerning actions the Interagency Group takes that are inconsistent with the Board's recommendations, including the reasons for not following the Board's recommendations with respect to the actions. The Board may also request a meeting of the Interagency Group to discuss the Board's recommendations.

(3) DAILY OPERATIONS.—The daily operations of the Institute shall be administered by the Director of the Institute.

(c) DUTIES.—

(1) IN GENERAL.—In order to provide leadership for the improvement and expansion of the system for delivery of literacy services, the Institute is authorized to—

(A) establish a national electronic data base of information that disseminates information to the broadest possible audience within the literacy and basic skills field, and that includes—

(i) effective practices in the provision of literacy and basic skills instruction, including the integration of such instruction with occupational skills training;

(ii) public and private literacy and basic skills programs and Federal, State, and local policies affecting the provision of literacy services at the national, State, and local levels;

(iii) opportunities for technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

(iv) a communication network for literacy programs, providers, social service agencies, and students;

(B) coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local levels;

(C) coordinate the support of research and development on literacy and basic skills for adults across Federal agencies, especially with the Office of Educational Research and Improvement in the Department of Education, and carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

(D) collect and disseminate information on methods of advancing literacy;

(E) provide policy and technical assistance to Federal, State, and local entities for the improvement of policy and programs relating to 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 that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(d) LITERACY LEADERSHIP.—

(1) IN GENERAL.—The Institute may, in consultation with the Board, award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

(2) FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

(3) INTERNSHIPS.—The Institute, in consultation with the Board, is authorized to award paid and unpaid internships to individuals seeking to assist in carrying out the Institute's purpose and to accept assistance from volunteers.

(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board, which shall consist of 10 individuals appointed by the President with the advice and consent of the Senate.

(B) COMPOSITION.—The Board shall comprise individuals who are not otherwise officers or employees of the Federal Government and who are representative of such entities as—

(i) literacy organizations and providers of literacy services, including nonprofit providers, providers of English as a second language programs and services, social service organizations, and eligible providers receiving assistance under this subtitle;

(ii) businesses that have demonstrated interest in literacy programs;

(iii) literacy students, including literacy students with disabilities;

(iv) experts in the area of literacy research;

(v) State and local governments;

(vi) State Directors of adult education; and

(vii) labor organizations.

(2) DUTIES.—The Board shall—

(A) make recommendations concerning the appointment of the Director and staff of the Institute; and

(B) provide independent advice on the operation of the Institute.

(3) APPOINTMENTS.—

(A) IN GENERAL.—Appointments to the Board made after the date of enactment of the Workforce Investment Partnership Act shall be for 3-year terms, except that the initial terms for members may be established at 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year.

(B) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

(4) OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members.

(5) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of its members.

(f) GIFTS, BEQUESTS, AND DEVISES.—

(1) IN GENERAL.—The Institute may accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible.

(2) RULES.—The Board shall establish written rules setting forth the criteria to be used by the Institute in determining whether the acceptance of contributions of services, money, or property whether real or personal, tangible or intangible, would reflect unfavorably upon the ability of the Institute or any employee to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of its programs or any official involved in those programs.

(g) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(h) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(i) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

(j) EXPERTS AND CONSULTANTS.—The Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(k) REPORT.—The Institute shall submit a biennial report to the Interagency Group and Congress.

(l) NONDUPLICATION.—The Institute shall not duplicate any functions carried out by the Secretary, the Secretary of Labor, or the Secretary of Health and Human Services under this subtitle. This subsection shall not be construed to prohibit the Secretaries from delegating such functions to the Institute.

(m) FUNDING.—Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

SEC. 246. AUTHORIZATION OF APPROPRIATIONS.

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

Subtitle B—Repeal

SEC. 251. REPEAL.

(a) REPEAL.—The Adult Education Act (20 U.S.C. 1201 et. seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) REFUGEE EDUCATION ASSISTANCE ACT.—Subsection (b) of section 402 of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is repealed.

(2) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) SECTION 1202 OF ESEA.—Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking ''Adult Education Act'' and inserting ''Workforce Investment Partnership Act of 1997''.

(B) SECTION 1205 OF ESEA.—Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking ''Adult Education Act'' and inserting ''Workforce Investment Partnership Act of 1997''.

(C) SECTION 1206 OF ESEA.—Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking ''an adult basic education program under the Adult Education Act'' and inserting ''adult education and literacy activities under the Workforce Investment Partnership Act of 1997''.

(D) SECTION 3113 OF ESEA.—Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking ''section 312 of the Adult Education Act'' and inserting ''section 2 of the Workforce Investment Partnership Act of 1997''.

(E) SECTION 9161 OF ESEA.—Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking ''section 312(2) of the Adult Education Act'' and inserting ''section 2 of the Workforce Investment Partnership Act of 1997''.

(3) OLDER AMERICANS ACT OF 1965.—Section 203(b)(8) of the Older Americans Act of 1965 (42 U.S.C. 3013(b)(8)) is amended by striking ''Adult Education Act'' and inserting ''Workforce Investment Partnership Act of 1997''.

(4) NATIONAL LITERACY ACT OF 1991.—The National Literacy Act of 1991 (20 U.S.C. 1201 note) is repealed.

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.

The Secretary of Labor shall make an allotment to each State that has a State plan approved under section 304 and a grant to each outlying area that complies with the requirements of this title, to enable the State or outlying area to assist local areas in providing, through a statewide workforce investment system—

(1) adult employment and training activities;

(2) dislocated worker employment and training activities; and

(3) youth activities, including summer employment opportunities, tutoring, activities to promote study skills, alternative secondary school services, employment skill training, adult mentoring, and supportive services.

SEC. 302. STATE ALLOTMENTS.

(a) IN GENERAL.—The Secretary shall—

(1) make allotments and grants from the total amount appropriated under section 322(a) for a fiscal year in accordance with subsection (b)(1);

(2)(A) reserve 20 percent of the amount appropriated under section 322(b) for a fiscal year for use under sections 366(b)(2), 367(f), and 369; and

(B) make allotments and grants from 80 percent of the amount appropriated under section 322(b) for a fiscal year in accordance with subsection (b)(2); and

(3)(A) for each fiscal year in which the amount appropriated under section 322(c) exceeds $1,000,000,000, reserve a portion determined under subsection (b)(3)(A) of the amount appropriated under section 322(c) for use under sections 362 and 364; and

(B) use the remainder of the amount appropriated under section 322(c) for a fiscal year to make allotments and grants in accordance with subparagraphs (B) and (C) of subsection (b)(3) and make funds available for use under section 361.

(b) ALLOTMENT AMONG STATES.—

(1) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) OUTLYING AREAS.—

(i) IN GENERAL.—From the amount made available under subsection (a)(1) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent—

(I) to provide assistance to the outlying areas to carry out adult employment and training activities; and

(II) for each of the fiscal years 1999 through 2004, to carry out the competition described in clause (iii), except that the amount reserved to carry out such clause for any such fiscal year shall not exceed the amount reserved for the Freely Associated States for fiscal year 1998, from amounts reserved under section 202(a)(1) of the Job Training Partnership Act (29 U.S.C. 1602(a)(1)) (as in effect on the day before the date of enactment of this Act).

(ii) APPLICATION.—To be eligible to receive a grant under this subparagraph, an outlying area shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

(iii) COMPETITIVE GRANTS.—The Secretary shall use funds described in clause (i)(II) to make grants to outlying areas to carry out adult employment and training activities.

(iv) BASIS.—The Secretary shall make grants pursuant to clause (iii) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

(v) ASSISTANCE REQUIREMENTS.—Any Freely Associated State that desires to receive a grant made under this subparagraph shall include in the application of the State for assistance—

(I) information demonstrating that the State will meet all conditions of the regulations described in clause (ix); and

(II) an assurance that, notwithstanding any other provision of this title, the State will use the amounts made available through such grants only for the direct provision of services.

(vi) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Freely Associated States shall not receive any funds under this subparagraph for any program year that begins after September 30, 2004.

(vii) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the amount made available for grants under clause (iii) to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this subparagraph.

(viii) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to funds provided to those areas, including the Freely Associated States, under this subparagraph.

(ix) REGULATIONS.—The Secretary shall issue regulations specifying requirements of this title that apply to outlying areas receiving funds under this subparagraph.

(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)(1) for a fiscal year to the States pursuant to clause (ii) for adult employment and training activities.

(ii) FORMULA.—Subject to clauses (iii) and (iv), of the remainder—

(I) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

(II) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all 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 ½ 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.

(v) DEFINITIONS.—In this subparagraph:

(I) ALLOTMENT PERCENTAGE.—The term ''allotment percentage'', used with respect to fiscal year 1999 or a subsequent fiscal year, means a percentage of the remainder described in clause (i), received through an allotment made under this subparagraph, for the fiscal year. The term, used with respect to fiscal year 1998, means the percentage of the amounts allocated under section 202(b) of the Job Training Partnership Act (29 U.S.C. 1602(b)) (as in effect on the day before the date of enactment of this Act) received under such section by service delivery areas in the State involved for fiscal year 1998.

(II) AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term ''area of substantial unemployment'' means any area that is of sufficient size and scope to sustain a program of workforce investment activities carried out under this subtitle and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months, as determined by the Secretary. For purposes of this subclause, determinations of areas of substantial unemployment shall be made once each fiscal year.

(III) DISADVANTAGED ADULT.—The term ''disadvantaged adult'' means an individual who is not less than age 22 and not more than age 72 and is a low-income individual.

(IV) EXCESS NUMBER.—The term ''excess number'' means the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in a State.

(2) DISLOCATED WORKER EMPLOYMENT AND TRAINING.—

(A) OUTLYING AREAS.—

(i) IN GENERAL.—From the amount made available under subsection (a)(2)(B) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent—

(I) to provide assistance to the outlying areas to carry out dislocated worker employment and training activities; and

(II) for each of the fiscal years 1999 through 2004, to carry out the competition described in clause (iii), except that the amount reserved to carry out such clause for any such fiscal year shall not exceed the amount reserved for the Freely Associated States for fiscal year 1998, from amounts reserved under section 302(b) of the Job Training Partnership Act (29 U.S.C. 1652(b)) (as in effect on the day before the date of enactment of this Act).

(ii) APPLICATION.—To be eligible to receive a grant under this subparagraph, an outlying area shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

(iii) COMPETITIVE GRANTS.—The Secretary shall use funds described in clause (i)(II) to make grants to outlying areas to carry out dislocated worker employment and training activities.

(iv) BASIS.—The Secretary shall make grants pursuant to clause (iii) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

(v) ASSISTANCE REQUIREMENTS.—Any Freely Associated State that desires to receive a grant made under this subparagraph shall include in the application of the State for assistance—

(I) information demonstrating that the State will meet all conditions of the regulations described in clause (ix); and

(II) an assurance that, notwithstanding any other provision of this title, the State will use the amounts made available through such grants only for the direct provision of services.

(vi) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Freely Associated States shall not receive any funds under this subparagraph for any program year that begins after September 30, 2004.

(vii) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the amount made available for grants under clause (iii) to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this subparagraph.

(viii) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to funds provided to those areas, including the Freely Associated States, under this subparagraph.

(ix) REGULATIONS.—The Secretary shall issue regulations specifying requirements of this title that apply to outlying areas receiving funds under this subparagraph.

(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) for a fiscal year to the States pursuant to clause (ii) for dislocated worker employment and training activities.

(ii) FORMULA.—Of the remainder—

(I) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

(II) 33⅓ percent shall be allotted on the basis described in paragraph (1)(B)(ii)(II); and

(III) 33⅓ percent shall be allotted on the basis of the relative number of individuals in each State who have been unemployed for 15 weeks or more, compared to the total number of individuals in all States who have been unemployed for 15 weeks or more.

(3) YOUTH ACTIVITIES.—

(A) YOUTH OPPORTUNITY GRANTS.—

(i) IN GENERAL.—For each fiscal year in which the amount appropriated under section 322(c) exceeds $1,000,000,000, the Secretary shall reserve a portion of the amount to provide youth opportunity grants under section 364 and provide youth activities under section 362.

(ii) PORTION.—The portion referred to in clause (i) shall equal, for a fiscal year—

(I) except as provided in subclause (II), the difference obtained by subtracting $1,000,000,000 from the amount described in clause (i); and

(II) for any fiscal year in which the amount is $1,250,000,000 or greater, $250,000,000.

(iii) YOUTH ACTIVITIES FOR FARMWORKERS.—From the portion described in clause (i) for a fiscal year, the Secretary shall make available $10,000,000 to provide 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 reserve not more than ¼ of 1 percent—

(I) to provide assistance to the outlying areas to carry out youth activities; and

(II) for each of the fiscal years 1999 through 2004, to carry out the competition described in clause (iii), except that the amount reserved to carry out such clause for any such fiscal 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 effect on the day before the date of enactment of this Act).

(ii) APPLICATION.—To be eligible to receive a grant under this subparagraph, an outlying area shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

(iii) COMPETITIVE GRANTS.—The Secretary shall use funds described in clause (i)(II) to make grants to outlying areas to carry out youth activities.

(iv) BASIS.—The Secretary shall make grants pursuant to clause (iii) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

(v) ASSISTANCE REQUIREMENTS.—Any Freely Associated State that desires to receive a grant made under this subparagraph shall include in the application of the State for assistance—

(I) information demonstrating that the State will meet all conditions of the regulations described in clause (ix); and

(II) an assurance that, notwithstanding any other provision of this title, the State will use the amounts made available through such grants only for the direct provision of services.

(vi) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Freely Associated States shall not receive any funds under this subparagraph for any program year that begins after September 30, 2004.

(vii) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the amount made available for grants under clause (iii) to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this subparagraph.

(viii) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to funds provided to those areas, including the Freely Associated States, under this subparagraph.

(ix) REGULATIONS.—The Secretary shall issue regulations specifying requirements of this title that apply to outlying areas receiving funds under this subparagraph.

(C) STATES.—

(i) IN GENERAL.—After determining the amounts to be reserved under subparagraph (A) (if any) and subparagraph (B), the Secretary shall—

(I) from the amount referred to in subsection (a)(3)(B) for a fiscal year, make available $15,000,000 to provide youth activities under section 361; and

(II) allot the remainder of the amount referred to in subsection (a)(3)(B) for a fiscal year to the States pursuant to clause (ii) for youth activities.

(ii) FORMULA.—Subject to clause (iii), of the remainder—

(I) 33⅓ percent shall be allotted on the basis described in paragraph (1)(B)(ii)(I);

(II) 33⅓ percent shall be allotted on the basis described in paragraph (1)(B)(ii)(II); and

(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth in each State, compared to the total number of disadvantaged youth in all States.

(iii) MINIMUM PERCENTAGE; MAXIMUM PERCENTAGE; SMALL STATE MINIMUM ALLOTMENT.—

(I) IN GENERAL.—Except as provided in subclause (II), the requirements of clauses (iii), (iv), and (v) of paragraph (1)(B) shall apply to allotments made under this subparagraph in the same manner and to the same extent as the requirements apply to allotments made under paragraph (1)(B).

(II) EXCEPTIONS.—For purposes of applying the requirements of those clauses under this subparagraph—

(aa) references in those clauses to the remainder described in clause (i) of paragraph (1)(B) shall be considered to be references to the remainder described in clause (i)(II) of this subparagraph; and

(bb) the term ''allotment percentage'', used with respect to fiscal year 1998, means the percentage of the amounts allocated under sections

252(b) and 262(b) of the Job Training Partnership Act (29 U.S.C. 1631(b) and 1642(b)) (as in effect on the day before the date of enactment of this Act) received under such sections by service delivery areas in the State involved for fiscal year 1998.

(iv) DEFINITION.—In this subparagraph, the term ''disadvantaged youth'' means an individual who is not less than age 14 and is not more than age 21 and is a low-income individual.

(4) DEFINITION.—In this subsection, the term ''Freely Associated States'' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SEC. 303. STATEWIDE PARTNERSHIP.

(a) IN GENERAL.—The Governor of a State shall establish and appoint the members of a statewide partnership to assist in the development of the State plan described in section 304 and carry out the functions described in subsection (d).

(b) MEMBERSHIP.—

(1) IN GENERAL.—The statewide partnership shall include—

(A) the Governor;

(B) representatives, appointed by the Governor, who—

(i) are representatives of business in the State;

(ii) are owners of businesses, chief executives or operating officers of private businesses, and other business executives or employers with optimum policymaking or hiring authority, including members of local partnerships described in section 308(c)(2)(A)(i);

(iii) represent businesses with employment opportunities that reflect the employment opportunities of the State; and

(iv) are appointed from among individuals nominated by State business organizations and business trade associations;

(C) representatives, appointed by the Governor, who are individuals who have optimum policymaking authority, including—

(i) representatives of—

(I) chief elected officials (representing both cities and counties, where appropriate);

(II) labor organizations, who have been nominated by State labor federations; and

(III) individuals, and organizations, that have experience relating to youth activities;

(ii) the eligible agency officials responsible for vocational education, including postsecondary vocational education, and for adult education and literacy, and the State officials responsible for postsecondary education (including education in community colleges); and

(iii) the State agency official responsible for vocational rehabilitation and, where applicable, the State agency official responsible for providing vocational rehabilitation program activities for the blind;

(D) such other State agency officials as the Governor may designate, such as State agency officials carrying out activities relating to employment and training, economic development, public assistance, veterans, youth, juvenile justice and the employment service established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.); and

(E) two members of each chamber of the State legislature, appointed by the appropriate presiding officer of the chamber.

(2) MAJORITY.—A majority of the members of the statewide partnership shall be representatives described in paragraph (1)(B).

(c) CHAIRMAN.—The Governor shall select a chairperson for the statewide partnership from among the representatives described in subsection (b)(1)(B).

(d) FUNCTIONS.—In addition to developing the State plan, the statewide partnership shall—

(1) advise the Governor on the development of a comprehensive statewide workforce investment system;

(2) assist the Governor in preparing the annual report to the Secretaries described in section 321(d);

(3) assist the Governor in developing the statewide labor market information system described in section 15(e) of the Wagner-Peyser Act; and

(4) assist in the monitoring and continuous improvement of the performance of the statewide workforce investment system, including the evaluation of the effectiveness of workforce investment activities carried out under this subtitle in serving the needs of employers seeking skilled employees and individuals seeking services.

(e) AUTHORITY OF GOVERNOR.—

(1) AUTHORITY.—The Governor shall have the final authority to determine the contents of and submit the State plan described in section 304.

(2) PROCESS.—Prior to the date on which the Governor submits a State plan under section 304, the Governor shall—

(A) make available copies of a proposed State plan to the public;

(B) allow members of the statewide partnership and members of the public to submit comments on the proposed State plan to the Governor, not later than the end of the 30-day period beginning on the date on which the proposed State plan is made available; and

(C) include with the State plan submitted to the Secretary under section 304 any such comments that represent disagreement with the plan.

SEC. 304. STATE PLAN.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 302, the Governor of the State shall submit to the Secretary for approval a single comprehensive State plan (referred to in this title as the ''State plan'') that outlines a 3-year strategy for the statewide workforce investment system of the State and that meets the requirements of section 303 and this section.

(b) CONTENTS.—The State plan shall include—

(1) a description of the statewide partnership described in section 303 used in developing the plan;

(2) a description of State-imposed requirements for the statewide workforce investment system;

(3) a description of the State performance measures developed for the workforce investment activities to be carried out through the system, that includes information identifying the State performance measures, established in accordance with section 321(b);

(4) information describing—

(A) the needs of the State with regard to current and projected employment opportunities;

(B) the job skills necessary to obtain the needed employment opportunities;

(C) the economic development needs of the State; and

(D) the type and availability of workforce investment activities in the State;

(5) an identification of local areas designated in the State, including a description of the process used for the designation of such areas, which shall—

(A) ensure a linkage between participants in workforce investment activities funded under this subtitle, and local employment opportunities;

(B) ensure that a significant portion of the population that lives in the local area also works in the same local area;

(C) ensure cooperation and coordination of activities between neighboring local areas; and

(D) take into consideration State economic development areas;

(6) an identification of criteria for the appointment of members of local partnerships based on the requirements of section 308;

(7) the detailed plans required under section 8 of the Wagner-Peyser Act;

(8) a description of the measures that will be taken by the State to assure coordination of and avoid duplication among—

(A) workforce investment activities authorized under this subtitle;

(B) other activities authorized under this title;

(C) activities authorized under title I or II;

(D) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)), and activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

(E) work programs authorized under section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o));

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

(G) activities authorized under chapter 41 of title 38, United States Code;

(H) activities carried out by the Bureau of Apprenticeship and Training;

(I) training activities carried out by the Department of Housing and Urban Development; and

(J) programs authorized under State unemployment compensation laws and the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.);

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

(10) a description of the process for the public to comment on members of the local partnerships;

(11) a description of the length of terms and appointment processes for members of the statewide partnership and local partnerships in the State;

(12) information identifying how the State will leverage any funds the State receives under this subtitle with other private and Federal resources;

(13) assurances that the State will provide, in accordance with section 374, for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotment made under section 302;

(14) if appropriate, a description of a within-State allocation formula—

(A) that is based on factors relating to excess poverty in local areas or excess unemployment above the State average in local areas; and

(B) through which the State may distribute the funds the State receives under this subtitle for adult employment and training activities or youth activities to local areas;

(15) an assurance that the funds made available to the State through the allotment made under section 302 will supplement and not supplant other public funds expended to provide activities described in this subtitle;

(16) information indicating—

(A) how the services of one-stop partners in the State will be provided through the one-stop customer service system;

(B) how the costs of such services and the operating costs of the system will be funded; and

(C) how the State will assist in the development and implementation of the operating agreement described in section 311(c);

(17) information specifying the actions that constitute a conflict of interest prohibited in the State for purposes of section 308(g)(2)(B);

(18) a description of a core set of consistently defined data elements for reporting on the activities carried out through the one-stop customer service system in the State;

(19) with respect to employment and training activities funded under this subtitle, information—

(A) describing the employment and training activities that will be carried out with the funds the State receives under this subtitle, and a description of how the State will provide rapid response activities to dislocated workers;

(B) describing the State strategy for development of a fully operational statewide one-stop

customer service system as described in section 315(b), including—

(i) criteria for use by chief elected officials and local partnerships, for designating or certifying one-stop customer service center operators, appointing one-stop partners, and conducting oversight with respect to the one-stop customer service system, for each local area; and

(ii) the steps that the State will take over the 3 years covered by the plan to ensure that all publicly funded labor exchange services described in section 315(c)(2) or the Wagner-Peyser Act (29 U.S.C. 49 et seq.), will be available through the one-stop customer service system of the State;

(C) describing the criteria used by the local partnership in the development of the local plan described in section 309; and

(D) describing the procedures the State will use to identify eligible providers of training services, as required under this subtitle; and

(20) with respect to youth activities funded under this subtitle, information—

(A) describing the youth activities that will be carried out with the funds the State receives under this subtitle;

(B) identifying the criteria to be used by the local partnership in awarding grants under section 313 for youth activities;

(C) identifying the types of criteria the Governor and local partnerships will use to identify effective and ineffective youth activities and eligible providers of such activities; and

(D) describing how the State will coordinate the youth activities carried out in the State under this subtitle with the services provided by Job Corps centers in the State.

(c) PLAN SUBMISSION AND APPROVAL.—A State plan submitted to the Secretary under this section by a Governor shall be considered to be approved by the Secretary at the end of the 60-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 60-day period, that—

(1) the plan is inconsistent with a specific provision of this title; or

(2) the levels of performance have not been agreed to pursuant to section 321(b)(4).

(d) MODIFICATIONS TO INITIAL PLAN.—A State may submit, for approval by the Secretary, substantial modifications to the State plan in accordance with the requirements of this section and section 303, as necessary, during the 3-year period of the plan.

CHAPTER 2—ALLOCATIONS TO LOCAL WORKFORCE INVESTMENT AREAS

SEC. 306. WITHIN STATE ALLOCATIONS.

(a) RESERVATIONS FOR STATE ACTIVITIES.—

(1) ADULT EMPLOYMENT AND TRAINING ACTIVITIES, DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES, AND YOUTH ACTIVITIES.—The Governor of a State shall reserve not more than 15 percent of each of the amounts allotted to the State under paragraphs (1)(B), (2)(B), and (3)(C)(ii) of section 302(b) for a fiscal year for statewide workforce investment activities described in subsections (b)(2) and (c) of section 314.

(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—The Governor of the State shall reserve not more than 25 percent of the total amount allotted to the State under section 302(b)(2)(B) for a fiscal year for statewide rapid response activities described in section 314(b)(1).

(b) WITHIN STATE ALLOCATION.—

(1) ALLOCATION.—The Governor of the State shall allocate to the local areas the funds that are allotted to the State under section 302(b) and are not reserved under subsection (a) for the purpose of providing employment and training activities to eligible participants pursuant to section 315 and youth activities to eligible participants pursuant to section 316.

(2) METHODS.—The State, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall allocate—

(A) the funds that are allotted to the State for adult employment and training activities 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) 33⅓ percent of the funds on the basis described in section 302(b)(1)(B)(ii)(I);

(ii) 33⅓ percent of the funds on the basis described in section 302(b)(1)(B)(ii)(II); and

(iii) 33⅓ percent of the funds on the basis described in section 302(b)(1)(B)(ii)(III).

(B) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—In allocating the funds described in paragraph (2)(B) to local areas, a State shall allocate—

(i) 33⅓ percent of the funds on the basis described in section 302(b)(2)(B)(ii)(I);

(ii) 33⅓ percent of the funds on the basis described in section 302(b)(2)(B)(ii)(II); and

(iii) 33⅓ percent of the funds on the basis described in section 302(b)(2)(B)(ii)(III).

(C) YOUTH ACTIVITIES.—In allocating the funds described in paragraph (2)(C) to local areas, a State may allocate—

(i) 33⅓ percent of the funds on the basis described in section 302(b)(3)(C)(ii)(I);

(ii) 33⅓ percent of the funds on the basis described in section 302(b)(3)(C)(ii)(II); and

(iii) 33⅓ percent of the funds on the basis described in section 302(b)(3)(C)(ii)(III).

(D) APPLICATION.—For purposes of carrying out subparagraphs (A), (B), and (C), and subparagraphs (A) and (B) of paragraph (4)—

(i) references in section 302(b) to a State shall be deemed to be references to a local area; and

(ii) references in section 302(b) to all States shall be deemed to be references to all local areas in the State involved.

(4) ADULT EMPLOYMENT AND TRAINING AND YOUTH DISCRETIONARY ALLOCATIONS.—

(A) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—In lieu of making the allocation described in paragraph (3)(A), in allocating the funds described in paragraph (2)(A) to local areas, a State may distribute—

(i) a portion equal to not less than 70 percent of the funds in accordance with paragraph (3)(A); and

(ii) the remaining portion of the funds on the basis of a formula that—

(I) takes into consideration factors relating to excess poverty in local areas or excess unemployment above the State average in local areas; and

(II) was developed by the statewide partnership and approved by the Secretary as part of the State plan.

(B) YOUTH ACTIVITIES.—In lieu of making the allocation described in paragraph (3)(C), in allocating the funds described in paragraph (2)(C) to local areas, a State may distribute—

(i) a portion equal to not less than 70 percent of the funds in accordance with paragraph (3)(C); and

(ii) the remaining portion of the funds on the basis of a formula that—

(I) takes into consideration factors relating to excess youth poverty in local areas or excess unemployment above the State average in local areas; and

(II) was developed by the statewide partnership and approved by the Secretary as part of the State plan.

(5) LIMITATION.—

(A) IN GENERAL.—Of the amount allocated to a local area under this subsection for a fiscal year—

(i) not more than 15 percent of the amount allocated under paragraph (3)(A) or (4)(A);

(ii) not more than 15 percent of the amount allocated under paragraph (3)(B); and

(iii) not more than 15 percent of the amount allocated under paragraph (3)(C) or (4)(B),

may be used by the local partnership for the administrative cost of carrying out local workforce investment activities described in section 315 or 316.

(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative cost of any of the local workforce investment activities described in sections 315 and 316, regardless of whether the funds were allocated under the provisions described in clause (i), (ii), or (iii) of subparagraph (A).

(C) REGULATIONS.—The Secretary, after consulting with the Governors, shall develop and issue regulations that define the term ''administrative cost'' for purposes of this title.

(6) TRANSFER AUTHORITY.—A local partnership may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area under paragraph (3)(A) or (4)(A), and 20 percent of the funds allocated to the local area under paragraph (3)(B), for a fiscal year between—

(A) adult employment and training activities; and

(B) dislocated worker employment and training activities.

(7) FISCAL AUTHORITY.—

(A) FISCAL AGENT.—The chief elected official in a local area shall serve as the fiscal agent for, and shall be liable for any misuse of, the funds allocated to the local area under this section, unless the chief elected official reaches an agreement with the Governor for the Governor to act as the fiscal agent and bear such liability.

(B) DISBURSAL.—The fiscal agent shall disburse such funds for workforce investment activities at the direction of the local partnership, pursuant to the requirements of this title, if the direction does not violate a provision of this Act. The fiscal agent shall disburse funds immediately on receiving such direction from the local partnership.

SEC. 307. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) IN GENERAL.—Except as provided in subsection (b) and paragraph (2), the Governor shall designate local workforce investment areas in the State, in accordance with the State plan requirements described in section 304(b)(5).

(2) AUTOMATIC DESIGNATION.—

(A) IN GENERAL.—The Governor of the State shall approve a request for designation as a local area from any unit of general local government with a population of 500,000 or more, if the designation meets the State plan requirements described in section 304(b)(5).

(B) LARGE COUNTIES.—A county with a population of 500,000 or more may request such designation only with the agreement of the political subdivisions within the county with populations of 200,000 or more.

(C) LARGE POLITICAL SUBDIVISIONS.—Single units of general local government with populations of 200,000 or more that are service delivery areas on the date of enactment of this Act shall have an automatic right to request designation as local areas under this section.

(3) PERMANENT DESIGNATION.—Once the boundaries for a local area are determined under this section in accordance with the State plan, the boundaries shall not change except with the approval of the Governor.

(b) SMALL STATES.—The Governor of any State determined to be eligible to receive a minimum allotment under paragraph (1), (2), or (3) of section 302(b) for the first year covered by the State plan may designate the State as a single State local area for the purposes of this title. The Governor shall identify the State as a local area under section 304(b)(5), in lieu of designating local areas as described in subparagraphs (A), (B), and (C) of section 304(b)(5).

SEC. 308. LOCAL WORKFORCE INVESTMENT PARTNERSHIPS AND YOUTH PARTNERSHIPS.

(a) ESTABLISHMENT OF LOCAL PARTNERSHIP.—There shall be established in each local area of a State, and certified by the Governor of the State, a local workforce investment partnership.

(b) ROLE OF LOCAL PARTNERSHIP.—The primary role of the local partnership shall be to set policy for the portion of the statewide workforce investment system within the local area, including—

(1) ensuring that the activities authorized under this subtitle and carried out in the local area meet local performance measures that include high academic and skill measures;

(2) ensuring that the activities meet the needs of employers and jobseekers; and

(3) ensuring the continuous improvement of the system.

(c) MEMBERSHIP OF LOCAL PARTNERSHIP.—

(1) STATE CRITERIA.—The Governor of the State shall establish criteria for the appointment of members of the local partnerships for local areas in the State in accordance with the requirements of paragraph (2). Information identifying such criteria shall be included in the State plan, as described in section 304(b)(6).

(2) COMPOSITION.—Such criteria shall require, at a minimum, that the membership of each local partnership—

(A) shall include—

(i) a majority of members who—

(I) are representatives of business in the local area;

(II) are owners of businesses, chief executives or operating officers of private businesses, and other business executives or employers with optimum policymaking or hiring authority;

(III) represent businesses with employment opportunities that reflect the employment opportunities of the local area; and

(IV) are appointed from among individuals nominated by local business organizations and business trade associations;

(ii) chief officers representing local postsecondary educational institutions, representatives of vocational education providers, and representatives of adult education providers;

(iii) chief officers representing labor organizations (for a local area in which such representatives reside), nominated by local labor federations, or (for a local area in which such representatives do not reside) other representatives of employees; and

(iv) chief officers representing economic development agencies, including private sector economic development entities;

(B) may include chief officers who have policymaking authority, from one-stop partners who have entered into an operating agreement described in section 311(c) to participate in the one-stop customer service system in the local area; and

(C) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate.

(3) CHAIRPERSON.—The local partnership shall elect a chairperson from among the members of the partnership described in paragraph (2)(A)(i).

(d) APPOINTMENT AND CERTIFICATION OF LOCAL PARTNERSHIP.—

(1) APPOINTMENT OF LOCAL PARTNERSHIP MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

(A) IN GENERAL.—The chief elected official in a local area is authorized to appoint the members of the local partnership for such area, in accordance with the State criteria established under subsection (c).

(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—

(i) IN GENERAL.—In a case in which a local area includes more than 1 unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials—

(I) in the appointment of the members of the local partnership from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (c); and

(II) in carrying out any other responsibilities assigned to such officials under this subtitle.

(ii) LACK OF AGREEMENT.—If, after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local partnership from individuals so nominated or recommended.

(2) CERTIFICATION.—

(A) IN GENERAL.—The Governor shall annually certify 1 local partnership for each local area in the State.

(B) CRITERIA.—Such certification shall be based on criteria established under subsection (c) and, for a second or subsequent certification, the extent to which the local partnership has ensured that workforce investment activities carried out in the local area have enabled the local area to meet the local performance measures required under section 321(c).

(C) FAILURE TO ACHIEVE CERTIFICATION.—Failure of a local partnership to achieve certification shall result in reappointment and certification of another local partnership for the local area pursuant to the process described in paragraph (1) and this paragraph.

(3) DECERTIFICATION.—

(A) IN GENERAL.—Notwithstanding paragraph (2), the Governor may decertify a local partnership, at any time after providing notice and an opportunity for comment, for—

(i) fraud or abuse; or

(ii) failure to carry out the functions specified for the local partnership in paragraphs (1) through (5) of subsection (e).

(B) PLAN.—If the Governor decertifies a local partnership for a local area, the Governor may require that a local partnership be appointed and certified for the local area pursuant to a plan developed by the Governor in consultation with the chief elected official in the local area and in accordance with the criteria established under subsection (c).

(4) EXCEPTION.—Notwithstanding subsection (c) and paragraphs (1) and (2), if a State described in section 307(b) designates the State as a local area in the State plan, the Governor may designate the statewide partnership described in section 303 to carry out any of the functions described in subsection (e).

(e) FUNCTIONS OF LOCAL PARTNERSHIP.—The functions of the local partnership shall include—

(1) developing and submitting a local plan as described in section 309 in partnership with the appropriate chief elected official;

(2) appointing, certifying, or designating one-stop partners and one-stop customer service center operators, pursuant to the criteria specified in the local plan;

(3) conducting oversight with respect to the one-stop customer service system;

(4) modifying the list of eligible providers of training services pursuant to subsections (b)(3)(B) and (c)(2)(B) of section 312;

(5) setting local performance measures pursuant to section 312(b)(2)(D)(ii);

(6) analyzing and identifying—

(A) current and projected local employment opportunities; and

(B) the skills necessary to obtain such local employment opportunities;

(7) coordinating the workforce investment activities carried out in the local area with economic development strategies and developing other employer linkages with such activities; and

(8) assisting the Governor in developing the statewide labor market information system described in section 15(e) of the Wagner-Peyser Act.

(f) SUNSHINE PROVISION.—The local partnership shall make available to the public, on a regular basis through open meetings, information regarding the activities of the local partnership, including information regarding membership, the appointment of one-stop partners, the designation and certification of one-stop customer service center operators, and the award of grants to eligible providers of youth activities.

(g) OTHER ACTIVITIES OF LOCAL PARTNERSHIP.—

(1) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no local partnership may directly carry out or enter into a contract for a training service described in section 315(c)(3).

(B) WAIVERS.—The Governor of the State in which the local partnership is located may grant to the local partnership a written waiver of the prohibition set forth in subparagraph (A), if the local partnership provides substantial evidence that a private or public entity is not available to provide the training service and that the activity is necessary to provide an employment opportunity described in the local plan described in section 309.

(2) CONFLICT OF INTEREST.—No member of a local partnership may—

(A) vote on a matter under consideration by the local partnership—

(i) regarding the provision of services by such member (or by an organization that such member represents); or

(ii) that would provide direct financial benefit to such member or the immediate family of such member; or

(B) engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

(h) TECHNICAL ASSISTANCE.—If a local area fails to meet established State or local performance measures, the Governor shall provide technical assistance to the local partnership involved to improve the performance of the local area.

(i) YOUTH PARTNERSHIP.—

(1) ESTABLISHMENT.—There shall be established in each local area of a State, a youth partnership appointed by the local partnership, in cooperation with the chief elected official, in the local area.

(2) MEMBERSHIP.—The membership of each youth partnership—

(A) shall include—

(i) 1 or more members of the local partnership;

(ii) representatives of youth service agencies, including juvenile justice agencies;

(iii) representatives of local public housing authorities;

(iv) parents of youth seeking assistance under this subtitle;

(v) individuals, including former participants, and representatives of organizations, that have experience relating to youth activities; and

(vi) representatives of the Job Corps, as appropriate; and

(B) may include such other individuals as the chairperson of the local partnership, in cooperation with the chief elected official, determines to be appropriate.

(3) DUTIES.—The duties of the youth partnership include—

(A) the development of the portions of the local plan relating to youth, as determined by the chairperson of the local partnership;

(B) awarding grants to, and conducting oversight with respect to, eligible providers of youth activities, as described in section 313, in the local area;

(C) coordinating youth activities in the local area; and

(D) other duties determined to be appropriate by the chairperson of the local partnership.

SEC. 309. LOCAL PLAN.

(a) IN GENERAL.—Each local partnership shall develop and submit to the Governor a comprehensive 3-year local plan (referred to in this title as the ''local plan''), in partnership with the appropriate chief elected official. The local plan shall be consistent with the State plan.

(b) CONTENTS.—The local plan shall include—

(1) an identification of the needs of the local area with regard to current and projected employment opportunities;

(2) an identification of the job skills necessary to obtain such employment opportunities;

(3) a description of the activities to be used under this subtitle to link local employers and local jobseekers;

(4) an identification and assessment of the type and availability of adult and dislocated worker employment and training activities in the local area;

(5) an identification of successful eligible providers of youth activities in the local area;

(6) a description of the measures that will be taken by the local area to assure coordination of and avoid duplication among the programs and activities described in section 304(b)(8);

(7) a description of the manner in which the local partnership will coordinate activities carried out under this subtitle in the local area with such activities carried out in neighboring local areas;

(8) a description of the competitive process to be used to award grants in the local area for activities carried out under this subtitle;

(9) information describing local performance measures for the local area that are based on the performance measures in the State plan;

(10) in accordance with the State plan, a description of the criteria that the chief elected official in the local area and the local partnership will use to appoint, designate, or certify, and to conduct oversight with respect to, one-stop customer service center systems in the local area; and

(11) such other information as the Governor may require.

(c) PLAN SUBMISSION AND APPROVAL.—A local plan submitted to the Governor under this section shall be considered to be approved by the Governor at the end of the 60-day period beginning on the day the Governor receives the plan, unless the Governor makes a written determination during the 60-day period that—

(1) entities conducting evaluations conducted under section 321(e) in the local area have found deficiencies in activities carried out under this subtitle and the local area has not made acceptable progress in implementing corrective measures to address the deficiencies; or

(2) the plan does not comply with this title.

(d) LACK OF AGREEMENT.—If the local partnership and the appropriate chief elected official in the local area cannot agree on the local plan after making a reasonable effort, the Governor may develop the 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.

(a) IN GENERAL.—Consistent with the State plan, the chief elected official and the local partnership shall develop and implement operating agreements described in subsection (c) to appoint one-stop partners, shall designate or certify one-stop customer service center operators, and shall conduct oversight with respect to the one-stop customer service system, in the local area.

(b) ONE-STOP PARTNERS.—

(1) DESIGNATED PARTNERS.—

(A) IN GENERAL.—Each entity that carries out a program, services, or activities described in subparagraph (B) shall make available to participants, through a one-stop customer service center, the services described in section 315(c)(2) that are applicable to such program, and shall participate in the operation of such center as a party to the agreement described in subsection (c).

(B) PROGRAMS; SERVICES; ACTIVITIES.—The programs, services, and activities referred to in subparagraph (A) consist of—

(i) core services authorized under this subtitle;

(ii) other activities authorized under this title;

(iii) activities authorized under title I and title II;

(iv) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(v) programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 729 et seq.);

(vi) programs authorized under section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) (as added by section 5001 of the Balanced Budget Act of 1997);

(vii) programs authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

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

(ix) activities authorized under chapter 41 of title 38, United States Code;

(x) activities carried out by the Bureau of Apprenticeship and Training;

(xi) training activities carried out by the Department of Housing and Urban Development; and

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

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—In addition to the entities described in paragraph (1), other entities that carry out human resource programs may make available to participants through a one-stop customer service center the services described in section 315(c)(2) that are applicable to such program, and participate in the operation of such centers as a party to the agreement described in subsection (c), if the local partnership and chief elected official involved approve such participation.

(B) PROGRAMS.—The programs referred to in subparagraph (A) include—

(i) programs authorized under part A of title IV of the Social Security Act;

(ii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));

(iii) work programs authorized under section 6(o) of the Food Stamp Act of 1997 (7 U.S.C. 2015 (o)); and

(iv) other appropriate Federal, State, or local programs, including programs in the private sector.

(c) OPERATING AGREEMENTS.—

(1) IN GENERAL.—The one-stop customer service center operator selected pursuant to subsection (d) for a one-stop customer service center shall enter into a written agreement with the local partnership and one-stop partners described in subsection (b) concerning the operation of the center. Such agreement shall be subject to the approval of the chief elected official and the local partnership.

(2) CONTENTS.—The written agreement required under paragraph (1) shall contain—

(A) provisions describing—

(i) the services to be provided through the center;

(ii) how the costs of such services and the operating costs of the system will be funded,

(iii) methods for referral of individuals between the one-stop customer service center operators and the one-stop partners, for the appropriate services and activities;

(iv) the monitoring and oversight of activities carried out under the agreement; and

(v) the duration of the agreement and the procedures for amending the agreement during the term of the agreement; and

(B) such other provisions, consistent with the requirements of this title, as the parties to the agreement determine to be appropriate.

(d) ONE-STOP CUSTOMER SERVICE CENTER OPERATORS.—

(1) IN GENERAL.—To be eligible to receive funds made available under this subtitle to operate a one-stop customer service center, an entity shall—

(A) be designated or certified as a one-stop customer service center operator, as described in subsection (a); and

(B) be a public or private entity, or consortium of entities, of demonstrated effectiveness located in the local area, which entity or consortium may include an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), a local employment service office established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), a local government agency, a private for-profit entity, a private nonprofit entity, or other interested entity, of demonstrated effectiveness.

(2) EXCEPTION.—Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop customer service center operators, except that nontraditional secondary schools and area vocational education schools shall be eligible for such designation or certification.

(e) ESTABLISHED ONE-STOP CUSTOMER SERVICE SYSTEMS.—For a local area in which a one-stop customer service system has been established prior to the date of enactment of this Act, the local partnership, the chief elected official, and the Governor may agree to appoint, designate, or certify the one-stop partners and one-stop customer service center operators of such system, for purposes of this section.

(f) OVERSIGHT.—The local partnership shall conduct oversight with respect to the one-stop customer service center system and may terminate for cause the eligibility of such a partner or operator to provide activities through or operate a one-stop customer service center.

SEC. 312. DETERMINATION AND IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES BY PROGRAM.

(a) GENERAL ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in subsection (e), to be eligible to receive funds made available under section 306 to provide training services described in section 315(c)(3) (referred to in this title as ''training services'') and be identified as an eligible provider of such services, a provider of such services shall meet the requirements of this section.

(2) PROVIDERS.—To be eligible to receive the funds, the provider shall be—

(A) a postsecondary educational institution that—

(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(ii) provides a program that leads to an associate degree, baccalaureate degree, or certificate; or

(B) another public or private provider of a program.

(b) INITIAL DETERMINATION AND IDENTIFICATION.—

(1) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—To be eligible to receive funds as described in subsection (a), an institution described in subsection (a)(2)(A) shall submit an application at such time, in such manner, and containing such information as the designated State agency described in subsection (f) may require, after consultation with the local partnerships in the State. On submission of the application, the institution shall automatically be initially eligible to receive such funds for the program described in subsection (a)(2)(A).

(2) OTHER PROVIDERS.—

(A) PROCEDURE.—The Governor, in consultation with the local partnerships in the State, shall establish a procedure for determining the initial eligibility of providers described in subsection (a)(2)(B) to receive such funds for specified programs. The procedure shall require a

provider of a program to meet minimum acceptable levels of performance based on—

(i) performance criteria relating to the rates, percentages, increases, and costs described in subparagraph (C) for the program, as demonstrated using verifiable program-specific performance information described in subparagraph (C) and submitted to the designated State agency, as required under subparagraph (C); and

(ii) performance criteria relating to any characteristics for which local partnerships request the submission of information under subparagraph (D) for the program, as demonstrated using the information submitted.

(B) MINIMUM LEVELS.—The Governor shall—

(i) consider, in determining such minimum levels—

(I) criteria relating to the economic, geographic, and demographic factors in the local areas in which the provider provides the program; and

(II) the characteristics of the population served by such provider through the program; and

(ii) verify the minimum levels of performance by using quarterly records described in section 321.

(C) APPLICATION.—To be initially eligible to receive funds as described in subsection (a), a provider described in subsection (a)(2)(B) shall submit an application at such time, in such manner, and containing such information as the designated State agency may require, including performance information on—

(i) program completion rates for participants in the applicable program conducted by the provider;

(ii) the percentage of the graduates of the program placed in unsubsidized employment in an occupation related to the program conducted;

(iii) retention rates of the graduates in unsubsidized employment—

(I) 6 months after completion of the program; and

(II) 12 months after completion of the program;

(iv) the wages received by the graduates placed in unsubsidized employment after the completion of participation in the program—

(I) on the first day of the employment;

(II) 6 months after the first day of the employment; and

(III) 12 months after the first day of the employment;

(v) where appropriate, the rates of licensure or certification of the graduates, attainment of academic degrees or equivalents, or attainment of other measures of skill; and

(vi) program cost per participant in the program.

(D) ADDITIONAL INFORMATION.—

(i) IN GENERAL.—In addition to the performance information described in subparagraph (C), the local partnerships in the State involved may require that a provider submit, to the local partnerships and to the designated State agency, other performance information relating to the program to be initially identified as an eligible provider of training services, including information regarding the ability of the provider to provide continued counseling and support regarding the workplace to the graduates, for not less than 12 months after the graduation involved.

(ii) HIGHER LEVELS OF PERFORMANCE ELIGIBILITY.—The local partnership may require higher levels of performance than the minimum levels established under subparagraph (A)(i) for initial eligibility to receive funds as described in subsection (a).

(3) LIST OF ELIGIBLE PROVIDERS BY PROGRAM.—

(A) IN GENERAL.—The designated State agency, after reviewing the performance information described in paragraph (2)(C) and any information required to be submitted under paragraph (2)(D) and using the procedure described in paragraph (2)(B), shall—

(i) identify eligible providers of training services described in subparagraphs (A) and (B) of subsection (a)(2), including identifying the programs of the providers through which the providers may offer the training services; and

(ii) compile a list of the eligible providers, and the programs, accompanied by the performance information described in paragraph (2)(C) and any information required to be submitted under paragraph (2)(D) for each such provider described in subsection (a)(2)(B).

(B) LOCAL MODIFICATION.—The local partnership may modify such list by reducing the number of eligible providers listed, to ensure that the eligible providers carry out programs that provide skills that enable participants to obtain local employment opportunities.

(c) SUBSEQUENT ELIGIBILITY.—

(1) INFORMATION AND CRITERIA.—To be eligible to continue to receive funds as described in subsection (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 performance information and other information for each such provider.

(B) LOCAL MODIFICATION.—The local partnership may modify such list by reducing the number of eligible providers listed, to ensure that the eligible providers carry out programs that provide skills that enable participants to obtain local employment opportunities.

(3) AVAILABILITY.—Such list and information shall be made widely available to participants in employment and training activities funded under this subtitle, and to others, through the one-stop customer service system described in section 315(b).

(d) ENFORCEMENT.—

(1) ACCURACY OF INFORMATION.—If the designated State agency, after consultation with the local partnership involved, determines that a provider or individual supplying information on behalf of a provider intentionally supplies inaccurate information under this section, the agency shall terminate the eligibility of the provider to receive funds described in subsection (a) for a period of time, but not less than 2 years.

(2) COMPLIANCE WITH CRITERIA OR REQUIREMENTS.—If the designated State agency, after consultation with the local partnership, determines that an eligible provider or a program of training services carried out by an eligible provider fails to meet the required performance criteria and performance measures described in subparagraphs (B) and (C) of subsection (c)(1), or materially violates any provision of this title, including the regulations promulgated to implement this title, the agency may terminate the eligibility of the provider to receive funds described in subsection (a) for such program or take such other action as the agency determines to be appropriate.

(3) REPAYMENT.—Any provider whose eligibility is terminated under paragraph (1) or (2) for a program shall be liable for repayment of funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

(4) APPEAL.—The Governor shall establish a procedure for an eligible provider to appeal a determination by the designated State agency that results in termination of eligibility under this subsection. Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(e) ON-THE-JOB TRAINING EXCEPTION.—

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

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop customer service center operator in a local area shall collect such performance information from on-the-job training providers as the Governor may require, and disseminate such information through the one-stop customer service system.

(f) ADMINISTRATION.—The Governor shall designate a State agency to collect and disseminate the performance information described in subsection (b)(2)(C) and any information required to be submitted under subsection (b)(2)(D) and carry out other duties described in this section.

SEC. 313. IDENTIFICATION OF ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

The youth partnership is authorized to award grants on a competitive basis, based on the criteria contained in the State plan and local plan, to providers of youth activities, and conduct oversight with respect to such providers, in the local area.

SEC. 314. STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.

(a) IN GENERAL.—Funds reserved by a Governor for a State—

(1) under section 306(a)(2) shall be used to carry out the statewide rapid response activities described in subsection (b)(1); and

(2) under section 306(a)(1)—

(A) shall be used to carry out the statewide workforce investment activities described in subsection (b)(2); and

(B) may be used to carry out any of the statewide workforce investment activities described in subsection (c),

regardless of whether the funds were allotted to the State under paragraph (1), (2), or (3) of section 302(b).

(b) REQUIRED STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

(1) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall use funds reserved under section 306(a)(2) to carry out statewide rapid response activities, which shall include—

(A) provision of rapid response activities, carried out in local areas by the State, working in conjunction with the local partnership and the chief elected official in the local area; and

(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in the local areas by the State, working in conjunction with the local partnership and the chief elected official in the local areas.

(2) OTHER REQUIRED STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—A State shall use funds reserved under section 306(a)(1) to carry out other statewide workforce investment activities, which shall include—

(A) disseminating the list of eligible providers of training services, including eligible providers of nontraditional training services, and the performance information as described in subsections (b) and (c) of section 312, and a list of eligible providers of youth activities described in section 313;

(B) conducting evaluations, under section 321(e), of activities authorized in this section, section 315, and section 316, in coordination with the activities carried out under section 368;

(C) providing incentive grants to local areas for regional cooperation among local partnerships, for local coordination and nonduplication

of activities carried out under this Act, and for comparative performance by local areas on the local performance measures described in section 321(c);

(D) providing technical assistance to local areas that fail to meet local performance measures;

(E) assisting in the establishment and operation of a one-stop customer service system; and

(F) operating a fiscal and management accountability information system under section 321(f).

(c) ALLOWABLE STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

(1) IN GENERAL.—A State may use funds reserved under section 306(a)(1) to carry out additional statewide workforce investment activities, which may include—

(A) subject to paragraph (2), administration by the State of the workforce investment activities carried out under this subtitle;

(B) identification and implementation of incumbent worker training programs, which may include the establishment and implementation of an employer loan program;

(C) carrying out other activities authorized in section 315 that the State determines to be necessary to assist local areas in carrying out activities described in subsection (c) or (d) of section 315 through the statewide workforce investment system; and

(D) carrying out, on a statewide basis, activities described in section 316.

(2) LIMITATION.—

(A) IN GENERAL.—Of the funds allotted to a State under section 302(b) and reserved under section 306(a)(1) for a fiscal year—

(i) not more than 5 percent of the amount allotted under section 302(b)(1);

(ii) not more than 5 percent of the amount allotted under section 302(b)(2); and

(iii) not more than 5 percent of the amount allotted under section 302(b)(3),

may be used by the State for the administration of statewide workforce investment activities carried out under this section.

(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative cost of any of the statewide workforce investment activities, regardless of whether the funds were allotted to the State under paragraph (1), (2), or (3) of section 302(b).

SEC. 315. LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.

(a) IN GENERAL.—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)—

(1) shall be used to carry out employment and training activities described in subsection (c) for adults or dislocated workers, as appropriate; and

(2) may be used to carry out employment and training activities described in subsection (d) for adults or dislocated workers, as appropriate.

(b) ESTABLISHMENT OF ONE-STOP CUSTOMER SERVICE SYSTEM.—

(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 302 a one-stop customer service system, which—

(A) shall provide the core services described in subsection (c)(2);

(B) shall provide access to training services as described in subsection (c)(3);

(C) shall provide access to the activities (if any) carried out under subsection (d); and

(D) shall provide access to the information described in section 15 of the Wagner-Peyser Act and all job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(2) ONE-STOP DELIVERY.—At a minimum, the one-stop customer service system—

(A) shall make each of the services described in paragraph (1) accessible at not less than 1 physical customer service center in each local area of the State; and

(B) may also make services described in paragraph (1) available—

(i) through a network of customer service centers that can provide 1 or more of the services described in paragraph (1) to such individuals; and

(ii) through a network of eligible one-stop partners—

(I) in which each partner provides 1 or more of the services to such individuals and is accessible at a customer service center that consists of a physical location or an electronically or technologically linked access point; and

(II) that assures individuals that information on the availability of core services will be available regardless of where the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

(c) REQUIRED LOCAL ACTIVITIES.—

(1) IN GENERAL.—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), shall be used—

(A) to establish a one-stop customer service center described in subsection (b);

(B) to provide the core services described in paragraph (2) to participants described in such paragraph through the one-stop customer service system; and

(C) to provide training services described in paragraph (3) to participants described in such paragraph.

(2) CORE SERVICES.—Funds received by a local area as described in paragraph (1) shall be used to provide core services, which shall be available to all individuals seeking assistance through a one-stop customer service system and shall, at a minimum, include—

(A) determinations of whether the individuals are eligible to receive activities under this subtitle;

(B) outreach, intake (which may include worker profiling), and orientation to the information and other services available through the one-stop customer service system;

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

(D) case management assistance, as appropriate;

(E) job search and placement assistance;

(F) provision of information regarding—

(i) local, State, and, if appropriate, regional or national, employment opportunities; and

(ii) job skills necessary to obtain the employment opportunities;

(G) provision of performance information on eligible providers of training services as described in section 312, provided by program, and eligible providers of youth activities as described in section 313, eligible providers of adult education as described in title II, eligible providers of postsecondary vocational education activities and vocational education activities available to school dropouts as described in title I, and eligible providers of vocational rehabilitation program activities as described in title I of the Rehabilitation Act of 1973;

(H) provision of performance information on the activities carried out by one-stop partners, as appropriate;

(I) provision of information regarding how the local area is performing on the local performance measures described in section 321(c), and any additional performance information provided to the one-stop customer service center by the local partnership;

(J) provision of accurate information relating to the availability of supportive services, including child care and transportation, available in the local area, and referral to such services, as appropriate;

(K) provision of information regarding filing claims for unemployment compensation;

(L) assistance in establishing eligibility for—

(i) welfare-to-work activities authorized under section 403(a)(5) of the Social Security Act (as added by section 5001 of the Balanced Budget Act of 1997) available in the local area; and

(ii) programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; and

(M) followup services, including counseling regarding the workplace, for participants in workforce investment activities who are placed in unsubsidized employment, for not less than 12 months after the completion of such participation, as appropriate.

(3) REQUIRED TRAINING SERVICES.—

(A) ELIGIBLE PARTICIPANTS.—Funds received by a local area as described in paragraph (1) shall be used to provide training services to individuals—

(i) who are adults (including dislocated workers);

(ii) who seek the services;

(iii)(I) who are unable to obtain employment through the core services; or

(II) who are employed and who are determined by a one-stop customer service center operator to be in need of such training services in order to gain or retain employment that allows for self-sufficiency;

(iv) who after an interview, evaluation, or assessment, and case management, have been determined by a one-stop customer service center operator or one-stop partner, as appropriate, to be in need of training services and to have the skills and qualifications, to successfully participate in the selected program of training services;

(v) who select programs of training services that are directly linked to the employment opportunities in the local area involved 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) 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 the requirements of this paragraph while an application for a Federal Pell Grant is pending, except that if such individual is subsequently awarded a Federal Pell Grant, appropriate reimbursement shall be made to the local area from such Federal Pell Grant.

(C) TRAINING SERVICES.—Training services may include—

(i) employment skill training;

(ii) on-the-job training;

(iii) job readiness training; and

(iv) adult education services when provided in combination with services described in clause (i), (ii), or (iii).

(D) PRIORITY.—In the event that funds are limited within a local area for adult employment and training activities, priority shall be given to disadvantaged adults for receipt of training services provided under this paragraph. The appropriate local partnership and the Governor shall direct the one-stop customer service center operator in the local area with regard to making determinations related to such priority.

(E) DELIVERY OF SERVICES.—Training services provided under this paragraph shall be provided—

(i) except as provided in section 312(e), through eligible providers of such services identified in accordance with section 312; and

(ii) in accordance with subparagraph (F).

(F) CONSUMER CHOICE REQUIREMENTS.—

(i) IN GENERAL.—Training services provided under this paragraph shall be provided in a manner that maximizes consumer choice in the selection of an eligible provider of such services.

(ii) ELIGIBLE PROVIDERS.—Each local partnership, through one-stop customer service centers, shall make available—

(I) the list of eligible providers required under subsection (b)(3) or (c)(2) of section 312, with a description of the programs through which the providers may offer the training services, and a list of the names of on-the-job training providers; and

(II) the performance information on eligible providers of training services as described in section 312.

(iii) EMPLOYMENT INFORMATION.—Each local partnership, through one-stop customer service centers, shall make available—

(I) information regarding local, State, and, if appropriate, regional or national, employment opportunities; and

(II) information regarding the job skills necessary to obtain the employment opportunities.

(iv) INDIVIDUAL TRAINING ACCOUNTS.—An individual who is eligible pursuant to subparagraph (A) and seeks training services may select, in consultation with a case manager, an eligible provider of training services from the lists of providers described in clause (ii)(I). Upon such selection, the operator of the one-stop 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; and

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

(3) NEEDS-RELATED PAYMENTS.—

(A) IN GENERAL.—Funds received by the local area under section 306(b)(3)(B) may be used to provide needs-related payments to dislocated workers who do not qualify for, or have exhausted, unemployment compensation, for the purpose of enabling such individuals to participate in training services.

(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has ceased to qualify for unemployment compensation may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in the training services—

(i) by the end of the 13th week of the worker's unemployment compensation benefits period for the most recent layoff that resulted in a determination of the worker's eligibility for employment and training activities for dislocated workers under this subtitle; or

(ii) if later, by the end of the 13th week after the worker is informed that a short-term layoff will exceed 6 months.

(C) LEVEL OF PAYMENTS.—The level of a needs-related payment made to a dislocated worker under this paragraph shall not exceed the greater of—

(i) the applicable level of unemployment compensation; or

(ii) if such worker did not qualify for unemployment compensation, an amount equal to the poverty line, for an equivalent period, which amount shall be adjusted to reflect changes in total family income.

SEC. 316. LOCAL YOUTH ACTIVITIES.

(a) PURPOSES.—The purposes of this section are—

(1) to provide effective and comprehensive activities to youth seeking assistance in achieving academic and employment success;

(2) to ensure continuous contact for youth with committed adults;

(3) to provide opportunities for training to youth;

(4) to provide continued support services for youth;

(5) to provide incentives for recognition and achievement to youth; and

(6) to provide opportunities for youth in activities related to leadership, development, decisionmaking, citizenship, and community service.

(b) REQUIRED ELEMENTS.—Funds received by a local area under paragraph (3)(C) or (4)(B) of section 306(b) shall be used to carry out, for youth who seek the activities, activities that—

(1) consist of the provision of—

(A) tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies;

(B) alternative secondary school services;

(C) summer employment opportunities and other paid and unpaid work experiences, including internships;

(D) employment skill training, as appropriate;

(E) community service and leadership development opportunities;

(F) services described in section 315(c)(2);

(G) supportive services;

(H) adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months; and

(I) followup services for not less than 12 months after the completion of participation, as appropriate;

(2) provide—

(A) preparation for postsecondary educational opportunities, in appropriate cases;

(B) strong linkages between academic and occupational learning; and

(C) preparation for unsubsidized employment opportunities, in appropriate cases; and

(3) involve parents, participants, and other members of the community with experience relating to youth in the design and implementation of the activities.

(c) PRIORITY.—At a minimum, 50 percent of the funds described in subsection (b) shall be used to provide youth activities to out-of-school youth.

(d) PROHIBITIONS.—

(1) NO LOCAL EDUCATION CURRICULUM.—No funds described in subsection (b) shall be used to develop or implement local school system education curricula.

(2) NONDUPLICATION.—No funds described in subsection (b) shall be used to carry out activities that duplicate federally funded activities available to youth in the local area.

(3) NONINTERFERENCE AND NONREPLACEMENT OF REGULAR ACADEMIC REQUIREMENTS.—No funds described in subsection (b) shall be used to provide an activity for youth who are not school dropouts if participation in the activity would interfere with or replace the regular academic requirements of the youth.

CHAPTER 4—GENERAL PROVISIONS

SEC. 321. ACCOUNTABILITY.

(a) PURPOSE.—The purpose of this section is to provide comprehensive performance measures to assess the progress of States and local areas (including eligible providers and programs of activities authorized under this subtitle that are made available in the States and local areas), in assisting both employers and jobseekers in meeting their employment needs, in order to ensure an adequate return on the investment of Federal funds for the activities.

(b) STATE PERFORMANCE MEASURES.—

(1) IN GENERAL.—To be eligible to receive an allotment under section 302, a State shall establish, and identify in the State plan, State performance measures. Each State performance measure shall consist of an indicator of performance, referred to in paragraph (2) or (3), and a performance level, referred to in paragraph (4).

(2) CORE INDICATORS OF PERFORMANCE.—The State performance measures shall contain indicators of performance, including, at a minimum—

(A) core indicators of performance for adults, including dislocated workers, participating in activities that are training services, which indicators consist of—

(i) placement in unsubsidized employment related to the training received through the activities;

(ii) retention in unsubsidized employment related to the training received through the activities—

(I) 6 months after completion of participation in the activities; and

(II) 12 months after completion of participation;

(iii) wages received by such participants who are placed in unsubsidized employment related to the training received through the activities after completion of participation—

(I) on the first day of the employment;

(II) 6 months after the first day of the employment; and

(III) 12 months after the first day of the employment; and

(iv) percentage of wage replacement for dislocated workers placed in unsubsidized employment related to the training received through the activities;

(B) core indicators of performance for adults, including dislocated workers, participating in activities that are core services, which indicators consist of the indicators described in clauses (i) through (iv) of subparagraph (A); and

(C) core indicators of performance for youth participating in youth activities under section 316, that consist of—

(i) attainment of secondary school diplomas or their recognized equivalents;

(ii) attainment of job readiness and employment skills;

(iii) placement in, retention in, and completion of postsecondary education, advanced training, or an apprenticeship;

(iv) placement in unsubsidized employment related to the training received through the activities;

(v) retention in unsubsidized employment related to the training received through the activities—

(I) 6 months after completion of participation in the activities; and

(II) 12 months after completion of participation; and

(vi) wages received by such participants who are placed in unsubsidized employment related to the training received through the activities, after completion of participation—

(I) on the first day of the employment;

(II) 6 months after the first day of the employment; and

(III) 12 months after the first day of the employment.

(3) CUSTOMER SATISFACTION INDICATOR.—The State performance measures shall contain an indicator of performance with respect to customer satisfaction of employers and participants, which may be measured through surveys conducted after the conclusion of participation in workforce investment activities.

(4) STATE LEVELS OF PERFORMANCE.—In order to ensure an adequate return on the investment of Federal funds in workforce investment activities, the Secretary and each Governor shall reach agreement on the levels of performance

expected to be achieved by the State, on the State performance measures established pursuant to this subsection. In reaching the agreement, the Secretary and Governor shall establish a level of performance for each indicator of performance described in paragraph (2) or (3). Such agreement shall take into account—

(A) how the levels compare with the levels established by other States, taking into consideration the specific circumstances, including economic circumstances, of each State; and

(B) the extent to which such levels promote continuous improvement in performance by such State and ensure an adequate return on the investment of Federal funds.

(5) POPULATIONS.—In developing the State performance measures, a State shall develop and identify in the State plan State performance measures for populations that include, at a minimum—

(A) disadvantaged adults;

(B) dislocated workers;

(C) out-of-school youth; and

(D) individuals with disabilities.

(c) LOCAL PERFORMANCE MEASURES.—

(1) IN GENERAL.—Each Governor shall negotiate and reach agreement with the local partnership and the chief elected official in each local area on local performance measures. Each local performance measure shall consist of an indicator of performance referred to in paragraph (2) or (3) of subsection (b), and a performance level referred to in paragraph (2).

(2) PERFORMANCE LEVELS.—Based on the expected levels of performance established pursuant to subsection (b)(4), the Governor shall negotiate and reach agreement with the local partnership and the chief elected official in each local area regarding the levels of performance expected to be achieved for the local area on the indicators of performance.

(3) POPULATIONS.—In negotiating and reaching agreement on the local performance measures, the Governor, local partnership, and chief elected official, shall negotiate and reach agreement on local performance measures for populations that include, at a minimum, the populations described in subsection (b)(5). The local partnership shall identify these local performance measures in the local plan.

(d) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 302 shall annually prepare and submit to the Secretary a report on the progress of the State in achieving State performance measures. The annual report shall also include information regarding the progress of local areas in achieving local performance measures. The report shall also include information on the status of State evaluations of workforce investment activities described in subsection (e).

(2) ADDITIONAL INFORMATION.—In preparing such report, the State shall include, at a minimum, information relating to—

(A) the performance of graduates of programs of training services as compared to former enrollees in the programs, with respect to the core indicators described in subsection (b)(2)(A);

(B) the educational attainment of such graduates and former enrollees;

(C) the cost of the workforce investment activities relative to the impact of the activities on the performance of graduates on the core indicators; and

(D) the performance of welfare recipients, veterans, individuals with disabilities, and displaced homemakers with respect to the core indicators described in subparagraphs (A) and (B) of subsection (b)(2).

(3) INFORMATION DISSEMINATION.—The Secretary shall make the information contained in such reports available to Congress, the Library of Congress, and the public through publication and other appropriate methods, and shall disseminate State-by-State comparisons of the information that take into consideration the specific circumstances, including economic circumstances, of the States.

(4) DEFINITION.—In this subsection, the term ''welfare recipient'' means a person receiving payments described in section 2(24)(A).

(e) EVALUATION OF STATE PROGRAMS.—

(1) WORKFORCE INVESTMENT ACTIVITIES.—Using funds reserved under section 306(a)(1), a State shall conduct ongoing evaluations of workforce investment activities carried out in the State under this subtitle.

(2) CRITERIA FOR LONGITUDINAL STUDIES.—The evaluations shall include longitudinal studies of the workforce investment activities. Evaluation criteria for purposes of the longitudinal studies shall be developed in conjunction with statewide partnerships and local partnerships. The criteria shall measure the relationship between the level of public funding for the activities and the degree to which the activities promote employment and wage gains. Such longitudinal studies shall be conducted by an evaluator who is unaffiliated with the statewide partnership or the local partnership and shall include measures that reflect the State performance measures.

(3) ADDITIONAL STUDIES.—The State shall also fund evaluation studies of the workforce investment activities. The evaluation studies shall provide ongoing analysis to statewide partnerships and local partnerships to promote efficiency and effectiveness in improving employability outcomes for jobseekers and competitiveness for employers. Such evaluation studies shall be designed in conjunction with statewide partnerships and local partnerships, and shall include analysis of customer feedback, and outcome and process measures.

(f) FISCAL AND MANAGEMENT ACCOUNTABILITY INFORMATION SYSTEMS.—

(1) IN GENERAL.—Using funds reserved under section 306(a)(1), the Governor shall operate a fiscal and management accountability information system, based on guidelines established by the Secretary in consultation with the Governors and other appropriate parties. Such guidelines shall promote the efficient collection and use of fiscal and management information for reporting and monitoring the use of funds made available to the State under this subtitle for workforce investment activities and for use by the State in preparing the annual report described in subsection (d). In measuring the progress of the State on State and local performance measures, a State shall utilize quarterly wage records available through the unemployment insurance system.

(2) CONFIDENTIALITY.—In carrying out the requirements of this Act, the State shall comply with section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (as added by the Family Educational Rights and Privacy Act of 1974).

(g) SANCTIONS.—

(1) DETERMINATION.—If a State fails to meet 2 or more State performance measures described in this section for each of the 3 years covered by a State plan, the Secretary shall determine whether the failure is attributable to—

(A) adult employment and training activities;

(B) dislocated worker employment and training activities; or

(C) youth activities.

(2) TECHNICAL ASSISTANCE OR REDUCTION OF ALLOTMENTS.—The Secretary—

(A) may provide technical assistance to the State to improve the level of performance of the State, in accordance with section 366(b); and

(B) shall, on finding that a State fails to meet 2 or more State performance measures for 2 consecutive years, reduce, by not more than 5 percent, the allotment made under section 302 for the category of activities to which the failure is attributable.

(3) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary may use an amount retained as a result of a reduction in an allotment made under paragraph (2)(B) to award an incentive grant under section 365 or to provide technical assistance in accordance with section 366.

(h) INCENTIVE GRANTS.—The Secretary may make incentive grants under section 365 to States that exceed the State performance measures.

(i) DEFINITIONS.—In this section:

(1) FORMER ENROLLEE.—The term ''former enrollee'' means an individual who has been selected for and has enrolled in a program of workforce investment activities, but left the program before completing the requirements of the program.

(2) GRADUATE.—The term ''graduate'' means an individual who has been selected for and has enrolled in a program of workforce investment activities and has completed the requirements of such program.

(j) OTHER TERMS.—The Secretary, in consultation with the Governors, local partnerships, and other appropriate entities, shall issue regulations that identify and define other terms used in this title, in order to promote uniformity in the implementation of this Act.

SEC. 322. AUTHORIZATION OF APPROPRIATIONS.

(a) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 302(a)(1) under this subtitle, such sums as may be necessary for each of fiscal years 1999 through 2004.

(b) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 302(a)(2) under this subtitle, such sums as may be necessary for each of fiscal years 1999 through 2004.

(c) YOUTH ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 302(a)(3) under this subtitle, such sums as may be necessary for each of fiscal years 1999 through 2004.

Subtitle B—Job Corps

SEC. 331. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist eligible youth who need and can benefit from an intensive program, operated in a group setting in residential and nonresidential centers, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of activities described in this subtitle; and

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

SEC. 332. DEFINITIONS.

In this subtitle:

(1) APPLICABLE LOCAL PARTNERSHIP.—The term ''applicable local partnership'' means a local partnership—

(A) that provides information for a Job Corps center on local employment opportunities and the job skills needed to obtain the opportunities; and

(B) that serves communities in which the graduates of the Job Corps center seek employment.

(2) APPLICABLE ONE-STOP CUSTOMER SERVICE CENTER.—The term ''applicable one-stop customer service center'' means a one-stop customer service center that provides services, such as referral, intake, recruitment, and placement, to a Job Corps center.

(3) ENROLLEE.—The term ''enrollee'' means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program, and remains with the program, but has not yet become a graduate.

(4) FORMER ENROLLEE.—The term ''former enrollee'' means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program, but left the program before completing the requirements of a vocational training program, or receiving a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.

(5) GRADUATE.—The term ''graduate'' means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program and has completed the requirements of a vocational training program, or received a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.

(6) JOB CORPS.—The term ''Job Corps'' means the Job Corps described in section 333.

(7) JOB CORPS CENTER.—The term ''Job Corps center'' means a center described in section 333.

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

(9) REGION.—The term ''region'' means an area served by a regional office of the Employment and Training Administration.

(10) SERVICE PROVIDER.—The term ''service provider'' means an entity selected under this subtitle to provide services described in this subtitle to a Job Corps center.

SEC. 333. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to a center.

SEC. 334. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be—

(1) not less than age 16 and not more than age 21 on the date of enrollment, except that—

(A) not more than 20 percent of the individuals enrolled in the Job Corps may be not less than age 22 and not more than age 24 on the date of enrollment; and

(B) either such maximum age limitation may be waived by the Secretary, in accordance with regulations of the Secretary, in the case of an individual with a disability;

(2) a low-income individual; and

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

(A) Basic skills deficient.

(B) A school dropout.

(C) Homeless, a runaway, or a foster child.

(D) A parent.

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

SEC. 335. RECRUITMENT, SCREENING, SELECTION, AND ASSIGNMENT OF ENROLLEES.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the recruitment, screening, and selection of eligible applicants for the Job Corps, after considering recommendations from the Governors, local partnerships, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1), the Secretary, at a minimum, shall—

(A) prescribe procedures for informing enrollees that drug tests will be administered to the enrollees and the results received within 45 days after the enrollees enroll in the Job Corps;

(B) establish standards for recruitment of Job Corps applicants;

(C) establish standards and procedures for—

(i) determining, for each applicant, whether the educational and vocational needs of the applicant can best be met through the Job Corps program or an alternative program in the community in which the applicant resides; and

(ii) obtaining from each applicant pertinent data relating to background, needs, and interests for determining eligibility and potential assignment;

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

(E) assure that an appropriate number of enrollees are from rural areas.

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

(A) applicable one-stop customer service centers;

(B) community action agencies, business organizations, and labor organizations; and

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

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

(5) REIMBURSEMENT.—The Secretary is authorized to enter into contracts with and make payments to individuals and organizations for the cost of conducting recruitment, screening, and selection of eligible applicants for the Job Corps, as provided for in this section. The Secretary shall make no payment to any individual or organization solely as compensation for referring the names of applicants for the Job Corps.

(b) SPECIAL LIMITATIONS ON SELECTION.—

(1) IN GENERAL.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

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

(B) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules; and

(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary.

(2) INDIVIDUALS ON PROBATION, PAROLE, OR SUPERVISED RELEASE.—An individual on probation, parole, or supervised release may be selected as an enrollee only if release from the supervision of the probation or parole official involved is satisfactory to the official and the Secretary and does not violate applicable laws (including regulations). No individual shall be denied a position in the Job Corps solely on the basis of individual contact with the criminal justice system.

(c) ASSIGNMENT PLAN.—

(1) IN GENERAL.—Every 2 years, the Secretary shall develop and implement an assignment plan for assigning enrollees to Job Corps centers. In developing the plan, the Secretary shall, based on the analysis described in paragraph (2), establish targets, applicable to each Job Corps center, for—

(A) the maximum attainable percentage of enrollees at the Job Corps center that reside in the State in which the center is located; and

(B) the maximum attainable percentage of enrollees at the Job Corps center that reside in the region in which the center is located, and in surrounding regions.

(2) ANALYSIS.—In order to develop the plan described in paragraph (1), the Secretary shall, every 2 years, analyze, for the Job Corps center—

(A) the size of the population of individuals eligible to participate in Job Corps in the State and region in which the Job Corps center is located, and in surrounding regions;

(B) the relative demand for participation in the Job Corps in the State and region, and in surrounding regions; and

(C) the capacity and utilization of the Job Corps center, including services provided through the center.

(d) ASSIGNMENT OF INDIVIDUAL ENROLLEES.—

(1) IN GENERAL.—After an individual has been selected for the Job Corps in accordance with the standards and procedures of the Secretary under subsection (a), the enrollee shall be assigned to the Job Corps center that is closest to the home of the enrollee, except that the Secretary may waive this requirement if—

(A) the enrollee chooses a vocational training program, or requires an English as a second language program, that is not available at such center;

(B) the enrollee is an individual with a disability and may be better served at another center;

(C) the enrollee would be unduly delayed in participating in the Job Corps program because the closest center is operating at full capacity; or

(D) the parent or guardian of the enrollee requests assignment of the enrollee to another Job Corps center due to circumstances in the community of the enrollee that would impair prospects for successful participation in the Job Corps program.

(2) ENROLLEES WHO ARE YOUNGER THAN 18.—An enrollee who is younger than 18 shall not be assigned to a Job Corps center other than the center closest to the home of the enrollee pursuant to paragraph (1) if the parent or guardian of the enrollee objects to the assignment.

SEC. 336. ENROLLMENT.

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

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

(1) in a case in which completion of an advanced career training program under section 338(b) would require an individual to participate in the Job Corps for not more than 1 additional year; or

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

SEC. 337. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—

(A) OPERATORS.—The Secretary shall enter into an agreement with a Federal, State, or local agency, such as individuals participating in a statewide partnership or in a local partnership or an agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center.

(B) PROVIDERS.—The Secretary may enter into an agreement with a local entity to provide activities described in this subtitle to the Job Corps center.

(2) SELECTION PROCESS.—

(A) COMPETITIVE BASIS.—Except as provided in subsections (c) and (d) of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), the Secretary shall select on a competitive basis an entity to operate a Job Corps center and entities to provide activities described in this subtitle to the Job Corps center. In developing a solicitation for an operator or service provider, the Secretary shall consult with the Governor of the State in which the center is located, the industry council for the Job Corps center (if established), and the applicable local partnership regarding the contents of

such solicitation, including elements that will promote the consistency of the activities carried out through the center with the objectives set forth in the State plan or in a local plan.

(B) RECOMMENDATIONS AND CONSIDERATIONS.—

(i) OPERATORS.—In selecting an entity to operate a Job Corps center, the Secretary shall consider—

(I) the ability of the entity to coordinate the activities carried out through the Job Corps center with activities carried out under the appropriate State plan and local plans;

(II) the degree to which the vocational training that the entity proposes for the center reflects local employment opportunities in the local areas in which enrollees at the center intend to seek employment;

(III) the degree to which the entity is familiar with the surrounding communities, applicable one-stop centers, and the State and region in which the center is located; and

(IV) the past performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center.

(ii) PROVIDERS.—In selecting a service provider for a Job Corps center, the Secretary shall consider the factors described in subclauses (I) through (IV) of clause (i), as appropriate.

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

(c) CIVILIAN CONSERVATION CENTERS.—

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

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

(d) INDIAN TRIBES.—

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

(2) DEFINITIONS.—In this subsection, the terms ''Indian'' and ''Indian tribe'', have the meanings given such terms in subsections (d) and (e), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

SEC. 338. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED BY JOB CORPS CENTERS.—

(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well organized, and fully supervised program of education, vocational training, work experience, recreational activities, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to core services described in subtitle A.

(2) RELATIONSHIP TO OPPORTUNITIES.—

(A) IN GENERAL.—The activities provided under this subsection shall provide work-based learning throughout the enrollment of the enrollees and assist the enrollees in obtaining meaningful unsubsidized employment, participating in secondary education or postsecondary education programs, enrolling in other suitable vocational training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The vocational training provided shall be linked to the employment opportunities in the local area in which the enrollee intends to seek employment after graduation.

(b) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited. The advanced career training may be provided through the eligible providers of training services identified by the State involved under section 312.

(2) BENEFITS.—

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

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

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

(c) CONTINUED SERVICES.—The Secretary shall also provide continued services to graduates, including providing counseling regarding the workplace for 12 months after the date of graduation of the graduates. In selecting a provider for such services, the Secretary shall give priority to one-stop partners.

SEC. 339. COUNSELING AND JOB PLACEMENT.

(a) COUNSELING AND TESTING.—The Secretary shall arrange for counseling and testing for each enrollee at regular intervals to measure progress in the education and vocational training programs carried out through the Job Corps.

(b) PLACEMENT.—The Secretary shall arrange for counseling and testing for enrollees prior to their scheduled graduations to determine their capabilities and, based on their capabilities, shall make every effort to arrange to place the enrollees in jobs in the vocations for which the enrollees are trained or to assist the enrollees in obtaining further activities described in this subtitle. In arranging for the placement of graduates in jobs, the Secretary shall utilize the one-stop customer service system to the fullest extent possible.

(c) STATUS AND PROGRESS.—The Secretary shall determine the status and progress of enrollees scheduled for graduation and make every effort to assure that their needs for further activities described in this subtitle are met.

SEC. 340. SUPPORT.

(a) PERSONAL ALLOWANCES.—The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

(b) READJUSTMENT ALLOWANCES.—The Secretary shall arrange for a readjustment allowance to be paid to eligible former enrollees and graduates. The Secretary shall arrange for the allowance to be paid at the one-stop customer service center nearest to the home of such a former enrollee or graduate who is returning home, or at the one-stop customer service center nearest to the location where the former enrollee or graduate has indicated an intent to seek employment. If the Secretary uses any organization, in lieu of a one-stop customer service center, to provide placement services under this Act, the Secretary shall arrange for that organization to pay the readjustment allowance.

SEC. 341. OPERATING PLAN.

(a) IN GENERAL.—The provisions of the contract between the Secretary and an entity selected to operate a Job Corps center shall, at a minimum, serve as an operating plan for the Job Corps center.

(b) ADDITIONAL INFORMATION.—The Secretary may require the operator, in order to remain eligible to operate the Job Corps center, to submit such additional information as the Secretary may require, which shall be considered part of the operating plan.

(c) AVAILABILITY.—The Secretary shall make the operating plan described in subsections (a) and (b), excluding any proprietary information, available to the public.

SEC. 342. STANDARDS OF CONDUCT.

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

(b) DISCIPLINARY MEASURES.—

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

(2) ZERO TOLERANCE POLICY AND DRUG TESTING.—

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

(B) DRUG TESTING.—The Secretary shall require drug testing of all enrollees for controlled substances in accordance with procedures prescribed by the Secretary under section 335(a).

(C) DEFINITIONS.—In this paragraph:

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

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

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

SEC. 343. COMMUNITY PARTICIPATION.

(a) BUSINESS AND COMMUNITY LIAISON.—Each Job Corps center shall have a Business and Community Liaison (referred to in this Act as a ''Liaison''), designated by the director of the center.

(b) RESPONSIBILITIES.—The responsibilities of the Liaison shall include—

(1) establishing and developing relationships and networks with—

(A) local and (in the case of rural or remote sites) distant employers; and

(B) applicable one-stop customer service centers and applicable local partnerships,

for the purpose of providing job opportunities for Job Corps graduates; and

(2) establishing and developing relationships with members of the community in which the Job Corps center is located, informing members of the community about the projects of the Job Corps center and changes in the rules, procedures, or activities of the center that may affect the community, and planning events of mutual interest to the community and the Job Corps center.

(c) NEW CENTERS.—The Liaison for a Job Corps center that is not yet operating shall establish and develop the relationships and networks described in subsection (b) at least 3 months prior to the date on which the center accepts the first enrollee at the center.

SEC. 344. INDUSTRY COUNCILS.

(a) IN GENERAL.—Each Job Corps center shall have an industry council, appointed by the director of the center after consultation with the Liaison, in accordance with procedures established by the Secretary.

(b) INDUSTRY COUNCIL COMPOSITION.—

(1) IN GENERAL.—An industry council shall be comprised of—

(A) a majority of members who shall be local and (in the case of rural or remote sites) distant owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector employers, who—

(i) have substantial management, hiring, or policy responsibility; and

(ii) represent businesses with employment opportunities that reflect the employment opportunities of the applicable local area; and

(B) representatives of labor organizations (where present) and representatives of employees.

(2) LOCAL PARTNERSHIP.—The industry council may include members of the applicable local partnerships who meet the requirements described in paragraph (1).

(c) RESPONSIBILITIES.—The responsibilities of the industry council shall be—

(1) to work closely with all applicable local partnerships in order to determine, and recommend to the Secretary, appropriate vocational training for the center;

(2) to review all the relevant labor market information to—

(A) determine the employment opportunities in the local areas in which the enrollees intend to seek employment after graduation;

(B) determine the skills and education that are necessary to obtain the employment opportunities; and

(C) recommend to the Secretary the type of vocational training that should be implemented at the center to enable the enrollees to obtain the employment opportunities; and

(3) to meet at least once every 6 months to reevaluate the labor market information, and other relevant information, to determine, and recommend to the Secretary, any necessary changes in the vocational training provided at the center.

(d) NEW CENTERS.—The industry council for a Job Corps center that is not yet operating shall carry out the responsibilities described in subsection (c) at least 3 months prior to the date on which the center accepts the first enrollee at the center.

SEC. 345. ADVISORY COMMITTEES.

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

SEC. 346. EXPERIMENTAL, RESEARCH, AND DEMONSTRATION PROJECTS.

The Secretary may carry out experimental, research, or demonstration projects relating to carrying out the Job Corps program and may waive any provision of this subtitle that the Secretary finds would prevent the Secretary from carrying out the projects.

SEC. 347. APPLICATION OF PROVISIONS OF FEDERAL LAW.

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

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

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

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term ''employee'' as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

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

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

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

SEC. 348. SPECIAL PROVISIONS.

(a) ENROLLMENT.—The Secretary shall ensure that women and men have an equal opportunity to participate in the Job Corps program, consistent with section 335.

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

(c) TRANSFER OF PROPERTY.—

(1) IN GENERAL.—Notwithstanding title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) and any other provision of law, the Secretary and the Secretary of Education shall receive priority by the Secretary of Defense for the direct transfer, on a nonreimbursable basis, of the property described in paragraph (2) for use in carrying out programs under this Act or under any other Act.

(2) PROPERTY.—The property described in this paragraph is real and personal property under the control of the Department of Defense that is not used by such Department, including property that the Secretary of Defense determines is in excess of current and projected requirements of such Department.

(d) GROSS RECEIPTS.—Transactions conducted by a private for-profit or nonprofit entity that is an operator or service provider for a Job Corps center shall not be considered to be generating gross receipts. Such an operator or service provider shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such entity for operating or providing services to a Job Corps center. Such an operator or service provider shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such operator or service provider of any property, service, or other item in connection with the operation of or provision of services to a Job Corps center.

(e) MANAGEMENT FEE.—The Secretary shall provide each operator and (in an appropriate case, as determined by the Secretary) service provider with an equitable and negotiated management fee of not less than 1 percent of the amount of the funding provided under the appropriate agreement specified in section 337.

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

(g) SALE OF PROPERTY.—Notwithstanding any other provision of law, if the Administrator of General Services sells a Job Corps center facility, the Administrator shall transfer the proceeds from the sale to the Secretary, who shall use the proceeds to carry out the Job Corps program.

SEC. 349. MANAGEMENT INFORMATION.

(a) FINANCIAL MANAGEMENT INFORMATION SYSTEM.—

(1) IN GENERAL.—The Secretary shall establish procedures to ensure that each operator, and each service provider, maintains a financial management information system that will provide—

(A) accurate, complete, and current disclosures of the costs of Job Corps operations; and

(B) sufficient data for the effective evaluation of activities carried out through the Job Corps program.

(2) ACCOUNTS.—Each operator and service provider shall maintain funds received under this subtitle in accounts in a manner that ensures timely and accurate reporting as required by the Secretary.

(3) FISCAL RESPONSIBILITY.—Operators shall remain fiscally responsible and control costs, regardless of whether the funds made available for Job Corps centers are incrementally increased or decreased between fiscal years.

(b) AUDIT.—

(1) ACCESS.—The Secretary, the Inspector General of the Department of Labor, the Comptroller General of the United States, and any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the operators and service providers described in subsection (a) that are pertinent to the Job Corps program, for purposes of conducting surveys, audits, and evaluations of the operators and service providers.

(2) SURVEYS, AUDITS, AND EVALUATIONS.—The Secretary shall survey, audit, or evaluate, or arrange for the survey, audit, or evaluation of, the operators and service providers, using Federal auditors or independent public accountants. The Secretary shall conduct such surveys, audits, or evaluations not less often than once every 3 years.

(c) INFORMATION ON CORE PERFORMANCE MEASURES.—

(1) ESTABLISHMENT.—The Secretary shall, with continuity and consistency from year to year, establish core performance measures, and expected performance levels on the performance measures, for Job Corps centers and the Job Corps program, relating to—

(A) the number of graduates and the rate of such graduation, analyzed by type of vocational training received through the Job Corps program and by whether the vocational training was provided by a local or national service provider;

(B) the number of graduates who entered unsubsidized employment related to the vocational

training received through the Job Corps program and the number who entered unsubsidized employment not related to the vocational training received, analyzed by whether the vocational training was provided by a local or national service provider and by whether the placement in the employment was conducted by a local or national service provider;

(C) the average wage received by graduates who entered unsubsidized employment related to the vocational training received through the Job Corps program and the average wage received by graduates who entered unsubsidized employment unrelated to the vocational training received;

(D) the average wage received by graduates placed in unsubsidized employment after completion of the Job Corps program—

(i) on the first day of the employment;

(ii) 6 months after the first day of the employment; and

(iii) 12 months after the first day of the employment,

analyzed by type of vocational training received through the Job Corps program;

(E) the number of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

(i) 6 months after completion of the Job Corps program; and

(ii) 12 months after completion of the Job Corps program;

(F) the number of graduates who entered unsubsidized employment—

(i) for 32 hours per week or more;

(ii) for not less than 20 but less than 32 hours per week; and

(iii) for less than 20 hours per week;

(G) the number of graduates who entered postsecondary education or advanced training programs, including registered apprenticeship programs, as appropriate; and

(H) the number of graduates who attained job readiness and employment skills.

(2) PERFORMANCE OF RECRUITERS.—The Secretary shall also establish performance measures, and expected performance levels on the performance measures, for local and national recruitment service providers serving the Job Corps program. The performance measures shall relate to the number of enrollees retained in the Job Corps program for 30 days and for 60 days after initial placement in the program.

(3) REPORT.—The Secretary shall collect, and annually submit a report to the appropriate committees of Congress containing, information on the performance of each Job Corps center, and the Job Corps program, on the core performance measures, as compared to the expected performance level for each performance measure. The report shall also contain information on the performance of the service providers described in paragraph (2) on the performance measures established under such paragraph, as compared to the expected performance levels for the performance measures.

(d) ADDITIONAL INFORMATION.—The Secretary shall also collect, and submit in the report described in subsection (c), information on the performance of each Job Corps center, and the Job Corps program, regarding—

(1) the number of enrollees served;

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

(3) the number of former enrollees and graduates who entered the Armed Forces;

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

(5) the number of former enrollees who entered unsubsidized employment related to the vocational training received through the Job Corps program and the number who entered unsubsidized employment not related to the vocational training received;

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

(7) the number and percentage of dropouts from the Job Corps program including the number dismissed under the zero tolerance policy described in section 342(b); and

(8) any additional information required by the Secretary.

(e) METHODS.—The Secretary may, to collect the information described in subsections (c) and (d), use methods described in subtitle A.

(f) PERFORMANCE ASSESSMENTS AND IMPROVEMENTS.—

(1) ASSESSMENTS.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center. Based on the assessment, the Secretary shall take measures to continuously improve the performance of the Job Corps program.

(2) PERFORMANCE IMPROVEMENT PLANS.—With respect to a Job Corps center that fails to meet the expected levels of performance relating to the core performance measures specified in subsection (c), the Secretary shall develop and implement a performance improvement plan. Such a plan shall require action including—

(A) providing technical assistance to the center;

(B) changing the vocational training offered at the center;

(C) changing the management staff of the center;

(D) replacing the operator of the center;

(E) reducing the capacity of the center;

(F) relocating the center; or

(G) closing the center.

(3) ADDITIONAL PERFORMANCE IMPROVEMENT PLANS.—In addition to the performance improvement plans required under paragraph (2), the Secretary may develop and implement additional performance improvement plans. Such a plan shall require improvements, including the actions described in paragraph (2), for a Job Corps center that fails to meet criteria established by the Secretary other than the expected levels of performance described in paragraph (2).

SEC. 350. GENERAL PROVISIONS.

The Secretary is authorized to—

(1) disseminate, with regard to the provisions of section 3204 of title 39, United States Code, data and information in such forms as the Secretary shall determine to be appropriate, to public agencies, private organizations, and the general public;

(2) subject to section 347(b), collect or compromise all obligations to or held by the Secretary and exercise all legal or equitable rights accruing to the Secretary in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and

(3) expend funds made available for purposes of this subtitle—

(A) for printing and binding, in accordance with applicable law (including regulation); and

(B) without regard to any other law (including regulation), for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by the Secretary, except that the Secretary shall not expend funds under the authority of this subparagraph—

(i) except when necessary to obtain an item, service, or facility, that is required in the proper administration of this subtitle, and that otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which the item, service, or facility is needed; and

(ii) prior to having given written notification to the Administrator of General Services (if the expenditure would affect an activity that otherwise would be under the jurisdiction of the General Services Administration) of the intention of the Secretary to make the expenditure, and the reasons and justifications for the expenditure.

SEC. 351. AUTHORIZATION OF APPROPRIATIONS.

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

Subtitle C—National Programs

SEC. 361. NATIVE AMERICAN PROGRAMS.

(a) PURPOSE AND POLICY.—

(1) PURPOSE.—The purpose of this section is to support workforce investment activities and supplemental services for Indian and Native Hawaiian individuals in order—

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

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

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

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

(b) DEFINITIONS.—In this section:

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

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

(c) PROGRAMS AUTHORIZED.—The Secretary shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(d) AUTHORIZED ACTIVITIES.—

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

(A) are consistent with this section; and

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

(2) WORKFORCE INVESTMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

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

(i) building a comprehensive facility to be utilized by American Samoans residing in Hawaii for the co-location of federally funded and State funded workforce investment activities;

(ii) comprehensive workforce investment activities for Indians or Native Hawaiians; or

(iii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

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

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c) shall submit to the Secretary a plan that describes a 2-year strategy for meeting the needs of Indian or Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

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

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the

manner in which the activities to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

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

(5) describe, after the entity submitting the plan consults with the Secretary, the performance measures to be used to assess the performance of entities in carrying out the activities assisted under this section.

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

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

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

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

(h) ADMINISTRATIVE PROVISIONS.—

(1) ORGANIZATIONAL UNIT ESTABLISHED.—The Secretary shall designate a single organizational unit within the Department of Labor that shall have primary responsibility for the administration of the activities authorized under this section.

(2) REGULATIONS.—The Secretary shall consult with the entities described in subsection (c) in—

(A) establishing regulations to carry out this section, including performance measures for entities receiving assistance under such subsection, taking into account the economic circumstances of such entities; and

(B) developing a funding distribution plan that takes into consideration previous levels of funding (prior to the date of enactment of this Act) to such entities.

(3) WAIVERS.—

(A) IN GENERAL.—With respect to an entity described in subsection (c), the Secretary, notwithstanding any other provision of law, may, pursuant to a request submitted by such entity that meets the requirements established under paragraph (2), waive any of the statutory or regulatory requirements of this title that are inconsistent with the specific needs of the entities described in such subsection, except that the Secretary may not waive requirements relating to wage and labor standards, worker rights, participation and protection of participants, grievance procedures, and judicial review.

(B) REQUEST AND APPROVAL.—An entity described in subsection (c) that requests a waiver under subparagraph (A) shall submit a plan to the Secretary to improve the program of workforce investment activities carried out by the entity, which plan shall meet the requirements established by the Secretary and shall be generally consistent with the requirements of section 379(i)(3).

(4) ADVISORY COUNCIL.—

(A) IN GENERAL.—The Secretary shall establish a Native American Employment and Training Council to facilitate the consultation described in paragraph (2).

(B) COMPOSITION.—The Council shall be composed of individuals, appointed by the Secretary, who are representatives of the entities described in subsection (c).

(C) DUTIES.—The Council shall advise the Secretary on all aspects of the operation and administration of the programs assisted under this section, including the selection of the individual appointed as the head of the unit established under paragraph (1).

(D) PERSONNEL MATTERS.—

(i) COMPENSATION OF MEMBERS.—Members of the Council shall serve without compensation.

(ii) TRAVEL EXPENSES.—The members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

(iii) ADMINISTRATIVE SUPPORT.—The Secretary shall provide the Council with such administrative support as may be necessary to perform the functions of the Council.

(E) CHAIRPERSON.—The Council shall select a chairperson from among its members.

(F) MEETINGS.—The Council shall meet not less than twice each year.

(G) APPLICATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Council.

(5) TECHNICAL ASSISTANCE.—The Secretary, acting through the unit established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c) that receive assistance under this section to enable such entities to improve the activities authorized under this section that are provided by such entities.

SEC. 362. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

(a) IN GENERAL.—Every 2 years, the Secretary shall, on a competitive basis, make grants to, or enter into contracts with, eligible entities to carry out the activities described in subsection (d).

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

(c) PROGRAM PLAN.—

(1) IN GENERAL.—To be eligible to receive a grant or enter into a contract under this section, an entity described in subsection (b) shall submit to the Secretary a plan that describes a 2-year strategy for meeting the needs of eligible migrant and seasonal farmworkers in the area to be served by such entity.

(2) ADMINISTRATION.—Grants and contracts awarded under this section shall be centrally administered by the Department of Labor and competitively awarded by the Secretary using procedures consistent with standard Federal Government competitive procurement policies.

(3) COMPETITION.—

(A) IN GENERAL.—The competition for grants made and contracts entered into under this section shall be conducted every 2 years.

(B) EXCEPTION.—Notwithstanding subparagraph (A), if a recipient of such a grant or contract has performed satisfactorily under the terms of the grant agreement or contract, the Secretary may waive the requirement for such competition for such recipient upon receipt from the recipient of a satisfactory 2-year plan described in paragraph (1) for the succeeding 2-year grant or contract period.

(4) CONTENTS.—Such plan shall—

(A) identify the education and employment needs of the eligible migrant and seasonal farmworkers to be served and the manner in which the workforce investment activities (including youth activities) to be carried out will strengthen the ability of the eligible migrant and seasonal farmworkers to obtain or retain unsubsidized employment or stabilize their unsubsidized employment;

(B) describe the related assistance, including supportive services, to be provided and the manner in which such assistance and services are to be integrated and coordinated with other appropriate services; and

(C) describe, after consultation with the Secretary, the performance measures to be used to assess the performance of such entity in carrying out the activities assisted under this section.

(d) AUTHORIZED ACTIVITIES.—Funds made available under this section shall be used to carry out workforce investment activities (including youth activities) and provide related assistance for eligible migrant and seasonal farmworkers, which may include employment, training, educational assistance, literacy assistance, an English language program, worker safety training, supportive services, dropout prevention activities, follow-up services for those individuals placed in employment, self-employment and related business enterprise development education as needed by eligible migrant and seasonal farmworkers and identified pursuant to the plan required by subsection (c), and technical assistance relating to capacity enhancement in such areas as management information technology.

(e) CONSULTATION WITH GOVERNORS AND LOCAL PARTNERSHIPS.—In making grants and entering into contracts under this section, the Secretary shall consult with the Governors and local partnerships of the States in which the eligible entities will carry out the activities described in subsection (d).

(f) REGULATIONS.—The Secretary shall consult with eligible migrant and seasonal farmworkers groups and States in establishing regulations to carry out this section, including performance measures for eligible entities that take into account the economic circumstances and demographics of eligible migrant and seasonal farmworkers.

(g) DEFINITIONS.—In this section:

(1) DISADVANTAGED.—The term ''disadvantaged'', used with respect to a farmworker, means a farmworker whose income, for 12 consecutive months out of the 24 months prior to application for the program involved, does not exceed the higher of—

(A) the poverty line (as defined in section 334(a)(2)(B)) for an equivalent period; or

(B) 70 percent of the lower living standard income level, for an equivalent period.

(2) ELIGIBLE MIGRANT AND SEASONAL FARMWORKERS.—The term ''eligible migrant and seasonal farmworkers'' means individuals who are eligible migrant farmworkers or are eligible seasonal farmworkers.

(3) ELIGIBLE MIGRANT FARMWORKER.—The term ''eligible migrant farmworker'' means—

(A) an eligible seasonal farmworker described in paragraph (4)(A) whose agricultural labor requires travel to a job site such that the farmworker is unable to return to a permanent place of residence within the same day; and

(B) a dependent of the farmworker described in subparagraph (A).

(4) ELIGIBLE SEASONAL FARMWORKER.—The term ''eligible seasonal farmworker'' means—

(A) a disadvantaged person who, for 12 consecutive months out of the 24 months prior to application for the program involved, has been primarily employed in agricultural labor that is characterized by chronic unemployment or underemployment; and

(B) a dependent of the person described in subparagraph (A).

SEC. 363. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The Secretary shall conduct, directly or through grants or contracts, programs to meet the needs for workforce investment activities of service-connected disabled veterans, Vietnam era veterans, and recently separated veterans.

(2) CONDUCT OF PROGRAMS.—Programs supported under this section may be conducted through grants and contracts with public agencies and private nonprofit organizations, including recipients of Federal assistance under other

provisions of this title, that the Secretary determines have an understanding of the unemployment problems of veterans described in paragraph (1), familiarity with the area to be served, and the capability to administer effectively a program of workforce investment activities for such veterans.

(3) REQUIRED ACTIVITIES.—Programs supported under this section shall include—

(A) activities to enhance services provided to veterans by other providers of workforce investment activities funded by Federal, State, or local government;

(B) activities to provide workforce investment activities to such veterans that are not adequately provided by other public providers of workforce investment activities; and

(C) outreach and public information activities to develop and promote maximum job and job training opportunities for such veterans and to inform such veterans about employment, job training, on-the-job training and educational opportunities under this title, under title 38, United States Code, and under other provisions of law, which activities shall be coordinated with activities provided through the one-stop customer service centers.

(b) ADMINISTRATION OF PROGRAMS.—

(1) IN GENERAL.—The Secretary shall administer programs supported under this section through the Assistant Secretary for Veterans' Employment and Training.

(2) ADDITIONAL RESPONSIBILITIES.—In carrying out responsibilities under this section, the Assistant Secretary for Veterans' Employment and Training shall—

(A) be responsible for the awarding of grants and contracts and the distribution of funds under this section and for the establishment of appropriate fiscal controls, accountability, and program performance measures for recipients of grants and contracts under this section; and

(B) consult with the Secretary of Veterans Affairs and take steps to ensure that programs supported under this section are coordinated, to the maximum extent feasible, with related programs and activities conducted under title 38, United States Code, including programs and activities conducted under subchapter II of chapter 77 of such title, chapters 30, 31, 32, and 34 of such title, and sections 1712A, 1720A, 3687, and 4103A of such title.

SEC. 364. YOUTH OPPORTUNITY GRANTS.

(a) GRANTS.—

(1) IN GENERAL.—Using funds made available under section 302(b)(3)(A), the Secretary shall make grants to eligible local partnerships to provide activities described in subsection (b) for youth to increase the long-term employment of eligible youth who live in empowerment zones, enterprise communities, and high poverty areas and who seek assistance.

(2) GRANT PERIOD.—The Secretary may make a grant under this section for a 1-year period, and may renew the grant for each of the 4 succeeding years.

(3) GRANT AWARDS.—The minimum amount that may be made available to a grant recipient for the first year of a grant made under this section shall be $10,000,000.

(b) USE OF FUNDS.—

(1) IN GENERAL.—A local partnership that receives a grant under this section shall use the funds made available through the grant to provide activities that meet the requirements of section 316, except as provided in paragraph (2), as well as youth development activities such as activities relating to leadership development, citizenship, and community service, and recreation activities.

(2) INTENSIVE PLACEMENT AND FOLLOWUP SERVICES.—In providing activities under this section, a local partnership shall provide—

(A) intensive placement services; and

(B) followup services for not less than 24 months after the completion of participation in the other activities described in this subsection, as appropriate.

(c) ELIGIBLE LOCAL PARTNERSHIPS.—To be eligible to receive a grant under this section, a local partnership—

(1) shall serve a community that—

(A) has a population of at least 50,000; and

(B) has been designated as an empowerment zone or an enterprise community under section 1391 of the Internal Revenue Code of 1986; or

(2) in a State without a zone or community described in paragraph (1)(B), shall serve a community that has been designated as a high poverty area by the Governor of the State.

(d) APPLICATION.—To be eligible to receive a grant under this section, a local partnership shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

(1) a description of the activities that the local partnership will provide under this section to youth in the community described in subsection (c);

(2) a description of the performance measures negotiated under subsection (e), and the manner in which the local partnerships will carry out the activities to meet the performance measures;

(3) a description of the manner in which the activities will be linked to activities described in section 316; and

(4) a description of the community support, including financial support through leveraging additional public and private resources, for the activities.

(e) PERFORMANCE MEASURES.—

(1) IN GENERAL.—The Secretary shall negotiate and reach agreement with the local partnership on performance measures that will be used to evaluate the performance of the local partnership in carrying out the activities described in subsection (b). Each local performance measure shall consist of an indicator of performance referred to in paragraph (2) or (3) of section 321(b), and a performance level referred to in paragraph (2).

(2) PERFORMANCE LEVELS.—The Secretary shall negotiate and reach agreement with the local partnership regarding the levels of performance expected to be achieved by the local partnership on the indicators of performance.

SEC. 365. INCENTIVE GRANTS.

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

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

(2) the State performance measures established under this title.

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

SEC. 366. TECHNICAL ASSISTANCE.

(a) TRANSITION ASSISTANCE.—The Secretary shall provide technical assistance to assist States in making transitions from carrying out activities under provisions described in section 391 to carrying out activities under this title.

(b) PERFORMANCE IMPROVEMENT.—

(1) GENERAL ASSISTANCE.—

(A) AUTHORITY.—The Secretary—

(i) shall provide technical assistance to States that do not meet a State performance measure described in section 321(b) for a program year; and

(ii) may provide technical assistance to other States, local areas, and grant recipients under sections 361 and 362 to promote the continuous improvement of the programs and activities authorized under this title.

(B) FORM OF ASSISTANCE.—In carrying out this paragraph on behalf of a State, or grant recipient under section 361 or 362, the Secretary, after consultation with the State or grant recipient, may award grants and enter into contracts and cooperative agreements.

(C) LIMITATION.—Grants or contracts awarded under this paragraph that are for amounts in excess of $50,000 shall only be awarded on a competitive basis.

(2) DISLOCATED WORKER TECHNICAL ASSISTANCE.—

(A) AUTHORITY.—Of the amounts available pursuant to section 302(a)(2), the Secretary shall reserve not more than 5 percent of such amounts to provide technical assistance to States that do not meet the State performance measures described in section 321(b) with respect to employment and training activities for dislocated workers. Using such reserved funds, the Secretary may provide such assistance to other States, local areas, business and labor organizations, and other entities involved in providing assistance to dislocated workers, to promote the continuous improvement of assistance provided to dislocated workers, under this title.

(B) TRAINING.—Amounts reserved under this paragraph may be used to provide for the training of staff, including specialists, who provide rapid response services. Such training shall include instruction in proven methods of promoting, establishing, and assisting labor-management committees. Such projects shall be administered through the dislocated worker office described in section 369(b).

SEC. 367. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH, AND MULTISTATE PROJECTS.

(a) STRATEGIC PLAN.—

(1) IN GENERAL.—After consultation with States, localities, and other interested parties, the Secretary shall, every 2 years, publish in the Federal Register, a plan that describes the demonstration and pilot (including dislocated worker demonstration and pilot), multiservice, research, and multistate project priorities of the Department of Labor concerning employment and training for the 5-year period following the submission of the plan. Copies of the plan shall be transmitted to the appropriate committees of Congress.

(2) LIMITATION.—With respect to a plan published under paragraph (1), the Secretary shall ensure that research projects (referred to in subsection (d)) are considered for incorporation into the plan only after projects referred to in subsections (b), (c), and (e) have been considered and incorporated into the plan, and are funded only as funds remain to permit the funding of such research projects.

(3) FACTORS.—The plan published under paragraph (1) shall contain strategies to address national employment and training problems and take into account factors such as—

(A) the availability of existing research (as of the date of the publication);

(B) the need to ensure results that have interstate validity;

(C) the benefits of economies of scale and the efficiency of proposed projects; and

(D) the likelihood that the results of the projects will be useful to policymakers and stakeholders in addressing employment and training problems.

(b) DEMONSTRATION AND PILOT PROJECTS.—

(1) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out demonstration and pilot projects for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of specialized methods, in addressing employment and training needs. Such projects shall include the provision of direct services to individuals to enhance employment opportunities and an evaluation component.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out demonstration and pilot projects under this subsection shall be

awarded only on a competitive basis, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of the funding for the project.

(B) ELIGIBLE ENTITIES.—Grants or contracts may be awarded under this subsection only to—

(i) entities with recognized expertise in—

(I) conducting national demonstration projects;

(II) utilizing state-of-the-art demonstration methods; and

(III) conducting evaluations of employment and training projects; or

(ii) State and local entities with expertise in operating or overseeing employment and training programs.

(C) TIME LIMITS.—The Secretary shall establish appropriate time limits for carrying out demonstration and pilot projects under this subsection.

(c) MULTISERVICE PROJECTS.—

(1) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out multiservice projects—

(A) that will test an array of approaches to the provision of employment and training services to a variety of targeted populations;

(B) in which the entity carrying out the project, in conjunction with employers, organized labor, and other groups such as the disability community, will design, develop, and test various training approaches in order to determine effective practices; and

(C) that will assist in the development and replication of effective service delivery strategies for targeted populations for the national employment and training system as a whole.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out multiservice projects under this subsection shall be awarded only on a competitive basis.

(B) TIME LIMITS.—A grant or contract shall not be awarded under this subsection to the same organization for more than 3 consecutive years unless such grant or contract is competitively reevaluated within such period.

(d) RESEARCH.—

(1) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out research projects that will contribute to the solution of employment and training problems in the United States.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out research projects under this subsection in amounts that exceed $50,000 shall be awarded only on a competitive basis, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of the funding for the project.

(B) ELIGIBLE ENTITIES.—Grants or contracts shall be awarded under this subsection only to entities with nationally recognized expertise in the methods, techniques, and knowledge of the social sciences.

(C) TIME LIMITS.—The Secretary shall establish appropriate time limits for the duration of research projects funded under this subsection.

(e) MULTISTATE PROJECTS.—

(1) IN GENERAL.—

(A) AUTHORITY.—Under a plan published under subsection (a), the Secretary may, through grants or contracts, carry out multistate projects that require demonstrated expertise that is available at the national level to effectively disseminate best practices and models for implementing employment and training services, address the specialized employment and training needs of particular service populations, or address industrywide skill shortages.

(B) DESIGN OF GRANTS.—Grants or contracts awarded under this subsection shall be designed to obtain information relating to the provision of services under different economic conditions or to various demographic groups in order to provide guidance at the national and State levels about how best to administer specific employment and training services.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out multistate projects under this subsection shall be awarded only on a competitive basis.

(B) TIME LIMITS.—A grant or contract shall not be awarded under this subsection to the same organization for more than 3 consecutive years unless such grant or contract is competitively reevaluated within such period.

(f) DISLOCATED WORKER PROJECTS.—Of the amount made available pursuant to section 302(a)(2)(A) for any program year, the Secretary shall use not more than 5 percent of such amount to carry out demonstration and pilot projects, multiservice projects, and multistate projects, relating to the employment and training needs of dislocated workers. Of the requirements of this section, such projects shall be subject only to the provisions relating to review and evaluation of applications under subsection (g). Such projects may include demonstration and pilot projects relating to promoting self-employment, promoting job creation, averting dislocations, assisting dislocated farmers, assisting dislocated fishermen, and promoting public works. Such projects shall be administered through the dislocated worker office described in section 369(b).

(g) PEER REVIEW.—The Secretary shall utilize a peer review process to—

(1) review and evaluate all applications for grants and contracts in amounts that exceed $100,000 that are submitted under this section; and

(2) review and designate exemplary and promising programs under this section.

SEC. 368. EVALUATIONS.

(a) PROGRAMS AND ACTIVITIES CARRIED OUT UNDER THIS TITLE.—For the purpose of improving the management and effectiveness of programs and activities carried out under this title, the Secretary shall provide for the continuing evaluation of the programs and activities. Such evaluations shall address—

(1) the general effectiveness of such programs and activities in relation to their cost;

(2) the effectiveness of the performance measures relating to such programs and activities;

(3) the effectiveness of the structure and mechanisms for delivery of services through such programs and activities;

(4) the impact of the programs and activities on the community and participants involved;

(5) the impact of such programs and activities on related programs and activities;

(6) the extent to which such programs and activities meet the needs of various demographic groups; and

(7) such other factors as may be appropriate.

(b) OTHER PROGRAMS AND ACTIVITIES.—The Secretary may conduct evaluations of other federally funded employment-related programs and activities, including programs and activities administered under—

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

(2) the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);

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

(4) chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.); and

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

(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate methodology and research designs, which may include the use of control groups chosen by scientific random assignment methodologies. Such an evaluation shall be conducted by a person not immediately involved in the administration of the program or activity being evaluated.

(d) REPORTS.—The entity carrying out an evaluation described in subsection (a), (b), or (c) shall prepare and submit to the Secretary a draft report and a final report containing the results of the evaluation.

(e) REPORTS TO CONGRESS.—Not later than 30 days after the completion of such a draft report, the Secretary shall transmit the draft report to the appropriate committees of Congress. Not later than 60 days after the completion of such a final report, the Secretary shall transmit the final report to the appropriate committees of Congress.

SEC. 369. NATIONAL EMERGENCY GRANTS.

(a) IN GENERAL.—The Secretary is authorized to award national emergency grants in a timely manner—

(1) to an entity described in subsection (c) to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations;

(2) to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122 (1) and (2)) (referred to in this section as the ''disaster area'') to provide disaster relief employment in the area; and

(3) to provide additional assistance to a State or local partnership for eligible dislocated workers in a case in which the State or local partnership has expended the funds provided under this section to carry out activities described in paragraphs (1) and (2) and can demonstrate the need for additional funds to provide appropriate services for such workers, in accordance with requirements prescribed by the Secretary.

(b) ADMINISTRATION.—The Secretary shall designate a dislocated worker office to coordinate the functions of the Secretary under this title relating to national emergency grants.

(c) EMPLOYMENT AND TRAINING ASSISTANCE REQUIREMENTS.—

(1) APPLICATION.—To be eligible to receive a grant under subsection (a)(1), an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(2) ELIGIBLE ENTITY.—In this subsection, the term ''entity'' means a State, a local partnership, an entity described in section 361(c), an employer or employer association, a labor organization, and an entity determined to be eligible by the Governor of the State involved.

(d) DISASTER RELIEF EMPLOYMENT ASSISTANCE REQUIREMENTS.—

(1) IN GENERAL.—Funds made available under subsection (a)(2)—

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

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

(C) may be expended to provide the services authorized under section 315(c).

(2) ELIGIBILITY.—An individual shall be eligible to be offered disaster relief employment under subsection (a)(2) if such individual is a dislocated worker, is a long-term unemployed individual, or is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under

subsection (a)(2) for more than 6 months for work related to recovery from a single natural disaster.

SEC. 370. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—

(1) NATIVE AMERICAN PROGRAMS; MIGRANT AND SEASONAL FARMWORKER PROGRAMS; VETERANS' EMPLOYMENT PROGRAMS.—Subject to subsection (b)(1), there are authorized to be appropriated to carry out sections 361 through 363 such sums as may be necessary for each of the fiscal years 1999 through 2004.

(2) INCENTIVE GRANTS; TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS.—Subject to subsection (b)(2), there are authorized to be appropriated to carry out sections 365 through 368, such sums as may be necessary for each of fiscal years 1999 through 2004.

(b) RESERVATIONS.—

(1) NATIVE AMERICAN PROGRAMS; MIGRANT AND SEASONAL FARMWORKER PROGRAMS; VETERANS' EMPLOYMENT PROGRAMS.—Of the amount appropriated under subsection (a)(1) for a fiscal year, the Secretary shall—

(A) reserve not less than $55,000,000 for carrying out section 361;

(B) reserve not less than $70,000,000 for carrying out section 362; and

(C) reserve not less than $7,300,000 for carrying out section 363.

(2) INCENTIVE GRANTS; TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS.—Of the amount appropriated under subsection (a)(2) for a fiscal year, the Secretary shall—

(A) reserve 36.8 percent for carrying out section 365;

(B) reserve 25 percent for carrying out section 366 (other than section 366(b)(2));

(C) reserve 24.2 percent of a carrying out section 367 (other than 367(f)); and

(D) reserve 14 percent for carrying out 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;

(ii) shall be deemed to be a reference to section 6(a)(3) (29 U.S.C. 206(a)(3)) of that Act for individuals in American Samoa; and

(iii) shall not be applicable for individuals in other territorial jurisdictions in which section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) does not apply.

(2) TREATMENT OF ALLOWANCES, EARNINGS, AND PAYMENTS.—Allowances, earnings, and payments to individuals participating in programs and activities carried out under this title shall not be considered to be income for the purposes of determining eligibility for, and the amount of income transfer and in-kind aid furnished under, any Federal or federally assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 et seq.).

(b) LABOR STANDARDS.—

(1) DISPLACEMENT.—

(A) PROHIBITION.—A participant in a program or activity authorized under this title (referred to in this subsection as a ''specified activity'') shall not displace (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).

(B) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A specified activity shall not impair an existing contract for services or collective bargaining agreement, and no such activity that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(2) OTHER PROHIBITIONS.—A participant in a specified activity shall not be employed in a job—

(A) when any other individual is on layoff from the same or any substantially equivalent job with the participating employer;

(B) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant; or

(C) that is created in a promotional line that will infringe in any way on the promotional opportunities of currently employed individuals (as of the date of the participation).

(3) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in specified activities. To the extent that a State workers' compensation law applies, workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

(4) EMPLOYMENT CONDITIONS.—Individuals in on-the-job training or individuals employed in programs and activities carried out under this title, shall be provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work.

(5) OPPORTUNITY TO SUBMIT COMMENTS.—Consistent with sections 303(d)(2) and 309(c), interested members of the public shall be provided an opportunity to submit comments with respect to programs and activities proposed to be funded under subtitle A.

(c) GRIEVANCE PROCEDURE.—

(1) IN GENERAL.—Each State receiving an allotment under section 302 and each grant recipient under section 361 or 362 shall establish and maintain a procedure for grievances or complaints alleging violations of the requirements of this title from participants and other interested or affected parties. Such procedure shall include an opportunity for a hearing and be completed within 60 days after the date of the filing of the grievance or complaint.

(2) INVESTIGATION.—

(A) IN GENERAL.—The Secretary shall investigate an allegation of a violation described in paragraph (1) if—

(i) a decision relating to such violation has not been reached within 60 days after the date of the filing of the grievance or complaint and either party appeals the decision to the Secretary; or

(ii) a decision relating to such violation has been reached within 60 days after the date of the filing and the party to which such decision is adverse appeals the decision to the Secretary.

(B) ADDITIONAL REQUIREMENT.—The Secretary shall make a final determination relating to an appeal made under subparagraph (A) no later than 120 days after the date of such appeal.

(3) REMEDIES.—Remedies that may be imposed under this subsection for a violation of any requirement of this title shall be limited—

(A) to suspension or termination of payments under this title to a person that has violated any requirement of this title;

(B) to prohibition of placement of a participant with an employer that has violated any requirement of this title;

(C) where applicable, to reinstatement of an employee, payment of lost wages and benefits, and reestablishment of other relevant terms, conditions, and privileges of employment; and

(D) where appropriate, to other equitable relief.

(4) CONSTRUCTION.—Nothing in paragraph (3) shall be construed to prohibit a grievant or complainant from pursuing a remedy authorized under another Federal, State, or local law for a violation of this title.

(d) RELOCATION.—

(1) PROHIBITION ON USE OF FUNDS TO ENCOURAGE OR INDUCE RELOCATION.—No funds provided under this title shall be used, or proposed for use, to encourage or induce the relocation of a business or part of a business if such relocation would result in a loss of employment for any employee of such business at the original location and such original location is within the United States.

(2) PROHIBITION ON USE OF FUNDS FOR CUSTOMIZED OR SKILL TRAINING AND RELATED ACTIVITIES AFTER RELOCATION.—No funds provided under this title for an employment and training activity shall be used for customized or skill training, on-the-job training, or company-specific assessments of job applicants or employees, for any business or part of a business that has relocated, until the date that is 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

(3) REPAYMENT.—If the Secretary determines that a violation of paragraph (1) or (2) has occurred, the Secretary shall require the State that has violated such paragraph to repay to the United States an amount equal to the amount expended in violation of such paragraph.

(e) LIMITATION ON USE OF FUNDS.—No funds available under this title shall be used for employment generating activities, economic development activities, activities for the capitalization of businesses, investment in contract bidding resource centers, or similar activities. No funds available under subtitle A shall be used for foreign travel.

SEC. 372. PROMPT ALLOCATION OF FUNDS.

(a) ALLOTMENTS AND ALLOCATIONS BASED ON LATEST AVAILABLE DATA.—All allotments and allocations under section 302, 306, or 366 shall be based on the latest available data and estimates satisfactory to the Secretary. All data relating to disadvantaged adults, disadvantaged youth, and low-income individuals shall be based on the most recent satisfactory data from the Bureau of the Census.

(b) PUBLICATION IN FEDERAL REGISTER RELATING TO FORMULA FUNDS.—Whenever the Secretary allots funds required to be allotted under section 302 or 366, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each recipient of the funds.

(c) REQUIREMENT FOR FUNDS DISTRIBUTED BY FORMULA.—All funds required to be allotted or allocated under section 302, 306, or 366 shall be allotted or allocated within 45 days after the date of enactment of the Act appropriating the funds, except that, if such funds are appropriated in advance as authorized by section 379(g), such funds shall be allotted or allocated not later than the March 31 preceding the program year for which such funds are to be available for obligation.

(d) AVAILABILITY OF FUNDS.—Funds shall be made available under section 306 to the chief elected official for a local area not later than 30 days after the date the funds are made available to the Governor involved, under section 302, or

7 days after the date the local plan for the area is approved, whichever is later.

SEC. 373. MONITORING.

(a) IN GENERAL.—The Secretary is authorized to monitor all recipients of financial assistance under this title to determine whether the recipients are complying with the provisions of this title, including the regulations issued under this title.

(b) INVESTIGATIONS.—The Secretary may investigate any matter the Secretary determines to be necessary to determine the compliance of the recipients with this title, including the regulations issued under this title. The investigations authorized by this subsection may include examining records (including making certified copies of the records), questioning employees, and entering any premises or onto any site in which any part of a program or activity of such a recipient is conducted or in which any of the records of the recipient are kept.

(c) ADDITIONAL REQUIREMENT.—For the purpose of any investigation or hearing conducted under this title by the Secretary, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49) (relating to the attendance of witnesses and the production of documents) apply to the Secretary, in the same manner and to the same extent as the provisions apply to the Federal Trade Commission.

SEC. 374. FISCAL CONTROLS; SANCTIONS.

(a) ESTABLISHMENT OF FISCAL CONTROLS BY STATES.—

(1) IN GENERAL.—Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds allocated to local areas under subtitle A. Such procedures shall ensure that all financial transactions carried out under subtitle A are conducted and records maintained in accordance with generally accepted accounting principles applicable in each State.

(2) REGULATIONS.—The Secretary shall prescribe regulations establishing uniform cost principles that are substantially equivalent to such principles generally applicable to recipients of Federal grant funds, and are consistent with appropriate circulars of the Office of Management and Budget. At a minimum, such regulations shall provide that—

(A) to be allowable, costs incurred under this title shall—

(i) be necessary and reasonable for proper and efficient administration of the programs and activities carried out under this title;

(ii) except for the administrative funds described in sections 306(b)(5) and 314(c)(2), be allocable to the programs and activities carried out under this title; and

(iii) not be a general expense required to carry out the overall responsibilities of State or local governments; and

(B) procurement transactions between local partnerships and such governments shall be conducted only on a cost-reimbursable basis.

(3) PROCUREMENT STANDARDS.—Each Governor, in accordance with minimum requirements established by the Secretary (after consultation with the Governors) in regulations, shall prescribe and implement procurement standards to ensure fiscal accountability and prevent fraud and abuse in programs and activities carried out under this title.

(4) MONITORING.—The Governor shall conduct onsite monitoring of each local area within the State to ensure compliance with the procurement standards prescribed pursuant to paragraph (3).

(5) ACTION BY GOVERNOR.—If the Governor determines that a local area is not in compliance with the procurement standards prescribed pursuant to paragraph (3), the Governor shall—

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (b) in the event of failure to take the required corrective action.

(6) CERTIFICATION.—The Governor shall, every 3 years, certify to the Secretary that—

(A) the State has implemented the procurement standards prescribed under paragraph (3);

(B) the State has monitored local areas to ensure compliance with the procurement standards as required under paragraph (4); and

(C) the State has taken appropriate action to secure compliance pursuant to paragraph (5).

(7) ACTION BY THE SECRETARY.—If the Secretary determines that the Governor has not fulfilled the requirements of this subsection, the Secretary shall—

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (f) in the event of failure of the Governor to take the required appropriate action to secure compliance.

(b) SUBSTANTIAL VIOLATION.—

(1) ACTION BY GOVERNOR.—If, as a result of a financial or compliance audit or otherwise, the Governor determines that there is a substantial violation of a specific provision of this title, including regulations issued under this title, and corrective action 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.

(c) ACCESS BY COMPTROLLER GENERAL.—For the purpose of evaluating and reviewing programs and activities established or provided for by this title, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs and activities that are in the possession, custody, or control of a State, a local partnership, any recipient of funds under this title, or any subgrantee or contractor of such a recipient.

(d) REPAYMENT OF CERTAIN AMOUNTS TO THE UNITED STATES.—

(1) IN GENERAL.—Every recipient of funds under this title shall repay to the United States amounts found not to have been expended in accordance with this title.

(2) OFFSET OF REPAYMENT.—If the Secretary determines that a State has expended funds made available under this title in a manner contrary to the requirements of this title, the Secretary may offset repayment of such expenditures against any other amount to which the State is or may be entitled, except as provided under subsection (e)(1).

(3) REPAYMENT FROM DEDUCTION BY STATE.—If the Secretary requires a State to repay funds as a result of a determination that a local area of the State has expended funds contrary to the requirements of this title, the Governor of the State may use an amount deducted under paragraph (4) to repay the funds, except as provided under subsection (e)(1).

(4) DEDUCTION BY STATE.—The Governor may deduct an amount equal to the misexpenditure described in paragraph (3) from subsequent program year allocations to the local area from funds reserved for the administrative costs of the local programs involved, as appropriate.

(5) LIMITATIONS.—A deduction made by a State as described in paragraph (4) shall not be made until such time as the Governor has taken appropriate corrective action to ensure full compliance within such local area with regard to appropriate expenditures of funds under this title.

(e) REPAYMENT OF AMOUNTS.—

(1) IN GENERAL.—Each recipient of funds under this title shall be liable to repay the amounts described in subsection (d)(1), from funds other than funds received under this title, upon a determination by the Secretary that the misexpenditure of funds was due to willful disregard of the requirements of this title, gross negligence, failure to observe accepted standards of administration, or a pattern of misexpenditure as described in paragraphs (2) and (3) of subsection (d). No such determination shall be made under this subsection or subsection (d) until notice and opportunity for a fair hearing has been given to the recipient.

(2) FACTORS IN IMPOSING SANCTIONS.—In determining whether to impose any sanction authorized by this section against a recipient for violations by a subgrantee or contractor of such recipient under this title (including the regulations issued under this title), the Secretary shall first determine whether such recipient has adequately demonstrated that the recipient has—

(A) established and adhered to an appropriate system for the award and monitoring of grants and contracts with subgrantees and contractors that contains acceptable standards for ensuring accountability;

(B) entered into a written grant agreement or contract with such subgrantee or contractor that established clear goals and obligations in unambiguous terms;

(C) acted with due diligence to monitor the implementation of the grant agreement or contract, including the carrying out of the appropriate monitoring activities (including audits) at reasonable intervals; and

(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this title, including regulations issued under this title, by such subgrantee or contractor.

(3) WAIVER.—If the Secretary determines that the recipient has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such recipient. The Secretary is authorized to impose any sanction consistent with the provisions of this title and any applicable Federal or State law directly against any subgrantee or contractor for violation of this title, including regulations issued under this title.

(f) IMMEDIATE TERMINATION OR SUSPENSION OF ASSISTANCE IN EMERGENCY SITUATIONS.—In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program or activity involved, the Secretary may immediately terminate or suspend financial assistance, in whole or in part, to the recipient if the recipient is given prompt notice and the opportunity for a subsequent hearing within 30 days after such termination or suspension. The Secretary shall not delegate any of the functions or authority specified in this subsection, other than to an officer whose appointment is required to be made by and with the advice and consent of the Senate.

(g) DISCRIMINATION AGAINST PARTICIPANTS.—If the Secretary determines that any recipient of funds under this title has discharged or in any other manner discriminated in violation of section 378 against, a participant or any other individual in connection with the administration of the program or activity involved, or any individual because such individual has filed any complaint or instituted or caused to be instituted any proceeding under or related to this

title, or has testified or is about to testify in any such proceeding or investigation under or related to this title, or otherwise unlawfully denied to any individual a benefit to which that individual is entitled under the provisions of this title, including regulations issued under this title, the Secretary shall, within 30 days after the date of the determination, take such action or order such corrective measures, as may be necessary, with respect to the recipient or the aggrieved individual.

(h) REMEDIES.—The remedies described in this section shall not be construed to be the exclusive remedies available for violations described in this section.

SEC. 375. REPORTS; RECORDKEEPING; INVESTIGATIONS.

(a) REPORTS.—

(1) IN GENERAL.—Recipients of funds under this title shall keep records that are sufficient to permit the preparation of reports required by this title and to permit the tracing of funds to a level of expenditure adequate to ensure that the funds have not been spent unlawfully.

(2) SUBMISSION TO THE SECRETARY.—Every such recipient shall maintain such records and submit such reports, in such form and containing such information, as the Secretary may require regarding the performance of programs and activities carried out under this title. Such records and reports shall be submitted to the Secretary but shall not be required to be submitted more than once each quarter unless specifically requested by Congress or a committee of Congress.

(3) MAINTENANCE OF STANDARDIZED RECORDS.—In order to allow for the preparation of the reports required under subsection (c), such recipients shall maintain standardized records for all individual participants and provide to the Secretary a sufficient number of such records to provide for an adequate analysis of the records.

(4) AVAILABILITY TO THE PUBLIC.—

(A) IN GENERAL.—Except as provided in subparagraph (B), records maintained by such recipients pursuant to this subsection shall be made available to the public upon request.

(B) EXCEPTION.—Subparagraph (A) shall not apply to—

(i) information, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; and

(ii) trade secrets, or commercial or financial information, that is obtained from a person and privileged or confidential.

(C) FEES TO RECOVER COSTS.—Such recipients may charge fees sufficient to recover costs applicable to the processing of requests for records under subparagraph (A).

(b) INVESTIGATIONS OF USE OF FUNDS.—

(1) IN GENERAL.—

(A) SECRETARY.—In order to evaluate compliance with the provisions of this title, the Secretary shall conduct, in several States, in each fiscal year, investigations of the use of funds received by recipients under this title.

(B) COMPTROLLER GENERAL OF THE UNITED STATES.—In order to ensure compliance with the provisions of this title, the Comptroller General of the United States may conduct investigations of the use of funds received under this title by any recipient.

(2) PROHIBITION.—In conducting any investigation under this title, the Secretary or the Comptroller General of the United States may not request the compilation of any information that the recipient is not otherwise required to compile and that is not readily available to such recipient.

(3) AUDITS.—

(A) IN GENERAL.—In carrying out any audit under this title (other than any initial audit survey or any audit investigating possible criminal or fraudulent conduct), either directly or through grant or contract, the Secretary, the Inspector General of the Department of Labor, or the Comptroller General of the United States shall furnish to the State, recipient, or other entity to be audited, advance notification of the overall objectives and purposes of the audit, and any extensive recordkeeping or data requirements to be met, not later than 14 days (or as soon as practicable), prior to the commencement of the audit.

(B) NOTIFICATION REQUIREMENT.—If the scope, objectives, or purposes of the audit change substantially during the course of the audit, the entity being audited shall be notified of the change as soon as practicable.

(C) ADDITIONAL REQUIREMENT.—The reports on the results of such audits shall cite the law, regulation, policy, or other criteria applicable to any finding contained in the reports.

(D) RULE OF CONSTRUCTION.—Nothing contained in this title shall be construed so as to be inconsistent with the Inspector General Act of 1978 (5 U.S.C. App.) or government auditing standards issued by the Comptroller General of the United States.

(c) ACCESSIBILITY OF REPORTS.—Each State, each local partnership, and each recipient (other than a subrecipient, subgrantee, or contractor of a recipient) receiving funds under this title shall—

(1) make readily accessible such reports concerning its operations and expenditures as shall be prescribed by the Secretary;

(2) prescribe and maintain comparable management information systems, in accordance with guidelines that shall be prescribed by the Secretary, designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant, and financial data, on statewide, local area, and other appropriate bases, necessary for reporting, monitoring, and evaluating purposes, including data necessary to comply with section 378; and

(3) monitor the performance of providers in complying with the terms of grants, contracts, or other agreements made pursuant to this title.

(d) INFORMATION TO BE INCLUDED IN REPORTS.—

(1) IN GENERAL.—The reports required in subsection (c) shall include information regarding programs and activities carried out under this title pertaining to—

(A) the relevant demographic characteristics (including race, ethnicity, sex, and age) and other related information regarding participants;

(B) the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities;

(C) outcomes of the programs and activities for participants, including the occupations of participants, and placement for participants in nontraditional employment;

(D) specified costs of the programs and activities; and

(E) information necessary to prepare reports to comply with section 378.

(2) ADDITIONAL REQUIREMENT.—The Secretary shall ensure that all elements of the information required for the reports described in paragraph (1) are defined and reported uniformly.

(e) RETENTION OF RECORDS.—The Governor of a State that receives funds under this title shall ensure that requirements are established for retention of all records of the State pertinent to all grants awarded, and contracts and agreements entered into, under this title, including financial, statistical, property, and participant records and supporting documentation. For funds allotted to a State under this title for any program year, the State shall retain the records for 2 subsequent program years. The State shall retain records for nonexpendable property that is used to carry out this title for a period of 3 years after final disposition of the property.

(f) QUARTERLY FINANCIAL REPORTS.—

(1) IN GENERAL.—Each local partnership in the State shall submit quarterly financial reports to the Governor with respect to programs and activities carried out under this title. Such reports shall include information identifying all program and activity costs by cost category in accordance with generally accepted accounting principles and by year of the appropriation involved.

(2) ADDITIONAL REQUIREMENT.—Each State shall submit to the Secretary, on a quarterly basis, a summary of the reports submitted to the Governor pursuant to paragraph (1).

(g) MAINTENANCE OF ADDITIONAL RECORDS.—Each State and local partnership shall maintain records with respect to programs and activities carried out under this title that identify—

(1) any income or profits earned, including such income or profits earned by subrecipients; and

(2) any costs incurred (such as stand-in costs) that are otherwise allowable except for funding limitations.

(h) COST CATEGORIES.—In requiring entities to maintain records of costs by category under this title, the Secretary shall require only that the costs be categorized as administrative or programmatic costs.

SEC. 376. ADMINISTRATIVE ADJUDICATION.

(a) IN GENERAL.—Whenever any applicant for financial assistance under this title is dissatisfied because the Secretary has made a determination not to award financial assistance in whole or in part to such applicant, the applicant may request a hearing before an administrative law judge of the Department of Labor. A similar hearing may also be requested by any recipient for whom a corrective action has been required or a sanction has been imposed by the Secretary under section 374. Except to the extent provided for in section 371(c) or 378, all other disputes arising under this title relating to the manner in which the recipient carries out a program or activity under this title shall be adjudicated under grievance procedures established by the recipient or under applicable law other than this title.

(b) APPEAL.—The decision of the administrative law judge shall constitute final action by the Secretary unless, within 20 days after receipt of the decision of the administrative law judge, a party dissatisfied with the decision or any part of the decision has filed exceptions with the Secretary specifically identifying the procedure, fact, law, or policy to which exception is taken. Any exception not specifically urged shall be deemed to have been waived. After the 20-day period the decision of the administrative law judge shall become the final decision of the Secretary unless the Secretary, within 30 days after such filing, has notified the parties that the case involved has been accepted for review.

(c) TIME LIMIT.—Any case accepted for review by the Secretary under subsection (b) shall be decided within 180 days after such acceptance. If the case is not decided within the 180-day period, the decision of the administrative law judge shall become the final decision of the Secretary at the end of the 180-day period.

(d) ADDITIONAL REQUIREMENT.—The provisions of section 377 shall apply to any final action of the Secretary under this section.

SEC. 377. JUDICIAL REVIEW.

(a) REVIEW.—

(1) PETITION.—With respect to any final order by the Secretary under section 376 by which the Secretary awards, declines to award, or only conditionally awards, financial assistance under this title, or any final order of the Secretary under section 376 with respect to a corrective action or sanction imposed under section 374, any party to a proceeding which resulted in such final order may obtain review of such final order in the United States Court of Appeals having jurisdiction over the applicant or recipient of funds involved, by filing a review petition within 30 days after the date of issuance of such final order.

(2) ACTION ON PETITION.—The clerk of the court shall transmit a copy of the review petition to the Secretary who shall file the record on

which the final order was entered as provided in section 2112 of title 28, United States Code. The filing of a review petition shall not stay the order of the Secretary, unless the court orders a stay. Petitions filed under this subsection shall be heard expeditiously, if possible within 10 days after the date of filing of a reply to the petition.

(3) STANDARD AND SCOPE OF REVIEW.—No objection to the order of the Secretary shall be considered by the court unless the objection was specifically urged, in a timely manner, before the Secretary. The review shall be limited to questions of law and the findings of fact of the Secretary shall be conclusive if supported by substantial evidence.

(b) JUDGMENT.—The court shall have jurisdiction to make and enter a decree affirming, modifying, or setting aside the order of the Secretary in whole or in part. The judgment of the court regarding the order shall be final, subject to certiorari review by the Supreme Court as provided in section 1254(1) of title 28, United States Code.

SEC. 378. NONDISCRIMINATION.

(a) PROHIBITED DISCRIMINATION.—

(1) PROHIBITION ON DISCRIMINATION IN FEDERAL PROGRAMS AND ACTIVITIES.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), on the basis of sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), programs and activities funded in whole or in part under this title shall be considered to be programs and activities receiving Federal financial assistance, and education programs and activities receiving Federal financial assistance.

(2) PROHIBITION OF DISCRIMINATION REGARDING PARTICIPATION, BENEFITS, AND EMPLOYMENT.—No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with, any such program or activity because of race, color, religion, sex, national origin, age, disability, or political affiliation or belief.

(3) PROHIBITION ON ASSISTANCE FOR FACILITIES FOR SECTARIAN INSTRUCTION OR RELIGIOUS WORSHIP.—Participants shall not be employed under this title to carry out the construction, operation, or maintenance of any part of any facility that is used or to be used for sectarian instruction or as a place for religious worship.

(4) PROHIBITION ON DISCRIMINATION ON BASIS OF PARTICIPANT STATUS.—No person may discriminate against an individual who is a participant in a program or activity that receives funds under this title, with respect to the terms and conditions affecting, or rights provided to, the individual, solely because of the status of the individual as a participant, in carrying out any endeavor that involves—

(A) participants in programs and activities that receive funding under this title; and

(B) persons who receive no assistance under this title.

(5) PROHIBITION ON DISCRIMINATION AGAINST CERTAIN NONCITIZENS.—Participation in programs and activities or receiving funds under this title shall be available to citizens and nationals of the United States, lawfully admitted permanent resident aliens, refugees, asylees, and parolees, other aliens lawfully present in the United States, and other individuals authorized by the Attorney General to work in the United States.

(b) ACTION OF SECRETARY.—Whenever the Secretary finds that a State or other recipient of funds under this title has failed to comply with a provision of law referred to in subsection (a)(1), or with paragraph (2), (3), (4), or (5) of subsection (a), including an applicable regulation prescribed to carry out such provision or paragraph, the Secretary shall notify such State or recipient and shall request that the State or recipient comply. If within a reasonable period of time, not to exceed 60 days, the State or recipient fails or refuses to comply, the Secretary may—

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(2) exercise the powers and functions provided to the head of a Federal department or agency under the Age Discrimination Act of 1975, title V of the Rehabilitation Act of 1973 (29 U.S.C. 791 et seq.), title IX of the Education Amendments of 1972, or title VI of the Civil Rights Act of 1964, as may be applicable; or

(3) take such other action as may be provided by law.

(c) ACTION OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever the Attorney General has reason to believe that a State or other recipient of funds under this title is engaged in a pattern or practice of discrimination in violation of a provision of law referred to in subsection (a)(1) or in violation of paragraph (2), (3), (4), or (5) of subsection (a), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

(d) JOB CORPS MEMBERS.—For purposes of this section, Job Corps members shall be considered as the ultimate beneficiaries of an education program or activity receiving Federal financial assistance.

SEC. 379. ADMINISTRATIVE PROVISIONS.

(a) IN GENERAL.—The Secretary may, in accordance with chapter 5 of title 5, United States Code, prescribe rules and regulations to carry out this title to the extent necessary to implement, administer, and ensure compliance with the requirements of this title. Such rules and regulations may include provisions making adjustments authorized by section 6504 of title 31, United States Code. All such rules and regulations shall be published in the Federal Register at least 30 days prior to their effective dates. Copies of each such rule or regulation shall be transmitted to the appropriate committees of Congress on the date of such publication and shall contain, with respect to each material provision of such rule or regulation, a citation to the particular substantive section of law that is the basis for the provision.

(b) ACQUISITION OF CERTAIN PROPERTY AND SERVICES.—The Secretary is authorized, in carrying out this title, to accept, purchase, or lease in the name of the Department of Labor, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise, and to accept voluntary and uncompensated services notwithstanding the provisions of section 1342 of title 31, United States Code.

(c) AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS AND TO MAKE CERTAIN EXPENDITURES.—The Secretary may make such grants, enter into such contracts or agreements, establish such procedures, and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend such funds under this title, as may be necessary to carry out this title, including making expenditures for construction, repairs, and capital improvements, and including making necessary adjustments in payments on account of overpayments or underpayments.

(d) ANNUAL REPORT.—The Secretary shall prepare and submit to Congress an annual report regarding the programs and activities carried out under this title. The Secretary shall include in such report—

(1) a summary of the achievements, failures, and problems of the programs and activities in meeting the objectives of this title;

(2) a summary of major findings from research, evaluations, pilot projects, and experiments conducted under this title in the fiscal year prior to the submission of the report;

(3) recommendations for modifications in the programs and activities based on analysis of such findings; and

(4) such other recommendations for legislative or administrative action as the Secretary determines to be appropriate.

(e) UTILIZATION OF SERVICES AND FACILITIES.—The Secretary is authorized, in carrying out this title, under the same procedures as are applicable under subsection (c) or to the extent permitted by law other than this title, to accept and use the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized, in carrying out this title, to accept and use the services and facilities of the agencies of any State or political subdivision of a State, with the consent of the State or political subdivision.

(f) OBLIGATIONAL AUTHORITY.—Notwithstanding any other provision of this title, the Secretary shall have no authority to enter into contracts, grant agreements, or other financial assistance agreements under this title except to such extent and in such amounts as are provided in advance in appropriations Acts.

(g) PROGRAM YEAR.—

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

(2) AVAILABILITY.—Funds obligated for any program year for a program or activity carried out under this title may be expended by each State receiving such funds during that program year and the 2 succeeding program years. Funds received by local areas from States under this title during a program year may be expended during that program year and the succeeding program year. No amount of the funds described in this paragraph shall be deobligated on account of a rate of expenditure that is consistent with a State plan, an operating plan described in section 341, or a plan, grant agreement, contract, application, or other agreement described in subtitle C, as appropriate.

(h) ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT.—The Secretary shall ensure that each individual participating in any program or activity established under this title, or receiving any assistance or benefit under this title, has not violated section 3 of the Military Selective Service Act (50 U.S.C. App. 453) by not presenting and submitting to registration as required pursuant to such section. The Director of the Selective Service System shall cooperate with the Secretary to enable the Secretary to carry out this subsection.

(i) WAIVERS.—

(1) SPECIAL RULE.—With respect to a State that has been granted a waiver under the provisions relating to training and employment services of the Department of Labor in title I of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1997 (Public Law 104–208; 110 Stat. 3009–234), the authority provided under such waiver shall continue in effect and apply, and include a waiver of the related provisions of subtitle A and this subtitle, for the duration of the initial waiver.

(2) GENERAL AUTHORITY.—Notwithstanding any other provision of law, the Secretary may waive for a State, or a local area in a State, pursuant to a request submitted by the Governor of the State (in consultation with appropriate local elected officials) that meets the requirements of paragraph (3)—

(A) any of the statutory or regulatory requirements of subtitle A or this subtitle (except for requirements relating to wage and labor standards, worker rights, participation and protection of participants, grievance procedures and judicial review, nondiscrimination, allocation of

funds to local areas, eligibility of providers or participants, and the establishment and functions of local areas); and

(B) any of the statutory or regulatory requirements of sections 8 through 10 of the Wagner-Peyser Act (29 U.S.C. 49g through 49i) (excluding requirements relating to the provision of services to unemployment insurance claimants (including veterans) but including reporting requirements relating to such provision of services, and excluding requirements relating to universal access to basic labor exchange services without cost to jobseekers).

(3) REQUESTS.—A Governor requesting a waiver under paragraph (2) shall submit a plan to the Secretary to improve the statewide workforce investment system that—

(A) identifies the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver;

(B) describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

(C) describes the goals of the waiver and the expected programmatic outcomes if the request is granted;

(D) describes the individuals impacted by the waiver; and

(E) describes the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the organizations identified in section 308(b)(2).

(4) CONDITIONS.—Not later than 90 days after the date of the original submission of a request for a waiver under paragraph (2), the Secretary shall provide a waiver under this subsection if and only to the extent that—

(A) the Secretary determines that the requirements requested to be waived impede the ability of the State or local area, as appropriate, to implement the plan described in paragraph (3); and

(B) the State has executed a memorandum of understanding with the Secretary requiring such State to meet, or ensure that the local area meets, agreed-upon outcomes and to implement other appropriate measures to ensure accountability.

SEC. 380. STATE LEGISLATIVE AUTHORITY.

(a) AUTHORITY OF STATE LEGISLATURE.—Nothing in this title shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this title, of the activities assisted under this title. Any funds received by a State under this title shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under this title.

(b) INTERSTATE COMPACTS AND COOPERATIVE AGREEMENTS.—In the event that compliance with provisions of this title would be enhanced by compacts and cooperative agreements between States, the consent of Congress is given to States to enter into such compacts and agreements to facilitate such compliance, subject to the 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.), except subtitle B and section 738 of such title (42 U.S.C. 11431 et seq. and 11448).

SEC. 392. CONFORMING AMENDMENTS.

(a) PREPARATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Secretary shall prepare recommended legislation containing technical and conforming amendments to reflect the changes made by this subtitle.

(b) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to Congress the recommended legislation referred to under paragraph (1).

SEC. 393. EFFECTIVE DATES.

(a) IMMEDIATE REPEALS.—The repeals made by section 391(a) shall take effect on the date of enactment of this Act.

(b) SUBSEQUENT REPEALS.—The repeals made by section 391(b) shall take effect on July 1, 1999.

TITLE IV—WORKFORCE INVESTMENT-RELATED ACTIVITIES

Subtitle A—Wagner-Peyser Act

SEC. 401. DEFINITIONS.

Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a) is amended—

(1) in paragraph (1)—

(A) by striking ''or officials''; and

(B) by striking ''Job Training Partnership Act'' and inserting ''Workforce Investment Partnership Act of 1997'';

(2) by striking paragraphs (2) and (4);

(3) by redesignating paragraphs (3) and (5) as paragraphs (5) and (6), respectively;

(4) by inserting after paragraph (1) the following:

''(2) the term 'local workforce investment area' means a local workforce investment area designated under section 307 of the Workforce Investment Partnership Act of 1997;

''(3) the term 'local workforce investment partnership' means a local workforce investment partnership established under section 308 of the Workforce Investment Partnership Act of 1997;

''(4) the term 'one-stop customer service system' means a one-stop customer service system established under section 315(b) of the Workforce Investment Partnership Act of 1997;''; and

(5) in paragraph (5) (as redesignated in paragraph (3)), by striking the semicolon and inserting ''; and''.

SEC. 402. FUNCTIONS.

(a) IN GENERAL.—Section 3(a) of the Wagner-Peyser Act (29 U.S.C. 49b(a)) is amended to read as follows:

''(a) The Secretary shall—

''(1) assist in the coordination and development of a nationwide system of public labor exchange services, provided as part of the one-stop customer service systems of the States;

''(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

''(3) ensure, for individuals otherwise eligible to receive unemployment compensation, the provision of reemployment services and other activities in which the individuals are required to participate to receive the compensation.''.

(b) CONFORMING AMENDMENTS.—Section 508(b)(1) of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a(b)(1)) is amended—

(1) by striking ''the third sentence of section 3(a)'' and inserting ''section 3(b)''; and

(2) by striking ''49b(a)'' and inserting ''49b(b))''.

SEC. 403. DESIGNATION OF STATE AGENCIES.

Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c) is amended—

(1) by striking '', through its legislature,'' and inserting '', pursuant to State statute,'';

(2) by inserting after ''the provisions of this Act and'' the following: '', in accordance with such State statute, the Governor shall''; and

(3) by striking ''United States Employment Service'' and inserting ''Secretary''.

SEC. 404. APPROPRIATIONS.

Section 5(c) of the Wagner-Peyser Act (29 U.S.C. 49d(c)) is amended by striking paragraph (3).

SEC. 405. DISPOSITION OF ALLOTTED FUNDS.

Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f) is amended—

(1) in subsection (b)(2), by striking ''private industry council'' and inserting ''local workforce investment partnership'';

(2) in subsection (c)(2), by striking ''any program under'' and all that follows and inserting ''any workforce investment activity carried out under the Workforce Investment Partnership Act of 1997.'';

(3) in subsection (d)—

(A) by striking ''United States Employment Service'' and inserting ''Secretary''; and

(B) by striking ''Job Training Partnership Act'' and inserting ''Workforce Investment Partnership Act of 1997''; and

(4) by adding at the end the following:

''(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsection (a) shall be provided as part of the one-stop customer service system established by the State.''.

SEC. 406. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

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

''(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 304 of the Workforce Investment Partnership Act of 1997, detailed plans for carrying out the provisions of this Act within such State.'';

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

(3) by redesignating subsection (d) as subsection (b); and

(4) by adding at the end the following:

''(c) The part of the State plan described in subsection (a) shall include the information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

SEC. 407. REPEAL OF FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is hereby repealed.

SEC. 408. REGULATIONS.

Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking ''The Director, with the approval of the Secretary of Labor,'' and inserting ''The Secretary''.

SEC. 409. LABOR MARKET INFORMATION.

The Wagner-Peyser Act is amended—

(1) by redesignating section 15 (29 U.S.C. 49 note) as section 16; and

(2) by inserting after section 14 (29 U.S.C. 49l–1) the following:

''SEC. 15. LABOR MARKET INFORMATION.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a system of labor market information that includes—

''(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project the employment opportunities at the national, State, and local levels in a timely manner, including data on—

''(i) employment and unemployment status of the national, State, and local populations, as

such data are developed by the Bureau of Labor Statistics and other sources;

''(ii) industrial distribution of occupations, as well as current and projected employment opportunities and skill trends by occupation and industry, with particular attention paid to State and local employment opportunities;

''(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

''(iv) employee information maintained in a longitudinal manner and collected (as of the date of enactment of the Workforce Investment Partnership Act of 1997) by States;

''(B) State and local employment information, and other appropriate statistical data related to labor market dynamics (compiled for States and localities with technical assistance provided by the Secretary), which shall—

''(i) be current and comprehensive, as of the date used;

''(ii) assist individuals to make informed choices relating to employment and training; and

''(iii) assist employers to locate, identify skill traits of, and train individuals who are seeking employment and training;

''(C) technical standards (which the Secretary shall make publicly available) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

''(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

''(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

''(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as State and local policymaking;

''(G) wide dissemination of such data, information, and analysis, training for users of the data, information, and analysis, and voluntary technical standards for dissemination mechanisms; and

''(H) programs of—

''(i) research and demonstration; and

''(ii) technical assistance for States and localities.

''(2) INFORMATION TO BE CONFIDENTIAL.—

''(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

''(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

''(ii) make any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning individual subjects to be reasonably inferred by either direct or indirect means; or

''(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i);

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

''(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''(C) CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

''(b) SYSTEM RESPONSIBILITIES.—

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

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

''(A) Assign responsibilities within the Department of Labor for elements of the system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

''(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

''(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

''(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the system described in subsection (a), including the development of consistent definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B), of subsection (a)(1) and the development of the annual plan under subsection (c).

''(E) Establish procedures for the system to ensure that—

''(i) such data and information are timely;

''(ii) administrative records for the system are consistent in order to facilitate aggregation of such data and information;

''(iii) paperwork and reporting for the system are reduced to a minimum; and

''(iv) States and localities are fully involved in the maintenance and continuous improvement of the system at the State and local levels.

''(c) ANNUAL PLAN.—The Secretary, with the assistance of the States and the Bureau of Labor Statistics, and with the assistance of other appropriate Federal agencies, shall prepare an annual plan which shall be the mechanism for achieving cooperative management of the nationwide labor market information system described in subsection (a) and the statewide labor market information systems that comprise the nationwide system. The plan shall—

''(1)(A) describe the elements of the system described in subsection (a), including standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting data and information described in subparagraphs (A) and (B) of subsection (a)(1); and

''(B) include assurances that—

''(i) the data will be timely and detailed;

''(ii) administrative records will be standardized to facilitate the aggregation of the data from local areas to State and national levels and to support the creation of new statistical series from program records; and

''(iii) paperwork and reporting requirements for employers and individuals will be reduced;

''(2) include a report on the results of an annual consumer satisfaction review concerning the performance of the system, including the performance of the system in addressing the needs of Congress, States, localities, employers, jobseekers, and other consumers;

''(3) evaluate the performance of the system and recommend needed improvements, taking into consideration the results of the consumer satisfaction review, with particular attention paid to the improvements needed at the State and local levels;

''(4) describe annual priorities, and priorities over 5 years, for the system;

''(5) describe current (as of the date of the submission of the plan) spending and spending needs to carry out activities under this section, including the costs to States and localities of meeting the requirements of subsection (e)(2); and

''(6) describe the involvement of States in the development of the plan, through formal consultations conducted by the Secretary in cooperation with representatives of the Governors of every State, and with representatives of local partnerships, pursuant to a process established by the Secretary in cooperation with the States.

''(d) COORDINATION WITH THE STATES.—The Secretary and the Bureau of Labor Statistics, in cooperation with the States, shall—

''(1) develop the annual plan described in subsection (c) by holding formal consultations, at least once each quarter, on the products and administration of the nationwide labor market information system; and

''(2) hold the consultations with representatives from each of the 10 Federal regions of the Employment and Training Administration, elected (pursuant to a process established by the Secretary) by and from the State labor market information directors affiliated with the State agencies that perform the duties described in subsection (e)(2).

''(e) STATE RESPONSIBILITIES.—

''(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State—

''(A) shall designate a single State agency to be responsible for the management of the portions of the system described in subsection (a) that comprise a statewide labor market information system; and

''(B) shall establish a process for the oversight of such system.

''(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency shall—

''(A) consult with State and local employers, participants, and local partnerships about the labor market relevance of the data to be collected and disseminated through the statewide labor market information system;

''(B) consult with State educational agencies and local educational agencies concerning providing labor market information in order to meet the needs of secondary school and postsecondary school students who seek such information;

''(C) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

''(D) maintain and continuously improve the statewide labor market information system in accordance with this section;

''(E) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

''(F) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide labor market information system;

''(G) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

''(H) participate in the development of the annual plan described in subsection (c); and

''(I) utilize the quarterly records described in sections 321(f)(1) and 312 to assist the State and other States in measuring State progress on State performance measures.

''(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability

of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2004.

''(g) DEFINITIONS.—In this section, the terms 'local area' and 'local partnership' have the meanings given the terms in section 2 of the Workforce Investment Partnership Act of 1997.''.

SEC. 410. TECHNICAL AMENDMENTS.

Sections 3(b), 6(b)(1), and 7(d) of the Wagner Peyser Act (29 U.S.C. 49b(b), 49e(b)(1), and 49f(d)) are amended by striking ''Secretary of Labor'' and inserting ''Secretary''.

Subtitle B—Linkages With Other Programs

SEC. 421. TRADE ACT OF 1974.

Section 241 of the Trade Act of 1974 (19 U.S.C. 2313) is amended by adding at the end the following:

''(d) To be eligible to receive funds under this section, a State shall submit to the Secretary an application that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

SEC. 422. NATIONAL APPRENTICESHIP ACT.

The Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) is amended by inserting after section 3 the following:

''SEC. 3A. COORDINATION AND NONDUPLICATION.

''In carrying out this Act, the Secretary of Labor shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this Act that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

SEC. 423. VETERANS' EMPLOYMENT PROGRAMS.

Chapter 41 of title 38, United States Code, is amended by adding at the end the following:

''§ 4110B. Coordination and nonduplication

''In carrying out this chapter, the Secretary shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this Act that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

SEC. 424. OLDER AMERICANS ACT OF 1965.

Section 502(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056(b)(1)) is amended—

(1) in subparagraph (O), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (P), by striking the period and inserting ''; and''; and

(3) by adding at the end the following subparagraph:

''(Q) will provide to the Secretary the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

Subtitle C—Twenty-First Century Workforce Commission

SEC. 431. SHORT TITLE.

This subtitle may be cited as the ''Twenty-First Century Workforce Commission Act''.

SEC. 432. FINDINGS.

Congress finds that—

(1) information technology is one of the fastest growing areas in the United States economy;

(2) the United States is a world leader in the information technology industry;

(3) the continued growth and prosperity of the information technology industry is important to the continued prosperity of the United States economy;

(4) highly skilled employees are essential for the success of business entities in the information technology industry and other business entities that use information technology;

(5) employees in information technology jobs are highly paid;

(6) as of the date of enactment of this Act, these employees are in high demand in all industries and all regions of the United States; and

(7) through a concerted effort by business entities, the Federal Government, the governments of States and political subdivisions of States, and educational institutions, more individuals will gain the skills necessary to enter into a technology-based job market, ensuring that the United States remains the world leader in the information technology industry.

SEC. 433. DEFINITIONS.

In this subtitle:

(1) BUSINESS ENTITY.—The term ''business entity'' means a firm, corporation, association, partnership, consortium, joint venture, or other form of enterprise.

(2) COMMISSION.—The term ''Commission'' means the Twenty-First Century Workforce Commission established under section 434.

(3) INFORMATION TECHNOLOGY.—The term ''information technology'' has the meaning given that term in section 5002 of the Information Technology Management Reform Act of 1996 (110 Stat. 679).

(4) STATE.—The term ''State'' means each of the several States of the United States and the District of Columbia.

SEC. 434. ESTABLISHMENT OF TWENTY-FIRST CENTURY WORKFORCE COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Twenty-First Century Workforce Commission.

(b) MEMBERSHIP.—

(1) COMPOSITION.—

(A) IN GENERAL.—The Commission shall be composed of 21 members, of which—

(i) 7 members shall be appointed by the President;

(ii) 7 members shall be appointed by the Majority Leader of the Senate; and

(iii) 7 members shall be appointed by the Speaker of the House of Representatives.

(B) GOVERNMENTAL REPRESENTATIVES.—Of the members appointed under this subsection—

(i) 1 member shall be an officer or employee of the Department of Labor, who shall be appointed by the President;

(ii) 1 member shall be an officer or employee of the Department of Education, who shall be appointed by the President; and

(iii) 2 members shall be representatives of the governments of States and political subdivisions of States, 1 of whom shall be appointed by the Majority Leader of the Senate and 1 of whom shall be appointed by the Speaker of the House of Representatives.

(C) EDUCATORS.—Of the members appointed under this subsection, 6 shall be educators who are selected from among elementary, secondary, vocational, and postsecondary educators—

(i) 2 of whom shall be appointed by the President;

(ii) 2 of whom shall be appointed by the Majority Leader of the Senate; and

(iii) 2 of whom shall be appointed by the Speaker of the House of Representatives.

(D) BUSINESS REPRESENTATIVES.—

(i) IN GENERAL.—Of the members appointed under this subsection, at least 4 shall be individuals who are employed by non-information technology business entities.

(ii) SIZE.—Members appointed under this subsection in accordance with clause (i) shall, to the extent practicable, include individuals from business entities of a size that is small or average for a non-information technology business entity.

(2) DATE.—The appointments of the members of the Commission shall be made by the later of—

(A) October 31, 1998; or

(B) the date that is 45 days after the date of enactment of this Act.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) INITIAL MEETING.—No later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(e) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—The Commission shall select a chairperson and vice chairperson from among its members.

SEC. 435. DUTIES OF THE COMMISSION.

(a) STUDY.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of all matters relating to the information technology workforce in the United States.

(2) MATTERS STUDIED.—The matters studied by the Commission shall include an examination of—

(A) the skills necessary to enter the information technology workforce;

(B) ways to expand the number of skilled information technology workers; and

(C) the relative efficacy of programs in the United States and foreign countries to train information technology workers, with special emphasis on programs that provide for secondary education or postsecondary education in a program other than a 4-year baccalaureate program (including associate degree programs and graduate degree programs).

(3) PUBLIC HEARINGS.—As part of the study conducted under this subsection, the Commission shall hold public hearings in each region of the United States concerning the issues referred to in subparagraphs (A) and (B) of paragraph (2).

(4) EXISTING INFORMATION.—To the extent practicable, in carrying out the study under this subsection, the Commission shall identify and use existing information related to the issues referred to in subparagraphs (A) and (B) of paragraph (2).

(5) CONSULTATION WITH CHIEF INFORMATION OFFICERS COUNCIL.—In carrying out the study under this subsection, the Commission shall consult with the Chief Information Officers Council established under Executive Order No. 13011.

(b) REPORT.—Not later than 6 months after the first meeting of the Commission, the Commission shall submit a report to the President and the Congress that shall contain a detailed statement of the findings and conclusions of the Commission resulting from the study, together with its recommendations for such legislation and administrative actions as the Commission considers to be appropriate.

(c) FACILITATION OF EXCHANGE OF INFORMATION.—In carrying out the study under subsection (a), the Commission shall, to the extent practicable, facilitate the exchange of information concerning the issues that are the subject of the study among—

(1) officials of the Federal Government and the governments of States and political subdivisions of States; and

(2) educators from Federal, State, and local institutions of higher education and secondary schools.

SEC. 436. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this subtitle.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information

as the Commission considers necessary to carry out the provisions of this subtitle. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 437. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Except as provided in subsection (b), each member of the Commission who is not an officer or employee of the Federal Government shall serve without compensation. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 438. TERMINATION OF THE COMMISSION.

The Commission shall terminate on the date that is 90 days after the date on which the Commission submits its report under section 435(b).

SEC. 439. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for fiscal year 1999 to the Commission to carry out the purposes of this subtitle.

(b) AVAILABILITY.—Any sums appropriated under the authorization contained in this section shall remain available, without fiscal year limitation, until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. STATE UNIFIED PLANS.

(a) PURPOSE.—The purpose of this section is to permit and encourage the submission of State unified plans, to assure coordination of and to avoid duplication between the activities carried out through the one-stop customer service systems.

(b) DEFINITIONS.—In this section:

(1) APPROPRIATE SECRETARY.—The term ''appropriate Secretary'' means the head of the Federal agency with authority to carry out a system program.

(2) APPROPRIATE STATE AGENCY.—The term ''appropriate State agency''—

(A) used with respect to a system program authorized under title I or II, means an eligible agency; and

(B) used with respect to another system program, means a State agency with authority to carry out the system program, as specified by the Governor of the State.

(3) SYSTEM PROGRAM.—The term ''system program'' means a program of activities, carried out through the one-stop customer service system, that are—

(A) activities authorized under title I or II;

(B) workforce investment activities authorized under subtitle A of title III;

(C) other activities authorized under title III;

(D) programs authorized under section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d));

(E) work programs authorized under section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o));

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

(G) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(H) activities carried out by the Bureau of Apprenticeship and Training;

(I) programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);

(J) activities authorized under chapter 41 of title 38, United States Code;

(K) programs authorized under State unemployment compensation laws and the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.);

(L) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(M) programs authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.); or

(N) training activities carried out by the Department of Housing and Urban Development.

(c) STATE UNIFIED PLAN.—A State may develop and submit to the appropriate Secretaries a State unified plan for 2 or more of the system programs.

(d) CONTENTS.—

(1) PLANNING PROVISIONS.—

(A) IN GENERAL.—In a State that elects to develop a State unified plan, the plan shall contain planning provisions, which shall be developed in a manner that substantially reflects the planning requirements of the provisions of the Federal statutes authorizing the system programs.

(B) PLANNING REQUIREMENTS.—In subparagraph (A), the term ''planning requirements'', used with respect to a system program, means such requirements as the appropriate Secretary shall by regulation specify for the system program.

(2) INFORMATION PROVISIONS.—In addition to the planning provisions required to be included pursuant to paragraph (1), the plan shall include the following:

(A) A description of the process used for developing the State unified plan.

(B) A description of the process used to consult the chief elected officials in the State about the State unified plan.

(C) A description of the accountability system of the State for activities carried out through the one-stop customer service system.

(D) A description of how the one-stop customer service system will provide the services identified in the State unified plan through such system.

(E) An assurance that the funds appropriated under Federal law to carry out the activities identified in the State unified plan will be used to supplement and not supplant other Federal, State, and local public funds expended to carry out the activities for eligible individuals.

(e) DEVELOPMENT.—

(1) PLANNING PROVISIONS.—The provisions of the plan described in subsection (d)(1) shall be developed by the statewide partnership. The portion of the State unified plan relating to a system program may be modified, as appropriate, with the agreement of the Governor and the head of the appropriate State agency with authority to carry out the system program. The Governor and the head of the appropriate State agency shall have the final authority to determine the content of the portion of the State unified plan that relates to the system program.

(2) INFORMATION PROVISIONS.—The provisions of the plan described in subsection (d)(2) shall be developed by the statewide partnership, which shall have the final authority to determine the content of the provisions.

(f) SUBMISSION.—After the heads of the appropriate State agencies approve the portions of the State unified plan that relate to their system programs, the State unified plan shall be submitted to the appropriate Secretaries by—

(1) the Governor; and

(2) an eligible agency, in the case of a plan containing a portion relating to the system program of the eligible agency.

(g) APPROVAL BY THE APPROPRIATE SECRETARIES.—

(1) JURISDICTION.—Each of the appropriate Secretaries shall have the authority to approve the portion of the State unified plan relating to the system program for which the Secretary has authority. On the approval of the Secretary, the portion of the plan relating to the system program shall be implemented by the State pursuant to the State unified plan.

(2) APPROVAL.—A portion of a State unified plan submitted to an appropriate Secretary under this section shall be considered to be approved by the appropriate Secretary at the end of the 60-day period beginning on the day the appropriate Secretary receives the portion, unless the Secretary makes a written determination, during the 60-day period, that the portion does not substantially reflect the planning requirements of the appropriate Federal statutes authorizing the system programs.

SEC. 502. TRANSITION PROVISIONS.

(a) IN GENERAL.—The Secretary of Education or the Secretary of Labor, as appropriate, shall take such steps as such Secretary determines to be appropriate to provide for the orderly transition to the authority of this Act from any authority under provisions of law to be repealed under subtitle E of title I, subtitle B of title II, or subtitle E of title III, or any related authority.

(b) EXTENDED TRANSITION PERIOD.—

(1) IN GENERAL.—If, on or before July 1, 1997, a State has enacted a State statute that provides for the establishment or conduct of 3 or more of the programs, projects, or activities described in subparagraphs (A) through (E) of paragraph (2), the State shall not be required to comply with provisions of this Act that conflict with the provisions of such State statute relating to such programs, projects, or activities for the period ending 3 years after the effective date specified in section 503(a). After such 3-year period, the Secretary of Education or the Secretary of Labor, as appropriate, shall allow a State to continue operating under such State statute if the State is meeting the State performance measures of the State.

(2) PROGRAMS, PROJECTS, AND ACTIVITIES DESCRIBED.—The programs, projects, and activities described in this paragraph are the following:

(A) Establishment of statewide partnerships or substate partnerships, including local and regional partnerships.

(B) Reorganization or consolidation of State agencies with responsibility for workforce investment activities.

(C) Reorganization or consolidation of workforce investment activities.

(D) Restructuring of local delivery systems for workforce investment activities.

(E) Development or restructuring of State accountability or oversight systems for workforce investment systems to focus on performance.

SEC. 503. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act takes effect on July 1, 1999.

(b) EARLY IMPLEMENTATION.—At the option of a State, the Governor of the State and the chief official of the eligible agencies in the State may use funds made available under a provision of law described in section 502(a), or any related authority to implement this Act at any time prior to July 1, 1999.

(c) EARLY IMPLEMENTATION AND TRANSITION PROVISIONS.—Section 502 and this section take effect on the date of enactment of this Act.

(d) TWENTY-FIRST CENTURY WORKFORCE COMMISSION.—Subtitle C of title IV takes effect on the date of enactment of this Act.

The PRESIDING OFFICER. Who yields time?

Mr. JEFFORDS. Mr. President, I yield myself such time as I may consume.

Mr. President, today the Senate is considering the Workforce Investment Partnership Act, S. 1186. This legislation incorporates job training, vocational education, and adult education—three programs. Last year we passed welfare reform, which has no hope of success unless individuals have the appropriate education and training to compete in the workforce.

We will never successfully reduce the welfare rolls unless we give people the tools to enter the workforce. Vocational education, adult education, and job training are how we give people those tools. This bill creates a system where all three of these key areas work together.

Separate funding streams and administration are maintained. I repeat that. Separate funding streams and administration are maintained for each of these activities, in recognition that each activity serves a distinct function. At the same time, the important interrelationship among these activities has too often been ignored. Policy in each area has generally been considered in a vacuum, leading to disappointment and frustration to job seekers and employers alike. For this reason, Senator DEWINE, Senator KENNEDY, Senator WELLSTONE, and I have written legislation which will assist States in coordinating policies related to job training and training-related education.

States that are moving forward in their workforce development efforts believe that all of the education and training players create an agenda which reflects an education and training partnership instead of having these two critical areas living individually, in solitary confinement.

Senator KENNEDY and I have been working on job training legislation for over 2 decades. I count the Job Training Partnership Act, which I coauthored along with Representative Hawkins and Senators KENNEDY, HATCH, and Quayle, as a significant legislative accomplishment.

Today, 16 years later, it is clear that the Job Training Partnership Act is not sufficient to meet the increasing demands made on our education and training system. This Nation has failed to implement strategies which will enable our workforce to meet the demands made by an ever changing international economy.

Our international competitors have been leaders in making the important link between education and work. The United States is beginning to make some progress, although it is clearly not yet nationwide.

I have seen examples of this progress in a few States, including my home State of Vermont. Vergennes Union High School has an excellent biotech program that was established through a partnership between the business community and the local school district. They were talking about things we hadn't even heard of a few years ago in their high school class. In addition, Essex Technical Center offers an array of programs that serve all students, ranging from at-risk youths to adults.

Another State that is an exemplary leader in workforce development is Mississippi. Two years ago, I visited Mississippi and was overwhelmed by their academic, financial, and overall community commitment to revitalize their vocational education-tech prep system. This program is so successful that the Mississippi legislature passed an increase in their sales tax to expand that initiative. This has been very beneficial to the Mississippi economy. Businesses not only stay in Mississippi, but major companies are relocating to Mississippi, because of the skilled workforce that is in place because of these improvements.

The Workforce Investment Partnership Act builds upon an excellent workforce development system that is evolving in Vermont, Mississippi, and in other States throughout the Nation. S. 1186 will enable States to have greater flexibility to promote coordination between vocational education, adult education, and training. The Workforce Investment Partnership Act gives States, local communities, and employers both the assistance and the incentives to train individuals—to train individuals for real jobs.

The two key points of the Workforce Investment Partnership Act are the establishment of tough accountability measures and a rallying of the private and public sectors to implement an education and training delivery system that enables all members of our society to receive the education and training they need at any point in their lifetime—I repeat that, at any point in their lifetime.

As I mentioned, accountability is a key feature of S. 1186. Those States that exceed their performance measures—the accountability mechanisms in all three titles—will be eligible for additional funding from the Department of Education and Labor, which can then be used for innovative activities related to the programs authorized under S. 1186.

I believe this bill, which unanimously passed the Senate Labor and Human Resources Committee and has the support of the business community, including the National Association of Manufacturers, the National Alliance of Businesses, the Chamber of Commerce, and the administration, is one of the most important initiatives the Senate will consider this year.

Year after year, report after report indicates that we do not have an adequately trained workforce. The following statistics illustrate this point: A Committee for Economic Development study estimates that each year's class of high school dropouts costs over $200 billion in lost incomes and taxes over the lifetimes of those students. I would like to note that my friend from Ohio, Senator DEWINE, has done an outstanding job in this legislation in taking the lead on the youth provisions which will hopefully improve this very, very terrible statistic.

American employers spend over $200 billion a year in remedial education and training for their employees—over $200 billion a year in remedial education and training for their employees. I point out that Europe spends about the same amount, but they spend it with their schools so that they don't have to wait an extra 2 years to be entering into the workforce.

This Nation presently has 190,000 positions unfilled in the technology area because of a lack of skilled workers. Those skills could be taught, almost all of them, in the high schools, but kids have to wait until they get out of high school under the present system, although some schools, as I mentioned earlier, like Vergennes, are moving in that area to provide those skills which are reachable with the talents of our young people in high school rather than waiting to go to further skill training.

The business community, Federal, State, and local governments must support education and training systems which allow all members of society to enter the training system and receive the education and training they need at any point in their lifetime, whether it be the high school student pursuing a biotech career, the adult who is desperate to trade a welfare check for a paycheck, the dislocated worker who needs to learn new skills to enhance his or her marketability, the vocational rehabilitation client who needs training assistance, or the incumbent worker who requires additional education and training to keep pace with the ever-evolving global economy. S. 1186 lays a foundation for achieving that goal.

Before I turn to my colleagues, I would like to express my deep appreciation to Senators KENNEDY, DEWINE, and WELLSTONE and their staffs and also a special thank you to the Congressional Research Service and the

Senate legislative counsel staff for all of their hard work in this bipartisan initiative. I thank each of them for their time and effort in getting S. 1186 to this point.

Mr. President, I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself such time as I might use.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that Connie Garner, who is a legislative fellow, be granted the privilege of the floor for the duration of the workforce bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, at the outset I want to express appreciation on this side, not just for our committee but for all of our Democratic Members, to the chairman of our committee, and also to Senator DEWINE, who is the chairman of the subcommittee. I know I speak for Senator WELLSTONE, who was very much involved in the development of this legislation, in thanking them for their leadership and for their work with all of us in bringing this legislation to the floor of the U.S. Senate.

This is a very important piece of legislation. It is going to make a significant difference in the quality of life for millions of Americans. It has been a long, arduous task to bring us to where we are today. Senator Kassebaum had been very interested in initially seeing how we could consolidate and coordinate 126 different programs in six different agencies and try and make some sense with a newer kind of workforce.

So many of these various workforce programs have been targeted to particular needs—people who lost work as a result of imports; people who lost work because of environmental considerations; young people who dropped out of school; older workers who have been dislocated. There was a wide range of programs, and there was a solid effort to try to develop and fashion various efforts to make some sense out of these programs and ensure that we were going to invest in our fellow citizens, young and old, and to do it in an effective way.

It hasn't been easy. We have tried to address this, and I can remember the times when we were not effective in doing so. I remember the CETA program and all of its difficulties and challenges in later years, under the leadership of Senator Quayle at that time and the members of our committee. I welcomed the opportunity of joining with Senator Quayle as we developed the Job Training Partnership Act to give greater local control and local input in terms of a shifting economy. This has been an evolving process.

We have done a constructive review of all of the various job training programs to find out, with the new challenges we are facing, how can we do better in meeting these various needs: what the role of vocational training is; what the role of adult education programs is going to be; how we are tying this into evolving changes in our workforce as a result of technology, as a result of a change in our competitiveness, and as a result of the downsizing we have seen that has impacted a lot of people who have good skills, but in a particular area, that perhaps may not be as necessary today as they were in another period of time.

It is only as a result of the hard work of the chairman of our full committee and the chairman of the subcommittee that we have been able to work through the process and make a recommendation that reflects the best judgment of all the members of the committee and the solid judgment of many men and women, and local, State, and national organizations who have given a great deal of time and attention to this issue, and who know the strengths and weaknesses of what is happening out in the local communities and at the State level, that we can present this legislation to the Senate. It is one of the most important pieces of legislation that we will pass.

There are various pieces of legislation that are above the radar screen, and there are some that are just below the radar screen. Many of those which come just below the radar screen in so many respects have a dramatic impact, a much more important impact on our fellow citizens than some of those that might be highly visible, highly volatile pieces of legislation.

We welcome the chance to be here this morning to make these recommendations and, hopefully, to consider some of the amendments that have been recommended by our colleagues and then move towards passage on Tuesday. We are urging all of our colleagues to support this legislation. We hopefully will then move in a timely way into the conference with the House, moving it along, recognizing that we do have a compressed time period but understanding that on this legislation we are not going to fail. I wanted to at least make those brief observations before commenting on the legislation.

An educated workforce has become the most valuable resource in the modern economy. Our Nation's long-term economic vitality depends on the creation of an effective, accessible, and accountable system of job training and career development which is open to all of our citizens. Schools must assume more responsibility for preparing their students to meet the challenges of the 21st century workplace. Disadvantaged adults and out-of-school youth need the opportunity to develop job skills which will make them productive members of the community. Dislocated workers who have been displaced by the rapid pace of technological change deserve the chance to pursue new careers. The way in which we respond to these challenges today will determine how prosperous a nation we are in the next century.

The importance of highly developed employment skills has never been greater. The gap in earnings between skilled and unskilled workers is steadily widening. I think all of us are very much proud of the fact that we have a strong economy. The figures, even in today's papers, indicate that is so. Hopefully, as a nation with a common purpose, we want to make sure that all Americans are going to be participating in the strength of our economy and that it isn't going to be just segmented among those who are already in a more favorable economic stance.

For that to happen, having good work skills is an absolutely essential element and ingredient in terms of giving individual Americans the opportunities to participate in a more meaningful way in our economic expansion. For those who enter the workforce with good academic training and well-developed career skills, this new economy offers almost unlimited potential. However, for others who lack basic proficiency in language, math, and science, and no new skills, the new economy presents an increasingly hostile environment.

Over 3 million young men and women between the ages of 16 and 24 in this country did not complete high school and are not enrolled in school. Many more graduate from high school without the level of knowledge and skill that a high school diploma should represent. They will require more education and job training in order to obtain stable, well-paying employment. Without it, they are in danger of becoming a lost workforce generation.

Effective job training is also essential to the success of welfare reform. More than 40 percent of those in the JTPA program for disadvantaged adults have come from welfare rolls. Under the welfare reform legislation, an additional 1.7 million people will be entering the job market. Most of these individuals have little or no work background and very limited employment skills. In many cases, they are also the sole support of young children. They are making urgent, new demands on a job training system that is already burdened beyond its capacity. There is an approximately $3 billion program that has been recommended by the administration in terms of employment. We have tried to work that out to be complementary to what we are doing here so we have a more consolidated effort in terms of trying to meet those particular needs in the welfare-to-work programs.

In addition, the combination of rapidly changing technology and the shift of manufacturing jobs overseas is creating an alarming number of dislocated workers. These individuals have extensive work experience but their skills are no longer in demand. We must give them the opportunity for retraining and for the development of new skills to enable them to compete in the 21st century workplace.

Even today, we are only, I believe, dealing with about 30 percent of those

who would otherwise be eligible for those programs, so we know that the need is out there. We have a better way of addressing that need with this program.

The accelerating pace of technological change has made much of the existing job training system obsolete. Broad reforms are needed to meet the demands of the modern workplace.

The Workforce Investment Partnership Act, unanimously approved by the Labor and Human Resources Committee, will provide the employment training opportunities for millions of Americans. It responds to the challenge of the changing workplace by enabling men and women to acquire the skills required to enter the workforce and upgrade their skills throughout their careers. It will provide them with access to the educational tools that will enable them not only to keep up but to get ahead.

Thirty or 40 years ago, in my own State of Massachusetts, if your grandfather worked in the Four Rivers Shipyard, his son worked in the Four Rivers Shipyard, and his grandson worked in the Four Rivers Shipyard. All got paid pretty good wages, all had pretty good lives, and all were able to provide for their families and be involved in the community.

Today, everyone who enters the workforce is going to have seven different jobs—seven different jobs. We know that the private sector provides some training, but it is small and it is primarily among the white collar. Only about 7 or 8 percent of the major companies provide training programs, and that is divided between white and blue collar. So those that are the great workforce, the engine for most of these companies, with the exception of some very important and significant training programs from some excellent companies, do not receive the kind of training that is going to continually equip them to participate in our economy. Broad reforms are needed to meet the demands of a modern workforce.

Mr. President, this, as I mentioned, represents the best judgment of the bipartisan efforts in our committee. I want to publicly commend Senators JEFFORDS and DEWINE for the genuine spirit of bipartisanship which has made this effort possible. Senator WELLSTONE and I appreciate it. The resulting legislation will, I believe, truly expand career options, encourage greater program innovation, and facilitate cooperative efforts amongst business, labor, education, and state and local governments.

I also want to recognize the important role that the President has given in bringing about reform in our current job training system. He has consistently emphasized the need for greater individual choice in the selection of career paths and training providers. The philosophy behind his skill grant proposal is reflected in our legislation.

The Workforce Investment Partnership Act is designed to provide easy access to the state-of-the-art employment training programs which are geared to real job opportunities in the community through a single, customer-friendly system of One Stop Career Centers. Over 700 such centers are already operating successfully across the country. This legislation will ensure that every individual in need of employment services will have access to such a facility. The cornerstones of the new system are individual choice and quality labor market information. In the past, men and women seeking new careers often did not know what skills were most in demand, which training programs had the best performance. All too often they were forced to make one of the most important decisions of their lives based on anecdotes and late-night advertisements.

An individual comes into the One Stop Career Centers and takes the various kinds of tests. If he wants to look at some new career possibilities, find out what his or her aptitude is in the areas of his skills, find out in what particular areas there are available jobs, and take a look at the various training programs for those particular jobs, that center will have access to that information: what jobs are there, whether the training programs really lead to jobs, and how those graduates of that particular training program are doing after 2 or 3 or 4 years.

The individual will be able to make a judgment themselves about which training program is best suited for them, and know that they have the excellent opportunity of moving ahead into a training program. That is a concept that has been developed in a number of different areas.

My own State of Massachusetts has a very innovative program that was developed initially through Governor Dukakis and has been strongly supported by Governor Weld and our current Lieutenant Governor Cellucci. Lieutenant Governor Cellucci actually came down and testified for us. The One Stop Career Center approach is an area where we have had strong bipartisan support and important involvement by management, as well as labor.

No training system can function effectively without accurate and timely information. The frequent unavailability of quality labor market information is one of the most serious flaws in the current system. This legislation places a strong emphasis on providing accurate and timely information about what area industries are growing, what skills those jobs require, and what earning potential they have. Extensive business community and organized labor participation are encouraged in developing a regional plan based on this information. Once a career choice is made, the individuals must select a training provider. At present, many applicants make that choice with little or no reliable information. Under this bill, each training provider will have to publicly report graduation rates, job placement and retention rates, and average earnings of graduates.

We have found in my own State of Massachusetts, with these consolidations in what we call the REBs, that we have much greater involvement of community-to-business and worker participation, because these programs have been united, with a common spirit and a common focus. There has been much greater interest, support, and effectiveness because of greater consolidation, as opposed to so much of the scattered programs that have been out there previously.

Because of the extensive information that will be available to each applicant, real consumer choice in the selection of a career and training program will be possible. The legislation establishes individual training accounts for financially eligible participants, which they can use to access career education and skill training programs. Men and women seeking training assistance will no longer be limited to a few predetermined options. As long as there are real job opportunities in the field selected and the training provider meets established performance standards, the individual will be free to choose which option best suits his or her needs.

An essential element of the new system we have designed is the accountability. The chairman has mentioned this. As we noted earlier, each training provider will have to monitor and report the job placement retention achieved by its graduates and average earnings. Only the programs that meet an acceptable performance will be eligible for receipt of public funds. The same principle of accountability is applied to those agencies administering State and local programs. They have been given wide latitude to innovate under the legislation, but they, too, will be held accountable, if their programs fail to meet the challenging performance targets.

The rapid pace of technological training in the workplace has produced an alarming number of workers who have become dislocated in mid-career. The dislocation has been compounded by an increasing number of labor-intensive production employers relocating their businesses abroad. This trend has been particularly acute in the manufacturing sector. We have a special obligation to these dislocated workers who have long and dedicated work histories and now are unemployed through no fault of their own. The Workforce Investment Partnership Act makes a commitment to them by maintaining a special dislocated worker program supported by a separate funding stream geared to their retraining needs. The current dislocated program serves approximately 540,000 dislocated workers nationwide in the most recent year. Of those who completed the program, 71 percent were employed when they left the program, earning, on average, 93 percent of their previous wages. America's dislocated workers have earned the right to assistance in developing new skills which

will allow them to be full participants in the 21st century economy.

There is no challenge facing America today which is tougher and more important than providing at-risk, often out-of-school youth with meaningful education and employment. I am particularly pleased with the commitment the Workforce Investment Partnership Act makes to these young men and women. This legislation authorizes a new initiative focusing on teenagers living in poverty in communities offering them few employment opportunities.

Each year, the Secretary of Labor will award grants from a $250 million fund to innovative programs designed to provide opportunities to youth living in these areas. The programs will emphasize mentoring, strong links between academic and work-site learning, and job placement and retention. It will encourage broad-based community participation from local service agencies and area employers. These model programs will, we believe, identify the techniques which are most effective. That is what we want to try to do.

Another important program for young people who face the highest barriers to employment is Job Corps. Most of the participants grow up in extreme poverty with limited opportunities. Job Corps, at its best, moves them from deprivation to opportunity. But, for many of them, it is an extremely difficult transition. Job Corps is a program worth preserving and worth expanding too. Our legislation decisively rejects the view that Job Corps should be dismantled. Instead, it strengthens the program in several ways. It establishes closer ties between individual Job Corps Centers and the community they serve. It ensures that training programs correspond with the area's labor market needs. It extends follow-up counseling for participants up to 12 months and established detailed performance standards to hold programs accountable.

The legislation also provides the continuation of some jobs as an essential element of the youth grant. For many youth, summer jobs are the first opportunity to work and their first critical step in learning the work ethic. The summer jobs program also provide many youth with quality learning experiences and follow up during the school year. Studies by the Department of Labor's Office of Inspector General and research by Westat, Inc., have reported positive findings regarding the program, concluding that work sites are well-supervised and disciplined, that jobs provide useful work, that the education component teaches students new skills that they apply in school, and that students learn the value of work.

What we have seen in Massachusetts, particularly in Boston, where we have anywhere from 8,000 to 10,000 jobs a year, is that many of the youth go 1, 2, and some even 3 years. The private-sector involvement in these programs works very closely in the supervision and development of programs and then has a very active stream of bringing these young people who are going through high school at this time, and moving them right into jobs at some of our major companies in Boston. It has been very, very successful because they have coordinated the public-private partnership in a very effective way.

I believe that the summer jobs program needs to continue to be available on a significant scale with sufficient funding. This bill recognizes the critical importance of the summer youth program by requiring that it be a part of each local area's youth program and allowing local communities to determine the number of summer jobs be created.

The Workforce Investment Partnership Act includes titles reauthorizing major vocational education and adult literacy programs. Both programs will continue to be separately funded and independently administered. We have incorporated them in the Workforce Act because they must be integral components of any comprehensive strategy to prepare people to meet the demands of the 21st century workplace. Students who participate in vocational education must be provided with both strong academic preparation and advanced employment skills training. Recognizing this core principle, the legislation supports broad-based career preparation education which meets both high academic standards and teaches state-of-the-art technological skills. Adult literacy programs are essential for the 27 percent of the adult population who have not earned a high school diploma or its equivalent. Learning to read and communicate effectively are the first steps to career advancement. This legislation will increase access to educational opportunities for those most in need of assistance and enhance the quality of services provided. In vocational education and adult literacy, we place the same emphasis on program accountability which we did in job training.

The Workforce Investment Partnership Act will make it possible for millions of Americans to gain the skills needed to compete in a global economy. In doing so, we are enabling them to realize their personal dreams.

An educated workforce has become the most valuable resource in the modern economy. Our nation's long term economic vitality depends on the creation of an effective, accessible, and accountable system of job training and career development which is open to all our citizens. Schools must assume more responsibility for preparing their students to meet the challenges of the 21st century workplace. Disadvantaged adults and out of school youth need the opportunity to develop job skills which will make them productive members of the community. Dislocated workers who have been displaced by the rapid pace of technological change deserve the chance to pursue new careers. The way in which we respond to these challenges today will determine how prosperous a nation we are in the next century.

The importance of highly developed employment skills has never been greater. The gap in earnings between skilled and unskilled workers is steadily widening. For those who enter the workforce with good academic training and well-developed career skills, this new economy offers almost unlimited potential. However, for those who lack basic proficiency in language, math and science and who have no career skills, the new economy presents an increasingly hostile environment.

Over three million young men and women between the ages of 16 and 24 in this country did not complete high school and are not enrolled in school. Many more graduate from high school without the level of knowledge and skill that a high school diploma should represent. They will require more education and job training in order to obtain stable, well-paying employment. Without it, they are in danger of becoming a lost workforce generation.

Effective job training is also essential to the success of welfare reform. More than 40% of those in the JTPA program for disadvantaged adults have come from the welfare rolls. Under the welfare reform legislation, an additional 1.7 million people will be entering the job market. Most of these individuals have little or no work background and very limited employment skills. In many cases, they are also the sole support of young children. They are making urgent new demands on a job training system that is already burdened beyond its capacity.

In addition, the combination of rapidly changing technology and the shift of manufacturing jobs overseas is creating an alarming number of dislocated workers. These individuals have extensive work experience, but their skills are no longer in demand. We must give them the opportunity for retraining, and for the development of new skills to enable them to compete in the 21st century workplace.

The accelerating pace of technological change has made much of the existing job training system obsolete. Broad reforms are clearly needed to meet the demands of the modern workplace.

The Workforce Investment Partnership Act, unanimously approved by the Labor and Human Resources Committee, will provide employment training opportunities for millions of Americans. It responds to the challenge of the changing workplace by enabling men and women to acquire the skills required to enter the workforce and to upgrade their skills throughout their careers. It will provide them with access to the educational tools that will enable them not only to keep up, but to get ahead.

The legislation is the product of a true bipartisan collaboration. I want to

publicly commend Senators JEFFORDS and DEWINE for the genuine spirit of bipartisanship which has made this effort possible. Senator WELLSTONE and I appreciate it. The resulting legislation will, I believe, truly expand career options, encourage greater program innovation, and facilitate cooperative efforts amongst business, labor, education and state and local government.

I also want to recognize the important role President Clinton has played in bringing about this dramatic reform of our current job training system. He has consistently emphasized the need for greater individual choice in the selection of career paths and training providers. The philosophy behind his skill grant proposal is reflected in our legislation.

The Workforce Investment Partnership Act is designed to provide easy access to state of the art employment training programs which are geared to real job opportunities in the community through a single, customer-friendly system of One Stop Career Centers. Over 700 such Centers are already operating successfully across the country. This legislation will ensure that every individual in need of employment services will have access to such a facility. The cornerstones of this new system are individual choice and quality labor market information. In the past, men and women seeking new careers often did not know what job skills were most in demand and which training programs had the best performance record. All too often, they were forced to make one of the most important decisions of their lives based on anecdotes and late-night advertisements.

No training system can function effectively without accurate and timely information. The frequent unavailability of quality labor market information is one of the most serious flaws in the current system. This legislation places a strong emphasis on providing accurate and timely information about what area industries are growing, what skills those jobs require, and what earning potential they have. Extensive business community and organized labor participation are encouraged in developing a regional plan based on this information. Once a career choice is made, the individual must still select a training provider. At present, many applicants make that choice with a little or no reliable information. Under this bill, each training provider will have to publicly report graduation rates, job placement and retention rates, and average earnings of graduates.

Because of the extensive information which will be available to each applicant, real consumer choice in the selection of a career and of a training provider will be possible. The legislation establishes individual training accounts for financially eligible participants, which they can use to access career education and skill training programs. Men and women seeking training assistance will no longer be limited to a few predetermined options. As long as there are real job opportunities in the field selected and the training provider meets established performance standards, the individual will be free to choose which option best suits his or her needs.

An essential element of the new system we have designed is accountability. As I noted earlier, each training provider will have to monitor and report the job placement and retention achieved by its graduates and their average earnings. Only those training programs that meet an acceptable performance standard will remain eligible for receipt of public funds. The same principle of accountability is applied to those agencies administering state and local programs. They are being given wide latitude to innovate under this legislation. But they too will be held accountable if their programs fail to meet challenging performance targets.

The rapid pace of technological change in the workplace has produced an alarming number of workers who have become dislocated in mid-career. The dislocation has been compounded by the increasing number of labor intensive production employers relocating their businesses abroad. This trend has been particularly acute in the manufacturing sector. We have a special obligation to these dislocated workers who have long and dedicated work histories and now are unemployed through no fault of their own. The Workforce Investment Partnership Act makes a commitment to them by maintaining a special dislocated worker program, supported by a separate funding stream, which is geared to their retraining needs. The current dislocated worker program served approximately 540,000 dislocated workers nationwide in the most recent year. Of those who completed the program during that year, 71 percent were employed when they left the program, earning on average 93 percent of their previous wages. America's dislocated workers have earned the right to assistance in developing new skills which will allow them to be full participants in the 21st century economy.

There is no challenge facing America today which is tougher or more important than providing at-risk, often out-of-school, youth with meaningful education and employment opportunities. Far too many of our teenagers are being left behind without the skills needed to survive in the 21st century economy. I am particularly pleased with the commitment which the Workforce Investment Partnership Act makes to these young men and women. This legislation authorizes a new initiative focused on teenagers living in poverty in communities offering them few constructive employment opportunities. Each year, the Secretary of Labor will award grants from a $250 million fund to innovative programs designed to provide opportunities to youth living in these areas. The programs will emphasize mentoring, strong links between academic and worksite learning, and job placement and retention. It will encourage broad based community participation from local service agencies and area employers. These model programs will, we believe, identify the techniques which are most effective in reaching those youth at greatest risk.

Another important program for young people who face the highest barriers to employment is Job Corps. Most of the participants grow up in extreme poverty. Their educational opportunities are limited. Job Corps, at its best, moves them from deprivation to opportunity. But, for many of them, it is an extremely difficult transition. As a result, critics of the program are always able to point to failures. But for each story of failure, there are many stories of success. Job Corps is a program worth preserving and worth expanding too. Our legislation decisively rejects the view that Job Corps should be dismantled. Instead, it strengthens the program in several ways. It establishes closer ties between individual Job Corps Centers and the communities they serve. It ensures that training programs correspond with the area's labor market needs. It extends follow-up counseling for participants up to 12 months and established detailed performance standards to hold programs accountable.

The legislation also provides for the continuation of summer jobs as an essential element of the youth grant. For many youth, summer jobs are their first opportunity to work and their first critical step in learning the work ethic. The summer jobs program also provides many youth with quality learning experiences and follow up during the school year. Studies by the Department of Labor's Office of the Inspector General and research by Westat, Inc. have reported positive findings regarding the program, concluding that work sites are well-supervised and disciplined, that jobs provide useful work, that the education component teaches students new skills that they apply in school, and that students learn the value of work.

I believe that the summer jobs program needs to continue to be available on a significant scale with sufficient funding. This bill recognizes the critical importance of the summer youth program by requiring that it be a part of each local area's youth program and allowing local communities to determine the number of summer jobs to be created.

The Workforce Investment Partnership Act includes titles reauthorizing major vocational education and adult literacy programs. Both programs will continue to be separately funded and independently administered. We have incorporated them in the Workforce Act because they must be integral components of any comprehensive strategy to prepare people to meet the demands of the 21st century workplace. Students who participate in vocational

education must be provided with both strong academic preparation and advanced employment skills training. Recognizing this core principle, the legislation supports broad-based career preparation education which meets both high academic standards and teaches state- of-the-art technological skills. Adult literacy programs are essential for the 27% of the adult population who have not earned a high school diploma or its equivalent. Learning to read and communicate effectively are the first steps to career advancement. This legislation will increase access to educational opportunities for those people most in need of assistance and enhance the quality of services provided. In vocational education and adult literacy, we are placing the same emphasis on program accountability which we did in job training.

The Workforce Investment Partnership Act will make it possible for millions of Americans to gain the skills needed to compete in a global economy. In doing so, we are also enabling them to realize their personal American dreams.

I ask unanimous consent to have printed in the RECORD a statement of administrative policy and letters of endorsement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, April 30, 1998.

STATEMENT OF ADMINISTRATION POLICY

S. 1186—WORKFORCE INVESTMENT PARTNERSHIP ACT OF 1998 (SEN. DEWINE (R) OH AND 3 OTHERS)

The Administration strongly supports Senate passage of S. 1186, as modified by the expected managers' amendment, because it would reform workforce development programs by incorporating key principles articulated in the President's G.I. Bill for America's Workers. The Administration urges Congress to enact this legislation by July 1, 1998 in order to make available appropriations for fiscal year 1999 for the President's proposed Youth Opportunity Areas initiative to increase employment among out-of-school youth in high-poverty areas.

The Administration does not agree with every provision in S. 1186. In addition, an amendment may be offered that would prohibit the use of funds available under the Act to carry out activities authorized under the School-to-Work Opportunities Act. The Administration strongly opposes this amendment and will work in conference to address this and any other remaining concerns.

The new workforce development system embodied in S. 1186 would empower individuals to obtain the services and skills they need to enhance their employment opportunities. It would accomplish this through skill grants, consumer report cards on training program performance, and universal access to core services, such as job search assistance. The new system also would: (1) streamline access to job training programs through one-stop career centers; (2) enhance accountability for results through State and local performance standards and certification of training providers; and (3) increase flexibility for States and localities to enhance the effectiveness of programs. The Administration is concerned about certain provisions that limit the summer jobs component of the youth grant, and looks forward to addressing this and other concerns in conference.

The Administration is pleased that S. 1186 would target vocational education and adult education funds to educational agencies and institutions with the greatest need and to activities that promote program quality. The Administration looks forward to addressing in conference its remaining concerns about the adequacy of funding for: (1) national activities to ensure accountability and promote program quality, and (2) Tribally Controlled Postsecondary vocational institutions.

In addition, the Administration understands that an amended version of S. 1579, the Rehabilitation Act Amendments of 1998, will be incorporated into S. 1186 during Senate consideration. The Administration supports Senate passage of the Rehabilitation Act amendments, which would, among other things, streamline eligibility determinations for SSA beneficiaries and improve State planning and accountability for results. The Administration also strongly supports ensuring that the Federal Government procures and uses information technology that is accessible to individuals with disabilities, as provided in the revision to section 508 proposed by the Administration. Finally, the Administration supports the intent of S. 1579, as reflected in the Committee report, to provide for greater collaboration between each State vocational rehabilitation (VR) program and the workforce investment system without compromising the fundamental structure and funding of the State's VR program.

PAY-AS-YOU-GO SCORING

S. 1186, as amended to include the text of S. 1579, would affect direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. Because the reauthorization does not change mandatory spending calculations from current law, OMB estimates that the net pay-as-you-go effect would be zero.

APRIL 23, 1998.

Hon. JIM JEFFORDS,
Hon. MIKE DEWINE,
Hon. EDWARD KENNEDY,
Hon. PAUL WELLSTONE,
U.S. Senate, Washington, DC.

DEAR CHAIRMEN JEFFORDS AND DEWINE, SENATORS KENNEDY AND WELLSTONE: The undersigned organizations represent students, parents, teachers, counselors, school administrators, principals, local and state school board members, field researchers, community colleges and state education officials who care about the future of students seeking secondary and postsecondary vocational-technical education opportunities. We would like to thank you for your efforts in developing the Workforce Investment Partnership Act (S. 1186) and your continued efforts to ensure Senate consideration of the bill as soon as possible.

Vocational-technical education provides students with the academic and occupational skills they need to be successful in pursuing further education and career choices. We believe that S. 1186 has many positive features that will assist in the continuous improvement and expansion of vocational-technical education opportunities. Your legislation is very important to our nation's students and we are confident that the remaining issues can be resolved.

Again, we sincerely appreciate the work that has gone into developing this very critical piece of legislation. If we can be of any assistance to you in moving this bill forward, please do not hesitate to contact any of the organizations listed below or contact Nancy O'Brien at 703/683–3111, ext. 311.

Sincerely,

American Association of Community Colleges; American Association of Family and Consumer Sciences; American Association of School Administrators; American Counseling Association; American Educational Research Association; American Vocational Association; Business Professionals of America; Council of Chief State School Officers; Federal Advocacy for California Education; and Future Homemakers of America.

National Association of Agriculture Educators; National Association of Elementary School Principals; National Association of State Boards of Education; National Association of State Directors of Vocational-Technical Education Consortium; National Education Association; National Education Knowledge Industry Association; National School Boards Association; New York State Education Department; Technology Students of America; and Texas Education Agency.

NATIONAL ASSOCIATION OF STATE DIRECTORS OF VOCATIONAL TECHNICAL EDUCATION CONSORTIUM,
Washington, DC, March 18, 1998.

DEAR SENATOR: The National Association of State Directors of Vocational Technical Education Consortium (NASDVTEc) represents the state and territory leaders responsible for the nation's vocational technical education system. On NASDVTEc's behalf, I write to share our support for the Senate's efforts to enact legislation that authorizes a federal investment in vocational technical education. S. 1186, the Workforce Investment Partnership Act of 1998, holds much potential for creating expanded and improved opportunities for our nation's students by providing access to quality vocational technical education. We urge you to support S. 1186, the Workforce Investment Partnership Act of 1998.

NASDVTEc is very supportive of many of S. 1186's features including: a commitment to a strong state role; adequate state-level resources to effect change; assurances that funds appropriated for vocational technical education can be used only for vocational technical education activities; and a strong focus on technology, accountability and achieving high levels of academic and vocational proficiency.

As we understand it, the manager's amendment will provide the opportunity for greater coordination among programs while assuring that vocational technical education continues to be planned for and administered by education officials, even under a unified plan. While it is our preference that separate legislation be enacted for vocational technical education, we appreciate the additional flexibility provided and the assurance that S. 1186 will build on and strengthen vocational technical education programs and activities that have proven successful.

We wish to commend Chairman Jeffords, Senators DeWine, Kennedy and Wellstone for their bipartisan efforts to bring forward this very important piece of legislation. Thank you for your support of vocational technical education and for your consideration of our views. Please do not hesitate to contact me at 202/737–0303 if NASDVTEc can be of assistance during your consideration of S. 1186.

Sincerely,

KIMBERLY A. GREEN,
Executive Director.

COUNCIL OF CHIEF STATE SCHOOL OFFICERS,
Washington, DC, March 19, 1998.

MEMBERS OF THE UNITED STATES SENATE,
Washington, DC.

Re: Vote Yes for S. 1186 Workforce Investment Partnership

DEAR SENATOR: I write on behalf of the state commissioners and superintendents of education to urge that you vote for the Chairman's substitute amendment to the Workforce Investment Partnership Act (S. 1186) and for its passage by the Senate. We also urge that you vote against any amendments which would erode the provisions of the legislation which reauthorize federal support for vocational and adult education or undermine the provisions for educational integrity and governance of these programs.

Federal support for linking academic and occupational study through vocational education is important for secondary school reform. It will help eliminate the ''general track'' in high schools, and will ease the secondary-postsecondary transition for students through tech-prep. Federal support for adult education is important to enable a diverse range of adults to gain basic academic skills. These adults include parents and caregivers who desire to enhance their reading competencies, individuals who seek proficiency in English for productive employment, and individuals who strive to leave welfare for work. S. 1186 provides for these vital purposes.

The provisions of Titles I and II reauthorizing vocational and adult education as separate programs enable state and local education officials responsible for these programs to continue to direct the federal assistance to statewide educational reform and improvement. The critical connections between these federal funding streams and other federal, state and local education funding are provided in this bill.

The Workforce Investment Partnership Act contains provisions for states to voluntarily submit unified plans for two or more of the programs authorized. These provisions would facilitate coordination of vocational and adult education with job-training related programs, without mandating cumbersome processes or duplicative and expensive new bureaucracy at the state level. The Title V provisions for joint planning retain the authorities of education officials for the vocational and adult education programs and thus avoid superseding state responsibility for education.

We urge you to support the Chairman's substitute for S. 1186 when the bill comes before the full Senate for passage. If there is any additional information we can provide, please call me or our Director of Federal-State Relations, Carnie Hayes, at (202) 336–7009. Thank you for your support of S. 1186.

Sincerely,

GORDON M. AMBACH,
Executive Director.

AMERICAN VOCATIONAL ASSOCIATION,
Alexandria, VA, March 17, 1998.

Hon. EDWARD KENNEDY,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY: On behalf of the American Vocational Association (AVA) and the 38,000 vocational-technical educators that we represent nationwide, I urge you to vote in favor of S. 1186, the Workforce Investment Partnership Act, which may be considered in the full Senate this week.

The Senate Labor and Human Resources Committee has worked hard to address the concerns raised by vocational-technical educators about this legislation last fall. We believe the managers' amendment that will be offered effectively addresses the core issues we raised. As we understand it, the managers' amendment includes: Assurances that funding appropriated for vocational-technical education programs will be directed to school-based programs and cannot be diverted to other areas. Assurances that education governance authorities at the state and local levels will continue to have jurisdiction over vocational-technical education programs. A strong focus on professional development for vocational-technical education teachers, administrators, and counselors. Increased emphasis on technology. Assurances that unified planning will adhere to the requirements of the vocational-technical education provisions. Effective support for state administration and leadership.

In addition to encouraging the Senate to pass this important legislation, we urge the Senate to accept the House structure of a separate bill for vocational-technical education, apart from job training, when S. 1186 goes to conference with the House version. Further, we will provide detailed comments on our conference priorities, including additional changes that we would like to see to some of the Senate language, as the bill moves towards conference.

We also wish to commend Chairmen Jeffords and DeWine, Senator Wellstone and you for your leadership and bipartisanship in developing and moving this legislation. If you have any questions about our views on S. 1186 or on any other matter, please do not hesitate to contact Nancy O'Brien, AVA's assistant executive director for government relations, or me at (703) 683–3111.

Thank you for your attention to this important issue.

Sincerely,

BRET LOVEJOY,
Executive Director.

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES,
Washington, DC, March 17, 1998.

DEAR SENATOR: The American Association of Community Colleges (AACC) strongly endorses S. 1186, the Workforce Investment Partnership Act, and urges you to support this legislation when it is considered by the Senate. AACC represents 1,061 regionally accredited, associate degrees granting institutions of higher education.

AACC appreciates the refinements made to S. 1186 in response to the concerns of community colleges. We strongly support the following aspects of the legislation: State education authorities will retain primary responsibility for administering vocational and adult education programs. Since educators have the ultimate responsibility for delivering workforce education, they should have primary responsibility over the formulation and execution of the state's vocational and adult education plans.

Changes made to Title V of the bill ensure that federal funds appropriated under the bill specifically for vocational education, adult education, and training will be used for those purposes. This structure helps to maintain the integrity of the federal role in these program.

Perkins Basic State Grant funds will not be extended to proprietary institutions. At a time when Basic State Grant funding is essentially flat, community colleges could not support extending federal vocational education funds to a whole set of additional institutions.

Community colleges are guaranteed a role on the state level collaborative body that will develop the state adult training system. This is appropriate given the key role community colleges play as adult job training providers.

The Tech-Prep program is authorized as a discrete program with its own funding stream, separate from that of the Perkins Basic State Grant. This guarantees that Tech-Prep will not have to directly compete with other vocational education programs for financial support.

Community colleges remain concerned about the new outcomes reporting measures the bill places on adult job training providers. S. 1186 specifically requires colleges to provide information regarding students' retention in jobs and increases in wages when they are placed in a job, and for six and twelve months after placement. This could be a substantial burden for many community colleges. Community colleges support the establishment of additional accountability measures and look forward to working in conference to help craft reporting requirements that genuinely measure program success without creating an administrative burden for providers.

We believe S. 1186 provides the framwork for states to develop high-quality workforce education and training systems. We greatly appreciate the consideration given to the concerns of community colleges throughout the development of the bill, and look forward to working throughout the conference process to ensure that community colleges can continue to provide high quality workforce education and training programs.

Again, I urge you to support S. 1186, the Workforce Investment Partnership Act.

Sincerely,

DAVID R. PIERCE,
President.

Mr. KENNEDY. I wanted also to discuss the Rehabilitation Act amendments of 1998. I welcome the opportunity to commend again Senator DEWINE and Senator JEFFORDS for their leadership in making this reauthorization a priority and including this legislation as a part of the larger workforce development systems in the states.

I also commend Senator WELLSTONE, Senator HARKIN, Senator DODD, and the Clinton Administration for their leadership in developing a bipartisan bill. I especially want to commend all of the staff members for their skillful work to make this process successful.

For over 20 years, since the Vocational Rehabilitation Act was first enacted in 1973, state vocational rehabilitation systems have brought new hope to individuals with disabilities throughout the country, so they can reach their full potential and actively participate in their communities. Through the vocational rehabilitation, individuals with disabilities have access to training, counseling, support and job opportunities they need in order to become independent and productive, and live fulfilling lives.

The Rehabilitation Act Amendments give us an excellent opportunity to do more to keep the promise of the Americans with Disabilities Act—by ensuing that all working-age individuals with disabilities, even those with the most significant disabilities, have realistic opportunities to obtain the support they need to reach their employment goals.

With this legislation, we are building on the past gains by strengthening employment possibilities for all individuals with disabilities.

The new provisions of this bill streamline the role of government by

simplifying access to vocational rehabilitation services. It widens employment opportunities by establishing linkages with the larger statewide workforce systems. It also makes services available to individuals with disabilities who do not require extensive rehabilitation in order to become employed. Those who achieve work outcomes through this assistance will receive at least the minimum wage. This measure also recognizes that individuals receiving disability benefits through Social Security are significantly disabled and should be presumed to be eligible for vocational rehabilitation services.

Throughout this process, we have heard from consumers, advocates, and program administrators. The bill strengthens the role of individuals in developing their own employment plans. It makes it easier for agencies to work together, so that individuals with disabilities can obtain the support and services they need.

I commend all the consumers, the advocates, the families, and the administrators who have done so much to help us shape the legislation. Their commitment to constructive compromise will improve the lives of all people with disabilities.

Our larger goal is to see the talents and strengths of individuals with disabilities are recognized, enhanced, and fairly rewarded in communities and workplaces across the Nation. I look forward to working with my colleagues in Congress to achieve this great goal. I think this is another very important piece of legislation. I commend our leaders for the way this has been fashioned and shaped.

Through vocational rehabilitation, individuals with disabilities have access to the training, counseling, support and job opportunities they need in order to become independent and productive, and live fulfilling lives. For millions of these Americans, vocational rehabilitation can mean the difference between dependence and independence, between lost potential and productive careers.

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Mr. JEFFORDS. First, let me commend my ranking member, Senator KENNEDY, whom I have worked with for many, many years, for giving the detail and the emphasis on the importance of this legislation, especially with respect to combining with the other training programs, vocational rehabilitation, which is an important step that this bill creates to make sure that we bring the disability community more closely aligned into the workplace and to give them the rights to further their employment opportunities that they well deserve.

AMENDMENT NO. 2329

(Purpose: To improve the bill)

Mr. JEFFORDS. I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself, Mr. DEWINE, Mr. KENNEDY, and Mr. WELLSTONE, proposes an amendment numbered 2329.

Mr. JEFFORDS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. JEFFORDS. Mr. President, this is an amendment in the nature of a substitute and it is the work of the committee. So we have already really defined in our statement, Senator KENNEDY and myself, the contents of that amendment.

Mr. President, I emphasize that this was a committee piece of work, and what happened is amazing in a sense, if you understand my committee, which has probably the largest divergence and philosophical persuasion. We were able to sit down and work together and come up with a piece of legislation which passed the committee unanimously, and as I think things will develop, will show that we probably will get a similar consideration on the floor.

I yield to Senator DEWINE, after first commending him and also his cohort, Senator WELLSTONE, for the incredible amount of work they put in. Senator KENNEDY and I are the leaders of the committee, but it is the subcommittee that really did the majority of the work here. I want to commend them for the tremendous capacity to work together. As I said, there is some divergence in the philosophical opinion between the two men. But it proved to be of great advantage to the whole body here by coming out with an excellent piece of work. I now yield the floor to Senator DEWINE.

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Ohio.

Mr. DEWINE. Mr. President, we begin debate this morning on an important piece of legislation, which we have all been working on for the last few years—legislation that I believe is vitally important to the economic future of our country. As Senator JEFFORDS and Senator KENNEDY have so eloquently pointed out, this is a bipartisan bill. It is a bipartisan bill that will truly make a difference.

Let me thank the full committee chairman, Senator JEFFORDS, the ranking minority member of the committee, Senator KENNEDY, and Senator WELLSTONE, who is the ranking member of our subcommittee. I also thank all the members of the Labor Committee who unanimously approved and voted in favor of this legislation—Senators COATS, GREGG, FRIST, ENZI, HUTCHINSON, COLLINS, WARNER, MCCONNELL, DODD, HARKIN, MIKULSKI, BINGAMAN, MURRAY, and REED of Rhode Island—a truly bipartisan bill, in a committee that, as my chairman has pointed out so very well, has a great divergence of philosophical backgrounds and beliefs. We all came together because we new this bill would make a difference. We knew the status quo was simply not acceptable.

Mr. President, S. 1186, the Workforce Investment Partnership Act, which we are considering this morning, will bring much-needed and overdue reform to our job training system. Mr. President, as chairman of the employment and training subcommittee, I have come to this Senate floor on numerous occasions to stress the immediate need to reform the Federal job training system. This need increases each day that Congress does not act. The status quo is simply not acceptable.

In writing this bill, our subcommittee held a number of important oversight hearings on this issue over the last 3 years. Let me just pause for a

moment to say how much I have enjoyed working with the ranking minority member of that committee, Senator WELLSTONE, as we have held these hearings and worked on this important piece of legislation.

Mr. President, at 2 hearings in Washington, DC, we heard from officials from Los Angeles, from the State of Oregon, from Hennepin County, Minnesota. We heard from business groups, such as the Cleveland Growth Association.

At a hearing in Cleveland, Ohio, we heard from concerned groups like the Akron Regional Development Board, the Lorain County Workforce Institute, the Lake County Employment and Training Administration, Cuyahoga County Community College, and Cleveland State University.

What we heard, Mr. President, is that today's system is a fragmented and duplicative maze of narrowly focused job training and job training-related programs, administered by numerous Federal agencies that lack coordination, lack a coherent strategy to provide training assistance, and lack the confidence of the two key consumers who utilize these services—namely, those seeking the training, and those businesses seeking to hire these individuals.

Mr. President, probably one of the most historic accomplishments of the 104th Congress was our legislation that transformed the American welfare system. In passing a bill to end welfare as we knew it, we were empowering the States, empowering the local communities, and private businesses to seek a better way—to replace welfare with opportunity.

Mr. President, what the Senate is considering this morning is a bipartisan bill that would provide States and localities with another tool—a very important tool—to make work, not welfare, the way of life for millions of our fellow citizens. People on welfare need to know they have a real future, a bright future, a future based on opportunity and economic advancement for themselves and their families. They need to know that when they leave the welfare rolls, there is a job out there—a job for them.

Mr. President, this is one major reason that our bipartisan job training legislation is so important. This really was the unfinished business of the last Congress. This really is the unfinished business of welfare reform. This bill—the Workforce Investment Partnership Act—that we are considering this morning, which again I point out passed unanimously out of the Labor Committee—would help States and local communities succeed in this crucial task of making welfare reform truly work. It would help make work, not welfare, a reality in the lives of America's disadvantaged workers.

Mr. President, to achieve this goal, individuals need to be provided the opportunity to receive the education and skills and training necessary to obtain meaningful, long-term employment. However, tragically, the current job training programs have been unable to provide quality service on a consistent enough basis.

Employers at every level are finding it increasingly difficult to locate and attract qualified employees for high-skilled, high paying, good jobs, as well as finding it difficult to attract qualified employees for level-entry positions.

Let me provide my colleagues with a couple of examples. In northern Virginia, not far from here, 19,000 high-tech, high-paying jobs remain unfilled because individuals lack the basic skills to fill them.

My home State of Ohio faces a similar predicament, as I am sure the Chair's home State of Georgia does as well. A Cleveland Growth Association survey recently showed that employers are becoming increasingly concerned about the quality and availability of the skilled labor which may ultimately impede their future growth plans.

Nationwide, the number of unfilled high-tech jobs is estimated to be at about 350,000. The increasing labor shortage threatens our Nation's economic growth and our productivity and our ability to compete in the world. This, in turn, also threatens our historic welfare reform.

Mr. President, it is clear that we must act immediately. S. 1186, the Workforce Investment Partnership Act, must pass the U.S. Senate and become law so that individuals may have the opportunity to increase their skills and to obtain meaningful, long-term employment.

As a Member of the Senate Labor and Human Resources Committee, as the chairman of the Subcommittee on Employment and Training, I have spent the last few years examining our Federal job training programs. What we all have found is alarming. During our examination of these programs, it has become clear to all of us that these programs are in dire need of reform. As a result, Mr. President, the business community is frustrated because the current programs fail to meet their employment needs.

States, localities and community activists are frustrated because the programs are many times confusing and duplicative. Individuals seeking assistance are frustrated because the system is so confusing they often don't even know where to begin, where to start.

We need to reform the current job training programs. We need to provide States with the tools necessary to develop their own comprehensive system that works for workers and works for the States.

Our bill, S. 1186, provides States and localities with the tools and the flexibility to implement real reform. It is the only way they will be able to provide comprehensive services to those individuals who are seeking training and education assistance.

Our bill provides States and localities with the framework to establish a truly comprehensive workforce development system.

The bill brings together nearly 70 categorical programs—including adult education, vocational education, training, welfare to work, the Wagner-Peyser Act, the Older Americans Act, the Rehabilitation Act, Trade Adjustment Assistance, and other job training programs. All in all Mr. President, nearly 70 categorical programs.

Further, this bill that the Senate is considering this morning offers a reborn Federal Job Corps program—the oldest program of over 30 years, and the most expensive in the Federal system. We make this system anew, and we link it to local communities really for the first time in its over 30-year history.

Further, our bill provides States with the option to submit a ''Unified Plan'' or a single State plan for the numerous education and training programs incorporated into the bill.

And it establishes a ''no wrong door'' approach to training and education assistance. Under today's system, people have difficulty knowing where to begin to look for training assistance—because there are no clear points of entry and no clear paths from one program to another. Our bill makes sure that whatever ''door'' people go through—whatever agency they approach—they will receive comprehensive information about all the programs available to them. They will learn about the availability, eligibility, and quality of the programs through a ''one-stop customer service system.''

The bill also gives States and localities the flexibility they need to design their own workforce development systems.

It authorizes and expands a modified ''Work-Flex'' program for all States, flexibility that is currently limited to only six demonstration States.

Under ''Work-Flex,'' in our bill, the States have the authority to approve requests for waivers of statutory and regulatory provisions submitted by their local workforce areas.

The bill allows States to consolidate the 15 percent ''State Reserve'' funds from each funding stream—adults, dislocated workers, and youth—in order to target their own State's priorities.

Our bill provides Governors and local elected officials with the ability to designate local service areas, increasing the population threshold to 500,000.

It increases the States' authority over the development of State performance measures—giving Governors the authority to set additional core measures of performance, and negotiate the expected levels of performance—more accountability.

And finally, Mr. President, our bill eliminates numerous Federal requirements and mandatory set-asides. This is a very important measure giving States the flexibility, authority, and funding to design their systems.

STATE REFORMS

The bill recognizes—and keeps—some of the great progress already being made at the State level.

It grandfathers State statutes enacted prior to December 31, 1997, relating to State councils, local boards, designation of service areas, and sanctioning of local areas for poor performance.

It allows States to continue their existing reform efforts—and provides Governors broad waiver authority from the new requirements under the bill, in order to implement additional State reforms.

REDUCING FEDERAL RED TAPE

This bill is about reform. Our bill reduces Federal requirements and bureaucracy.

In addition to allowing States to consolidate the administration funds from the various funding streams, the bill removes income eligibility requirements and enables States to provide all the adults who voluntarily seek assistance the comprehensive services that are available through the one-stop customer service system.

It establishes an effective and accountable system—ensuring that training leads to meaningful, long-term employment.

It streamlines and simplifies the core accountability measures, reducing the number of accountability measures by more than 80%.

The goal of these provisions is to increase accountability while decreasing red tape.

Furthermore, the bill eliminates government bureaucracy and promotes personal responsibility by providing ''Individual Training Accounts'' or vouchers to individuals voluntarily seeking assistance so they can choose their training and education provider.

WHY BUSINESS SUPPORTS OUR BILL

Mr. President, all of these reforms are calculated to fundamentally streamline and rationalize our job training system—and make it work for real people. Moreover, the reforms are based on free market competition. That's why the business community is strongly behind this legislation.

Our bill provides the business community a strong leadership role, which is one thing that we have learned as we held hearings day after day and month after month. We heard from the business community. They have to be involved in the planning of these programs.

Under this bill, the membership of the Statewide and local partnerships will be composed of a majority of business representatives—and the partnerships will be chaired by business representatives.

Statewide and local partnerships will be responsible for overseeing the workforce investment system, including the establishment of criteria and standards for the job training programs and the certification of local job training providers.

And business organizations may be designated as one-stop customer service center operators.

Mr. President, the reforms contained in this bill will make it easier for our workers to get the training they need and the jobs they want. It will make it easier for our businesses to fill their jobs, so many of which stand empty today for want of skilled workers.

Put these reforms together, and you get a recipe for an America that works—and the realization of the hopes for our country that were embodied in the 1996 welfare reform bill.

At this time, Mr. President, I would ask unanimous consent that the following letters of support for S. 1186 be made part of the RECORD—letters from the National Alliance of Business, the City of New York, the U.S. Chamber of Commerce, the Council of Chief State School Officers, the Society for Human Resource Management, the National Conference of State Legislatures, and the Cleveland Growth Association.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL ALLIANCE OF BUSINESS,
Washington, DC, March 17, 1998.

Hon. MIKE DEWINE,
Chairman, Subcommittee on Employment and Training, Committee on Labor and Human Resources, Hart Senate Office Building, U.S. Senate, Washington, DC.

DEAR SENATOR DEWINE: The business community supports the Workforce Investment Partnership Act (S. 1186). The bill reflects changes that the business community recommended in principles submitted prior to committee action last fall. The bill transforms the current patchwork of federally-funded worker training programs into a comprehensive system with business-led partnerships at the state and local level to ensure accountability and results based on high standards.

We want to ensure strong provisions in a final compromise with the House. We will work to have a final bill that would increase state options for consolidation, strengthen measures of performance and accountability, and guarantee that programs are responsive to skill needs in the local labor market. The urgency we have for this reform bill is dictated by the rapid changes in the marketplace that render many older programs obsolete.

Early action is necessary to allow enough time to secure a final compromise with the House. We urge your support for this bill.

Sincerely,

ROBERT T. JONES,
President and CEO.

THE CITY OF NEW YORK,
DEPARTMENT OF EMPLOYMENT,
New York, NY, March 12, 1998.

Hon. MIKE DEWINE,
Senate Committee on Labor and Human Resources, Russell Senate Office Building, Washington, DC.

DEAR SENATOR DEWINE: I write in support of the ''Workforce Investment Partnership Act'', S. 1186, which is expected to come to the Senate floor for a vote early next week. As the largest and most diverse Service Delivery Area under the Job Training Partnership Act, I believe that this bipartisan legislation addresses most of the New York City's concerns for achieving reform and consolidation of job training and employment programs.

This legislation includes important reforms and has broad support from those involved with workforce development. This bill is important to New York City because it: 1) insures a significant role of the chief local elected official; 2) formally establishes One Stop Career Centers as part of the workforce development system; 3) supports $250 million annually for at risk youth; and 4) demonstrates a renewed commitment to workforce development.

Thank you again for considering the City's views in the development of this legislation. We look forward to swift passage of this bill in the Senate and resolution of the Senate and House Bills to conference.

Sincerely,

ANTONIO PAGAN,
Commissioner.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, March 18, 1998.

Hon. MIKE DEWINE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DEWINE: On behalf of the U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, we strongly urge your support for S. 1186, the Workforce Investment Partnership Act when it comes before a vote on the Senate floor.

The Chamber supports the Workforce Investment Partnership Act because it proposes a streamlined, business-oriented approach to job training which will empower states with the ability to transform the current patchwork of programs into a comprehensive, effective system. S. 1186 will also require the active participation of the business community through statewide partnerships and local workforce investment partnerships. Furthermore, the Chamber supports the autonomy S. 1186 grants the states by allowing them to submit waivers to reengineer federally funded programs or systems to improve their effectiveness. Finally, the U.S. Chamber of Commerce is pleased with the bill's designation of state and local chambers of commerce as potential ''One-Stop Customer Service Delivery Systems'' because it will better integrate the needs of both the workforce and the business community.

Accordingly, we strongly urge your support for S. 1186, the Workforce Investment Partnership Act. Workforce education is a top priority of the U.S. Chamber and we may consider using this vote in our annual ''How They Voted'' vote ratings.

The U.S. Chamber of Commerce commends the Senate on its efforts concerning this issue, and pledges to continue working with both Houses of Congress to enact job training legislation that will better prepare the workforce to meet today's—and tomorrow's—challenges.

Sincerely,

R. BRUCE JOSTEN.

NATIONAL CONFERENCE
OF STATE LEGISLATURES,
Washington, DC, March 26, 1998.

Hon. MIKE DEWINE,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR DEWINE: We are writing to express our support for passage of S. 1186, the Workforce Investment Partnership Act of 1998. As President of the National Conference of State Legislatures and Chair of NCSL's Education, Labor and Job Training Committee respectively, we believe that this legislation represents a significant improvement over current law which will consolidate job training services into a more rational and coherent state and local system.

For the first time in the history of federal involvement in workforce programs, S. 1186

recognizes the primacy of state legislatures in coordinating federal and state human resource development policy. Specifically, this legislation requires legislative appropriation of federal funds. This will allow state policymakers the opportunity to exercise open and public hearings on the flow of federal dollars to the state. The legislation also grandfathers existing state workforce reform efforts passed by legislatures and already enacted by a majority of the states. In addition, the accountability provisions should serve as an incentive for continuous improvement of workforce development systems.

We appreciate the leadership, hard work and commitment you have shown in moving this legislation thus far. We believe that now is the time to pass S. 1186, so that the disadvantaged and the employers who are searching for trained employees are linked in a comprehensive and coherent workforce development system.

Sincerely,

Senator RICHARD FINAN,
President, Ohio Senate; President, NCSL.

Senator LINDA FURNEY,
Assistant Minority Leader, Ohio Senate; Chair, Education, Labor and Job Training, NCSL Assembly on Federal Issues.

COUNCIL OF CHIEF STATE SCHOOL OFFICERS,
Washington, DC March 19, 1998.

Re vote ''yes'' for S. 1186 workforce investment partnership.

MEMBERS OF THE U.S. SENATE:
Washington, DC.

DEAR SENATOR: I write on behalf of the state commissioners and superintendents of education to urge that you vote for the Chairman's substitute amendment to the Workforce Investment Partnership Act (S. 1186) and for its passage by the Senate. We also urge that you vote against any amendments which would erode the provisions of the legislation which reauthorize federal support for vocational and adult education or undermine the provisions for educational integrity and governance of these programs.

Federal support for linking academic and occupational study through vocational education is important for secondary school reform. It will help to eliminate the ''general track'' in high schools, and will ease the secondary-postsecondary transition for students through tech-prep. Federal support for adult education is important to enable a diverse range of adults to gain basic academic skills. These adults include parents and caregivers who desire to enhance their reading competencies, individuals who seek proficiency in English for productive employment, and individuals who strive to leave welfare for work. S. 1186 provides for these vital purposes.

The provisions of Titles I and II reauthorizing vocational and adult education as separate programs enable state and local education officials responsible for these programs to continue to direct the federal assistance to statewide educational reform and improvement. The critical connections between these federal funding streams and other federal, state and local education funding are provided in this bill.

The Workforce Investment Partnership Act contains provisions for states to voluntarily submit unified plans for two or more of the programs authorized. These provisions would facilitate coordination of vocational and adult education with job-training related programs, without mandating cumbersome processes or duplicative and expensive new bureaucracy at the state level. The Title V provisions for joint planning retain the authorities of education officials for the vocational and adult education programs and thus avoid superseding state responsibility for education.

We urge you to support the Chairman's substitute for S. 1186 when the bill comes before the full Senate for passage. If there is any additional information we can provide, please call me or our Director of Federal-State Relations, Carnie Hayes, at (202) 336–7009. Thank you for your support of S. 1186.

Sincerely,

GORDON M. AMBACH.
Executive Director.

SOCIETY FOR HUMAN RESOURCE MANAGEMENT,
Alexandria, VA, March 19, 1998.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: The Society for Human Resource Management (SHRM) is the leading voice of the human resource profession. SHRM, which celebrates its 50th anniversary in 1998, provides education and information services, conferences and seminars, government and media representation, online services and publications to more than 93,000 professional and student members from around the world. The Society, the world's largest human resource management association, is a founding member of the North American Human Resource Management Association and a founding member and Secretariat of the World Federation of Personnel Management Associations.

On behalf of SHRM, I am writing to ask you to support S. 1186, the Workforce Investment Partnership Act, which would consolidate approximately 100 federal job training programs into a single system. As you know, the House passed similar legislation, H.R. 1385, in May of 1997. We are especially pleased that S. 1186 would require the state wide and local partnerships to be comprised of a majority of private sector representatives and that the state programs are instructed to coordinate with ongoing welfare to work efforts.

SHRM has had a longstanding commitment to the consolidation of training programs, and has repeatedly urged Congress to consolidate training programs to the maximum extent possible, in order to provide for an efficient, effective system. SHRM has also historically opposed nontargeted and uncoordinated training efforts that could result in a costly redundancy or misallocation of training. SHRM believes it is critical that the U.S. maintain and improve the skills of its workforce. SHRM also believes that effective, well coordinated, discretionary use of employee training dollars can achieve both measurable and substantial results for employers and employees. SHRM applauds the many employers who have already understood the importance of investing in the skills of the workforce and have established a variety of effective and innovative training programs for their employees.

SHRM was disappointed that House and Senate passed legislation failed to be reconciled and signed into law during 1996 and is hopeful that legislation will be enacted during 1998 before Congress adjourns. We commend the Senate for bringing S. 1186 to a vote. We urge you to support S. 1186 and look forward to working closely with you to speed its enactment. Feel free to contact Deanna Gelak, SPHR, Director of Governmental Affairs at (703) 535–6027 with any questions which you may have during floor consideration of this important measure.

Sincerely,

SUSAN R. MEISINGER,
SPHR, Senior Vice President.

THE GROWTH ASSOCIATION OF CLEVELAND—YEARS OF CREATING GROWTH,
Cleveland, OH, February 11, 1998.

Hon. TRENT LOTT,
U.S. Senate Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR LOTT: The Greater Cleveland Growth Association, the largest urban chamber of commerce in the country, strongly supports S. 1186—the Workforce Investment Partnership Act. We urge passage of this bill on the Senate floor as soon as possible.

As an employer, and as chairman of a business community initiative on workforce development, I know the importance of the public policies changes contained in the bill. We support the legislation because it reflects the policy that the job training system must be employer-driven to effectively match worker skills with jobs that employers have or will have in the future.

Like many communities, the Northeast Ohio region is experiencing its lowest unemployment rate in decades. This has resulted in labor shortages at both the entry levels and in specific occupations. While this is a positive indicator of a strong economy, our companies' inability to find qualified workers threatens that progress. It amplifies the need for reforming fragmented and narrowly focused job training programs into a comprehensive system that will anticipate and respond to labor market demands.

We believe that S. 1186 contains provisions that will bridge the gaps between employers and workers by effectively delivering job training services at the state and local levels.

With the creation of statewide partnerships and Local Workforce Investment Partnerships, the active participation of business in planning and oversight capacities is greatly strengthened.

We are encouraged by the consolidation and simplification of federal programs into more flexible block grants that can be tailored by states to meet local labor market needs.

The new one-stop, customer-centered service system will improve access for job seekers and employers alike.

Thank you for your consideration of this important business and community issue. We hope S. 1186 will soon pass in the U.S. Senate.

Sincerely,

CURTIS E. MOLL,
Chairman and Chief Executive Officer, MTD Products, Inc.; Chairman, Jobs and Workforce Initiative.

AMENDMENT NO. 2330

(Purpose: To amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations for that Act)

Mr. DEWINE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio (Mr. DEWINE) proposes an amendment numbered 2330.

Mr. DEWINE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DEWINE. Mr. President, I rise at this point today to discuss the pending amendment, the Rehabilitation Act Amendments of 1998.

This is bipartisan legislation, which I am presenting as an amendment, has the strong support for the work that has been done by our chairman, Senator JEFFORDS. It has the support of the work that has been done by the ranking member, Senator KENNEDY, and also the distinguished ranking member of the Employment and Training Subcommittee, Senator WELLSTONE. The work product also has the support of our distinguished colleagues, Senators HARKIN, FRIST, COLLINS, REED, CHAFEE, and BINGAMAN.

Mr. President, this amendment is the result of open and extensive negotiations that have earned it widespread and deep support both here in Washington, but more importantly at the State and local community level.

The rehabilitation act I have submitted as an amendment is the country's only Federally funded program that provides job training and job placement services to individuals with disabilities. I believe the reauthorization of this Act gives us a perfect opportunity to build on and develop the positive changes that were made when it was last reauthorized, in 1992.

The Subcommittee on Employment and Training began the reauthorization process last year by holding two hearings: the first in Washington, and the second in Columbus, OH. the Subcommittee listened carefully to the suggestions of vocational rehabilitation clients and their counselors, to administrators, and to service providers.

We found many opportunities to build on the positive changes Congress made in 1992. I would like now to discuss some of the most important improvements we believe we have made to the 1992 Act.

First of all, the amendment would link the Rehabilitation Act to the underlying job training reform bill that is before the Senate this morning. One of the problems we heard over and over again in our hearings was one we have already tried to address in the Workforce Investment Partnership Act. The fact is, there is a large disconnect between the vocational rehabilitation system and the rest of the country's job training systems. Too many disabled individuals are not receiving the basic job training information they need because they fall through the gap between the two job training systems. For example, a disabled individual may not meet the current legal definition of ''disabled'' and thus not qualify for services from their State's vocational rehabilitation system, yet that same individual could be turned away from his or her State's generic job training system because that person is seen as being disabled. They literally fall between the two systems, not technically qualifying for either one. We need to change that, and this amendment does that.

Therefore, the most important change we undertake is to link the vocational rehabilitation system to the states' new workforce systems under the Workforce Investment Partnership Act. No one should underestimate the importance of cooperation and mutual awareness between the two systems, and the strong statutory links that are necessary to ensure such cooperation. However, let me make it very clear, as Senators KENNEDY and JEFFORDS have point out: Under no circumstances will the vocational rehabilitation system's integrity be compromised. That is the last thing we intend to do. Its funding will not be redirected to other populations.

Our goal is clear. It is to improve vocational rehabilitation, not deplete its resources.

Once these programs are joined, state vocational rehabilitation agencies will provide more people with either the basic information they need to begin their road to employment, or a referral to the state's new job training system. What makes this referral so much better than the current system is that employees in the state's new job training program will now be trained specifically to address the unique employment needs of disabled individuals.

This simple solution will be achieved by the cooperative agreements and contracts required by this bill—between state workforce systems and state vocational rehabilitation systems. It will result in providing more disabled individuals with better jobs.

These agreements or contracts may include the following: Arrangements for interagency staff training; arrangements for electronic sharing of labor market information and information on job vacancies; arrangements to use common intake procedures, forms, and referral procedures; and agreements to share client databases.

However, let me be clear again. Vocational rehabilitation agencies will not be required to spend any of their federal allotment on activities other than those that help provide jobs for disabled individuals.

This legislation also streamlines the vocational rehabilitation system, and allows state vocational rehabilitation agencies to save millions of dollars. They will now be able to use these dollars for job training and referral services instead of administration.

For example, current law's so-called ''strategic plan,'' which really was duplicative, is eliminated. In Ohio, this means a savings of close to $3 million—and other states can expect the same kind of savings.

Our bill also simplifies eligibility procedures—a common complaint we heard as we held hearings. For example, a person who qualifies for benefits or assistance under another program, such as Social Security Disability Insurance, Supplemental Security Income, or the Individuals with Disabilities Education Act, under our bill may use that qualification instead of having to go through a whole new process to receive vocational rehabilitation services. State agencies no longer will have to redo lengthy administrative procedures to determine a person's eligibility when they know that person clearly qualifies. This, too, will save valuable resources.

Based on the information we gathered at our hearings and the suggestions we heard from the people who deal with vocational rehabilitation programs on a daily basis, we will reauthorize the Rehabilitation Act for 7 years. A longer period will allow states the opportunity to properly and effectively implement these positive changes and needed improvements.

The witnesses who testified at our Washington hearing described their serious concerns about vocational rehabilitation clients' ''independence,'' their lack of opportunity for ''self-assertion,'' and they strongly emphasized that clients should have meaningful roles in developing their own ''Individualized Rehabilitation Employment Plans.''

We believe we have in this legislation taken care of these concerns.

Empowered clients, who will always have the opportunity of working as a team with a VR counselor, may now exercise more consumer choice as to what employment goals they want to reach and how they want to reach them.

Finally, one of the most positive changes our bill makes is to emphasize the value of self-employment. If a vocational rehabilitation client wants to be self-employed, there is no reason why he or she should not receive the training and assistance they need to reach their employment goal.

At our Columbus hearing, I was surprised to learn that under current law, self employment is hardly, if ever, promoted. It is discouraged many times. Now, clients, together with their vocational rehabilitation counselors, have more flexibility and can develop plans to achieve self-employment.

Mr. President, let me conclude my comments about this amendment by thanking once again the Chairman of the Labor Committee, Senator JEFFORDS; the Ranking Member of the Committee, Senator KENNEDY; the Ranking Member of the Employment and Training Subcommittee, Senator WELLSTONE, Senator COLLINS, Senator CHAFEE, Senator BINGAMAN, and my colleague from Iowa, Senator HARKIN, for all the work they and their staffs put into this process. I would also like to thank my colleague from Tennessee, Senator FRIST, and his staff for their contribution not only in the 105th Congress, but also for his contributions to developing links to our previous workforce bill in the 104th Congress.

This bill streamlines the vocational rehabilitation system's administration allowing millions of dollars to go to job

training services. This bill improves the lives of individuals with disabilities and provides opportunities for more jobs and better jobs. It creates a more user-friendly, consumer-driven program—and promotes the creation of a seamless job training program that will be able to serve more people more efficiently.

Mr. President, I ask for the support of my colleagues on this amendment. At this time I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. JEFFORDS. Mr. President, I am pleased to join with my colleague Senator DEWINE in offering S. 1579, the Rehabilitation Act Amendments of 1998, as reported out of the Labor and Human Resources Committee, as an amendment to S. 1186 as amended by the Committee substitute.

By attaching S. 1579 to the workforce legislation we will facilitate its consideration. However, I want to make clear that the Rehabilitation Act, when these amendments become law, will remain a freestanding statute.

S. 1579 will open up more employment opportunities to individuals with disabilities. It will also provide State vocational rehabilitation agencies and others who provide employment-related assistance to individuals with disabilities with the tools they need to provide appropriate, timely help to individuals with disabilities who want to work. Provisions in this bill and in S. 1186 bring us closer to a seamless system for job training and employment assistance.

Without compromising the integrity of a State's vocational rehabilitation program, the Rehabilitation Act Amendments of 1998 link vocational rehabilitation services to those services that are available under current State workforce systems and those that will be available under the Workforce Investment Partnership Act of 1998.

Linkage provisions are found in sections pertaining to the findings and purposes of the legislation, definitions, program administration, reports, information dissemination, and State plan requirements, including those concerning data reporting. Complementary and parallel provisions promoting linkage between vocational rehabilitation agencies and State workforce systems also are included in the Workforce Investment Partnership Act of 1998. As the result of these linkage provisions individual with disabilities who want to work will not be turned away or denied assistance by a State's workforce system, of which the vocational rehabilitation program will be an integral component. There will be no wrong door to the system, no revolving door. Instead, there will be appropriate assistance.

The amendments simplify access to vocational rehabilitation services. The State plan requirements have been rewritten to simplify administration of the vocational rehabilitation program. The amendments reduce the 36 State plan requirements in current law to 24 and require the submission of one State plan, with amendments thereafter under certain circumstances. The bill allows, when a State is operating under an order of selection, for the State to offer core services to individuals with disabilities who do not meet a State's criteria for full services from the vocational rehabilitation agency. The legislation gives vocational rehabilitation agencies the ability to secure financial support from other entities who could or should pay for certain services needed by an individual with a disability, who is being assisted by the vocational rehabilitation agency to prepare for or secure a job. The bill requires State vocational rehabilitation agencies and State Rehabilitation Councils to jointly—develop and conduct a comprehensive needs assessment every three years, and annually, to set and report on employment goals for individuals with disabilities.

They streamline the administration and access to the vocational rehabilitation program. The bill simplifies procedures for eligibility by allowing consideration of existing evaluation information in determining an individuals's eligibility for vocational rehabilitation services. The bill strengthens eligible individuals's roles in developing their individualized rehabilitation employment plans.

The bill also amends other titles in the Rehabilitation Act. Title II, which authorizes the National Institute on Disability and Rehabilitation Research, is amended to require that all funding priorities of the Institute be derived from a five-year plan that will be subjected to public comment and then submitted to Congress. The bill expands the authority of the Institute to allow funding of initiatives related to the quality assurance of assistive technology and the effectiveness of alternative medicine when used to treat individuals with disabilities. The legislation streamlines and updates title III of the Act, which authorizes training and demonstration activities, by clearly delineating funding priorities, simplifying the notification of interested parties about upcoming grant opportunities, and permitting funding for training of personnel in one-stop centers so that they will be more able to appropriately and effectively assist individuals with disabilities seeking employment-related assistance through such centers.

S. 1579 strengthens section 508 of the Rehabilitation Act pertaining to the accessibility of electronic and information technology for individuals with disabilities employed or served by Federal agencies. S. 1579 amends title VI of the Act by adding a new initiative, Projects in Telecommuting and Self-Employment for Individuals with Disabilities, and by permitting Projects with Industry to assist eligible individuals without waiting for referrals or eligibility status determinations from vocational rehabilitation agencies and to provide training and/or placement services.

Vermonters with disabilities benefited from the 1992 amendments to the Rehabilitation Act. Vermonters with disabilities will benefit from these 1998 amendments. In Vermont, one out of every eight residents is disabled. The Division of Vocational Rehabilitation has enabled many Vermonters with disabilities to exercise the choices in setting employment goals and selecting service providers to help them achieve those goals. In 1996, Vermont's vocational rehabilitation program provided an array of services to almost 5,000 Vermonters, while directly assisting 850 individuals with disabilities to become successfully employed.

In 1996 Vermont consumers of vocational rehabilitation services who secured employment enjoy an average increase in income exceeding $8,000 per year. Seventy-three percent of these individuals entered the workforce earning more than minimum wage. Seventy-eight percent of these Vermonters who were assisted by the Vermont Division of Rehabilitation in 1996 remain employed today. In addition, the Vermont Consumer Choice Project has allowed my State to create organizational structures, policies and practices that have resulted in a greater degree of informed choice for individuals seeking and receiving vocational rehabilitation services.

Throughout S. 1579 there are references to traditionally underserved populations. I want to bring special attention to one such population that I am particularly aware of in my home state of Vermont: farmers with disabilities.

In America an estimated 11 million people with disabilities live in rural areas. In the agricultural arena, an estimated 500,000 farmers and ranchers nationwide have physical disabilities that limit their ability to perform one or more work-related tasks. Each year, over 200,000 persons employed in agriculture are injured on the job, with many incurring a permanent disability as a result. Thousands more in the agricultural community experience disability as a result of non-farm injuries, illnesses, and chronic health conditions. These individuals consistently encounter barriers to receiving appropriate vocational rehabilitation services.

Providing vocational rehabilitation services in rural environments can be challenging, but we clearly need to do more to serve these individuals who contribute so much to American society. State vocational rehabilitation agencies have large caseloads. Given these large case loads, it is often challenging to adequately serve individuals with disabilities in rural areas. Moreover, there are few rehabilitation professionals who are knowledgeable about various occupations in rural America or about how to successfully adapt or modify those work environments.

Since 1991, the AgrAbility Program of the U.S. Department of Agriculture has helped thousands of farmers, ranchers, and farm workers to accommodate their disabilities in order to work safely and efficiently in agricultural production. A program that has existed in my home state of Vermont for nearly 30 years was one of the models on which the AgrAbility program was based. This program is a jointly operated by the Vermont Rehabilitation Service and the Cooperative Extension Service. It has helped hundreds of farmers accommodate their disabilities and remain productive. The lessons that we have learned in Vermont and through the AgrAbility program nationally need to be infused into the vocational rehabilitation system.

Currently, nineteen States are served by AgrAbility projects, and at least a dozen additional States are pursuing funding. AgrAbility projects are conducted as partnerships between university-based State extension service agencies and nonprofit disability organizations, including Easter Seal societies, United Cerebral Palsy Associations, Goodwill societies and Independent Living Centers. These AgrAbility projects can provide State vocational rehabilitation agencies with a wide range of training and technical assistance to improve and expand vocational rehabilitation services to people with disabilities seeking to maintain their work in agriculture.

In closing, I would like to acknowledge that we would not have been able to offer our colleagues this bipartisan, consensus-based legislation without Senator FRIST's efforts in 1995 with regard to S. 143 and the efforts of many hard working staff including, Aaron Grau with Senator DEWINE, Elizabeth Aldridge with the Senate Legislative Counsel, Connie Gardner with Senator KENNEDY, Roger Wolfson with Senator WELLSTONE, Sharon Masling with Senator HARKIN, Jim Fenton with Senator DODD, Pat Morrissey, Sherry Kaiman, and Heidi Mohlman of my staff. In addition, I wish to recognize the cooperation and technical assistance that we received from Assistant Secretary for Special Education and Rehabilitative Services, Judith Heumann, and Fredric Schroeder, Commissioner of the Rehabilitation Services Administration of the U.S. Department of Education and their staff. I also wish to thank the Consortium for Citizens with Disabilities, Task Force on Employment and Training, for its timely input on legislative proposals and its assistance on disseminating discussion drafts. Finally, I wish to extend a special thanks to Bob Rabe, Director of the Ohio Rehabilitation Commission and Chair of the Reauthorization Task Force of the Council of State Administrators of Vocational Rehabilitation (CSAVR) and Diane Dalmasse, the Director of the Division of Vocational Rehabilitation in Vermont for helping us to understand how the amendments will affect the delivery of vocational rehabilitation services.

As I said on January 28, 1998 when my colleagues and I introduced this legislation, having a job and liking it are the bottom line. I urge my colleagues to join us in supporting S. 1579 as an amendment to the Workforce Investment Partnership Act of 1998. Passing it will mean more jobs and better jobs for individuals with disabilities.

Mr. President, I also want to commend a staff member who has been with the Congress in one body or the other for many years who contributed very greatly to bringing about a consensus on this piece of legislation, Pat Morrissey.

At this time, Mr. President, I believe the amendment on both sides is acceptable and we could have a vote on it at this time.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2330) was agreed to.

Mr. JEFFORDS. Mr. President, I now yield, in accordance with the order, to Senator ASHCROFT to offer his amendments.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank the Senator from Vermont for providing me with this opportunity. I commend both the Senator from Vermont and the Senator from Ohio for their outstanding work, along with other members of the committee. I know they worked hard in this particular endeavor.

PRIVILEGE OF THE FLOOR

Mr. ASHCROFT. Mr. President, I ask unanimous consent that Kevin Ring of my staff be permitted to be on the Senate floor today until adjournment, for the purposes of these discussions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2331 TO AMENDMENT NO. 2329

(Purpose: To prohibit the use of funds to carry out activities authorized under the School-to-Work Opportunities Act of 1994)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 2331 to Amendment No. 2329.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In title V, strike the section heading for section 505 and insert the following:

SEC. 505. LIMITATION.

None of the funds made available under this Act may be used to carry out activities authorized under the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

SEC. 506. EFFECTIVE DATE.

Mr. ASHCROFT. Mr. President, the purpose of this amendment is to make certain that this legislation, the Workforce Investment Partnership Act, and the 1994 School-to-Work law are and remain separate programs. The amendment simply states that none of the funds made available under this Act may be used to carry out activities authorized under the School-to-Work Opportunities Act. The Senate Labor and Human Resources Committee has emphasized that School-to-Work is a completely separate program that is no way part of or linked to S. 1186. Section 316(d)(2) of the bill states:

Funds shall not be used to carry out activities that duplicate federally funded activities available to youth.

The committee has cited this section as prohibiting any localities from using S. 1168 funding to expand School-to-Work. Although Section 316 may be clear to legislative counsel and to those of us inside the beltway, there are still concerns about the misuse of adult job training funds for School-to-Work activities. My amendment clarifies in an unambiguous manner that the funds in this bill cannot be used to carry out School-to-Work activities.

Many concerned citizens are troubled by the possibility that adult job training programs and even vocational education programs will be linked to elementary and secondary education and the School-to-Work Program. The concern is that this bill and the system it sets up would be linked to the School-to-Work system. I share these concerns. This amendment makes it clear to all involved, including those at the State level who will implement this law, that School-to-Work and adult job training are two distinct programs.

The population that this legislation is aimed to help is different from the population served by the School-to-Work Act. They have different needs and different focuses, and this bill should make clear that they are to remain separate.

My hope in offering this amendment is to ensure the two programs remain separate and the funds made available under this bill are not used to supplement the School-to-Work Act or to link School-to-Work activities with the Workforce Investment Partnership Act activities.

No matter how one feels about School-to-Work, and there are some who oppose it and some who support it, you should support this amendment. This amendment does not affect the School-to-Work law in any way, other than to reaffirm the separate nature of the Workforce Investment Partnership Act from the School-to-Work Program.

The Labor and Human Resources Committee is supportive of this amendment because it further clarifies what they understand the bill to do. In fact, the committee has repeatedly responded to the concerns about this issue by stating:

School-to-Work is a completely separate program that is no way part of or linked to S. 1186. This amendment seeks to reassure those who are troubled by the possible linking of adult job training system to the

School-to-Work Program. But more than that, the purpose of this amendment is to keep these two programs separate, not just rhetorically but in reality and in actuality.

I thank the chairman for his support of this important amendment. It is my understanding the amendment is acceptable to both sides and is consistent with the understanding of the committee generally. I offer it and urge its adoption.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. JEFFORDS. We have checked with the minority. It is acceptable to both sides.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. DEWINE. Mr. President, I will be brief but I would like to rise at this point to speak in strong support of the amendment of Senator ASHCROFT to S. 1186. This amendment prohibits the use of funds to carry out activities authorized under the School-to-Work Opportunities Act of 1994.

Let me state it was never—I repeat never—my intention to include funds for School-to-Work activities in S. 1186. The bill we are currently debating, I believe, reflects this intent. In fact, section 316(d)(2) of the bill clearly states:

Funds . . . shall not be used to carry out activities that duplicate federally funded activities available to youth.

This provision prohibits States and localities from using S. 1186 funding in any way to expand School-to-Work. The ASHCROFT amendment—let me state I thank my friend and colleague from Missouri for this contribution to the bill—will simply clarify this language. It will clarify it by adding, quoting from Senator ASHCROFT's amendment:

None of the funds made available under this Act may be used to carry out activities authorized under the School-to-Work Opportunities Act of 1994.

This amendment is simple and it is straightforward. The ASHCROFT amendment emphasizes, I believe, what the bill already clearly states. There has been opposition to S. 1186, driven by, I believe, a lack of understanding of this piece of legislation and a fear that our schools are going to be turned into training facilities that force children into career tracks. This is simply not true. This is the last thing—let me repeat, as I have stated on the floor before—this is the last thing this U.S. Senator would seek to do. This is the last thing this Member of the Senate would ever propose, would ever push, would ever write or, frankly, would ever even vote for.

S. 1186 does not expand the School-to-Work Act. School-to-Work is a completely separate program that is in no way part of or linked to S. 1186. I repeat, School-to-Work is in no way part of or linked to S. 1186. I would never support an expansion of School-to-Work. We do not need a Federal program directing students how to make the transition from School-to-Work. It is not an appropriate Federal role. Furthermore, School-to-Work's prescription will not solve the problem that too many kids are graduating today without the basic academics needed to succeed on the job, to succeed in post-secondary education, or to succeed in life.

I support inclusion of the ASHCROFT amendment in S. 1186. I thank my colleague from Missouri for proposing it. I believe it simply clarifies what is already in the bill, which is that funds in this legislation cannot be used to carry out activities authorized under the School-to-Work Opportunities Act of 1994.

I yield the floor.

Mr. KENNEDY. Mr. President, I strongly disagree with the adverse comments of the Senator from Missouri regarding the School-to-Work Opportunities Act. That Act has provided countless young men and women across America with educational and career development opportunities which they would never have otherwise had. It has given those teenagers a greater range of choice in preparing for their future careers. It has opened the doors of prospective employers to these students and afforded them invaluable work opportunities. The evidence is there. I could speak for hours reciting success stories resulting from the School-to-Work program.

However, this is not the appropriate time to debate the merits of School-to-Work. The Workforce Investment Partnership Act does not even mention the School-to-Work Opportunities Act once in its 444 pages of text. It does not amend or alter the School-to-Work Act in any way.

The concern of all Senators today should be focused on the Workforce Investment Partnership Act which we are now considering. I have been assured by those advocating the Ashcroft amendment that it does not in any way limit the use of funds made available under the Workforce Act for any activity authorized by the Workforce Act. That is the issue which is most important today. Notwithstanding the Ashcroft amendment, funds available under each title of the Workforce Act will be able to be used to support any activity which that title authorizes. Based on that representation regarding the intent of the amendment, I do not request a rollcall vote.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. JEFFORDS. I ask for a vote at this time.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2331) was agreed to.

Mr. ASHCROFT addressed the Chair.

The Chair recognizes the Senator from Missouri.

AMENDMENT NO. 2332 TO AMENDMENT NO. 2329

(Purpose: To establish a requirement that individuals submit to drug tests, to ensure that applicants and participants make full use of benefits extended through training services)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 2332 to amendment No. 2329.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 371, add the following:

(f) DRUG TESTING LIMITATIONS ON PARTICIPANTS IN TRAINING SERVICES.—

(1) FINDING.—Congress finds that—

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

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

(2) DRUG TESTS.—Each eligible provider of training services shall administer a drug test—

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

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

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

(4) ELIGIBILITY OF PARTICIPANTS.—In order for such a participant to remain eligible to participate in training services, the participant shall agree to submit to a drug test administered as described in paragraph (2)(B) and, if the test is administered to the participant, shall pass the test. If a participant refuses to submit to the drug test, or fails the drug test, the eligible provider shall dismiss the participant from participation in training services.

(5) REAPPLICATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an individual who is an applicant and is disqualified from eligibility under paragraph (3), or who is a participant and is dismissed under paragraph (4), may reapply, not earlier than 6 months after the date of the disqualification or dismissal, to participate in training services. If the individual demonstrates that the individual has completed a drug treatment program and passed a drug test within the 30-day period prior to the date of the reapplication, the individual may participate in training services, under the same terms and conditions as apply to other applicants and participants, including submission to drug tests administered as described in paragraph (2).

(B) SECOND DISQUALIFICATION OR DISMISSAL.—If the individual reapplies to participate in training services and fails a drug test administered under paragraph (2) by the eligible provider, while the individual is an applicant or a participant, the eligible provider

shall disqualify the individual from eligibility for, or dismiss the individual from participation in, training services. The individual shall not be eligible to reapply for participation in training services for 2 years after such disqualification or dismissal.

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

(7) NATIONAL UNIFORM GUIDELINES.—

(A) IN GENERAL.—The Secretary of Labor shall develop voluntary guidelines to assist eligible providers concerning the drug testing required under this subsection.

(B) PRIVACY.—The guidelines shall promote, to the maximum extent practicable, individual privacy in the collection of specimen samples for such drug testing.

(C) LABORATORIES AND PROCEDURES.—With respect to standards concerning laboratories and procedures for such drug testing, the guidelines shall incorporate the Mandatory Guidelines for Federal Workplace Drug Testing Programs, 53 Fed. Reg. 11970 (1988) (or a successor to such guidelines), including the portion of the mandatory guidelines that—

(i) establishes comprehensive standards for all aspects of laboratory drug testing and laboratory procedures, including standards that require the use of the best available technology for ensuring the full reliability and accuracy of drug tests and strict procedures governing the chain of custody of specimen samples;

(ii) establishes the minimum list of drugs for which individuals may be tested; and

(iii) establishes appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform such drug testing.

(D) SCREENING AND CONFIRMATION.—The guidelines described in subparagraph (A) shall provide that, for drug testing conducted under this subsection—

(i) each laboratory involved in the drug testing of any individual shall have the capability and facility, at such laboratory, of performing screening and confirmation tests;

(ii) all tests that indicate the use, in violation of law (including Federal regulation) of a drug by the individual shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding the drug;

(iii) each specimen sample shall be subdivided, secured, and labeled in the presence of the individual; and

(iv) a portion of each specimen sample shall be retained in a secure manner to prevent the possibility of tampering, so that if the confirmation test results are positive the individual has an opportunity to have the retained portion assayed by a confirmation test done independently at a second certified laboratory, if the individual requests the independent test not later than 3 days after being advised of the results of the first confirmation test.

(E) CONFIDENTIALITY.—The guidelines shall provide for the confidentiality of the test results and medical information (other than information relating to a drug) of the individuals tested under this subsection, except that the provisions of this subparagraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this subsection.

(F) SELECTION FOR RANDOM TESTS.—The guidelines shall ensure that individuals who apply to participate in training services are selected for drug testing on a random basis, using nondiscriminatory and impartial methods.

(8) NONLIABILITY OF LOCAL PARTNERSHIPS.—A local partnership, and the individual members of a local partnership, shall be immune from civil liability with respect to any claim based in whole or part on activities carried out to implement this subsection.

(9) REPORTING REQUIREMENTS.—An eligible provider shall make records of drug testing conducted under this subsection available for inspection by other eligible providers, including eligible providers in other local areas, for the sole purpose of enabling the providers to determine the eligibility status of an applicant pursuant to this subsection.

(10) USE OF DRUG TESTS.—No Federal, State, or local prosecutor may use drug test results obtained under this subsection in a criminal action.

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

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

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

(C) RANDOM BASIS.—For purposes of the application of this subsection in a State, the term ''random basis'' has the meaning determined by the Governor of the State, in the sole discretion of the Governor.

(D) TRAINING SERVICES.—The term ''training services'' means services described in section 315(c)(3).

Mr. ASHCROFT. Mr. President, my amendment requires random drug testing for all job training applicants and drug testing of program participants based on a standard of reasonable suspicion. If an applicant or participant tested positive, they could reapply after 6 months from the date of disqualification, but at reapplication they must show that they passed a drug test within the last 30 days. A second failure of a drug test would require a two year wait before one could reapply. This provision allows individuals who have failed a drug test to get treatment and assistance and reapply for program funds.

I think it is important to say that I believe it does not pay us to try to train people who are high on drugs. Nor does it pay us to train people who are involved so substantially with drugs that when they go to take a drug test to get a job, they will be turned down because they are positive for drugs. I believe it is important, then, for us to be sensitive to these facts and to include in the legislation the fact that we will prefer people who are drug free for employment training, because we might as well give them the training because they will actually be able to get and hold a job. This is something that is very important.

During the last Congress, the Senate passed an identical amendment to the job training legislation. The amendment was agreed to by a vote of 54 to 43 with broad, bipartisan support. The conferees retained the drug testing provision in their conference report in the last Congress. So this is an item which is acceptable.

Since most of the private sector conducts drug testing on job applicants and employees, then a government-funded job training program should be able to do the same. According to the 1996 American Management Association Survey: Workplace Drug Testing and Drug Abuse Policies, we know that the share of major U.S. firms that test for drugs rose to 81 percent in 1996, and that was from 78 percent in 1995. The survey also found that 89% of all manufacturers drug-test, and 100% of all transportation firms test, due to Department of Transportation regulations.

Additionally, 79% of wholesalers and retailers drug-test. These are all areas where participants are most likely to find jobs. More people are being asked to take drug tests when they show up for a job. Let's make part of their training the fact that they would take such tests and that they would be able to pass those tests.

Additionally, our federal Job Corps program requires drug testing. Why shouldn't we have the same standards in this government job training program?

When you have a finite amount of government resources, you should spend them in the most efficient and effective way.

Since the American taxpayers are funding this job training program, there should be accountability. Taxpayer money is wasted if the person trained with government money cannot get a job because they cannot pass a drug test, which the majority of the private sector will conduct on employees. Since our resources are scarce, we should focus them on people who are likely to succeed.

Why train someone who will end up never being able to get a job, because they can't pass a drug test? On the other hand, we should train those people who are responsible enough to be drug free and who want to work. These are the people who can benefit from the training.

In fairness to the program participants, and in fairness to the taxpayers, applicants for the job training programs that will be authorized under this bill should be tested for the use of illegal drugs.

Finally, Government is in the business of teaching lessons. Requiring drug-testing for a government job training program teaches responsibility to participants. If people know that there will be drug testing in government job training programs, they will have an incentive to stay off of drugs.

Not testing participants is unfair to them because it falsely leads them to believe that they can be drug users and get jobs, and it is unfair to the American taxpayers who have to pay for those false hopes.

It is my understanding that this amendment has been cleared on both sides with the understanding, of course, partly in respect to the fact that the Congress previously voted in this respect.

Mr. KENNEDY. Mr. President, the amendment offered by the Senator

from Missouri would require applicants and participants in job training programs to submit to drug testing. I am opposed to the amendment because it represents an unwarranted and unprecedented intrusion into the privacy of the thousands of ordinary Americans who use job training services.

In addition, the amendment is a costly and unfunded Federal mandate. One of the innovations of this job training bill is the degree of flexibility it gives States and localities. The Ashcroft amendment is completely out of step with that goal.

Drug testing has an important role in certain job training settings, just as it has in certain workplace settings. But the proposal by the Senator from Missouri is overbroad, excessively expensive, and an example of the intrusive Federal policy role that this bill is designed to combat.

The vast majority of the people who will use the job training services authorized in this bill are upstanding citizens, not criminals. They are displaced defense workers. They are blue collar workers who have been laid off as a result of a factory closing. They are professionals seeking to improve their skills in specialized fields. They are victims of natural disasters and runaway plants moving overseas.

The Ashcroft amendment says to these people: If you want this assistance to try to improve your skills and obtain employment, you have to agree to submit to a Government test for possible drug abuse. I do not believe that the privacy of ordinary citizens hoping to improve their job skills should be routinely invaded in this intrusive manner.

The Government uses drug testing today for airline pilots, train conductors, and other employees involved in sensitive public safety tasks. If programs funded by this bill train people in sensitive jobs, there is nothing that would prohibit drug testing.

But routinely testing of everyone is too extreme. We do not do it in other programs, and we should not do it in this one.

We do not drug-test people seeking Government assistance in financing a mortgage; we do not drug-test flood or earthquake victims applying for disaster relief; we do not drug-test crime victims seeking assistance from the Federal Office of Victim Services; we do not drug-test farmers seeking crop subsidies. We do not drug-test corporate executive seeking overseas marketing assistance from the Commerce Department.

Why are job training recipients singled out for this stigma? No case has been made that this population is more susceptible to drug abuse than the population at large.

The amendment offered by the Senator from Missouri requires drug testing in two situations. First, every applicant to a job training program is subject to testing on a random basis. Second, participants in training programs are subject to testing based on reasonable suspicion of drug use. Both random basis and reasonable suspicion are undefined concepts. They raise the specter that excessive distinctions will be made based on stereotypes and prejudices.

As we have often been told, Washington does not have all the answers. We should not replace one set of Federal mandates with another set of Federal mandates. This bill is designed to maximize local flexibility, but the Ashcroft amendment goes in the opposite direction.

Indeed, the Ashcroft amendment would actually preempt some State laws. A number of State legislatures have addressed the circumstances under which drug testing can be utilized, but the Ashcroft amendment would actually override the considered judgments of those legislative bodies and put in place a one-size-fits-all Federal mandate.

Drug testing on the scale contemplated by this amendment would be enormously expensive. By some estimates, 1 million Americans use the job training services included in this bill. The Department of Health and Human Services estimates that the average cost of a drug test is about $35.

That means it would cost $35 million each year to administer an average of one test to each person. Either this amendment saddles local governments with a huge unfunded mandate, or it eats up a large portion of the Federal funds made available under this bill.

It is also important to note that drug testing technology is not infallible. Depending upon the type of testing technology that is used, as many as 4 percent of all drug tests result in false positives. That means that if a million drug tests are administered, some 40,000 Americans might be inaccurately labeled as drug users.

Of course there are often opportunities for appeals and confirmation tests and retests. But we should think long and hard before we adopt this amendment and subject tens of thousands of ordinary, law-abiding Americans to the Kafka-esque nightmare of being falsely accused of drug use.

The amendment requires those who test positive for drugs to obtain drug treatment. But who will pay for treatment? Right now, only a third of the Americans who need substance abuse treatment receive it because insurance coverage and public funding are inadequate. In light of that fiscal reality, it makes no sense to institute a massive new Government drug testing program.

Finally, the amendment is objectionable because it may deter people who need job training services from seeking them. The threat of an intrusive drug test may put off drug users and non-drug users alike. We want to encourage people to improve their skills. We want to encourage the unemployed to become employed. We should not erect barriers to the services authorized in this bill.

Job training programs do not need the Federal Government to tell them how to deal with drug abuse. They have the tools they need. Where drug testing is appropriate, it will occur. But a sweeping Federal mandate is completely unnecessary and excessively expensive.

I have concerns about the privacy issue, concerns about the cost issue, concerns about preempting State laws, concerns about issues relating to standards and to quality control for random tests. They are all sound reasons to oppose this imprudent amendments.

Mr. ASHCROFT. Mr. President, I ask that the measure be voted on at this time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2332) was agreed to.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. JEFFORDS. Mr. President, first, I thank my friend from Missouri for his amendments which he so forthrightly and quickly disposed of so that we can move forward on this very important piece of legislation.

AMENDMENT NO. 2333 TO AMENDMENT NO. 2329

(Purpose: To provide for a right for certain large units of general local government to submit appeals concerning designation as local areas)

Mr. JEFFORDS. Mr. President, I ask for the immediate consideration of an amendment by Senator LAUTENBERG, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for Mr. LAUTENBERG, proposes an amendment numbered 2333 to amendment No. 2329.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 307(a)(2), strike subparagraph (C) and insert the following:

(C) LARGE POLITICAL SUBDIVISIONS.—A single unit of general local government with a population of 200,000 or more that is a service delivery area under the Job Training Partnership Act on the date of enactment of this Act, and that is not designated as local area by the Governor under paragraph (1), shall have an automatic right to submit an appeal regarding designation to the Secretary. In conducting the appeal, the Secretary may determine that the unit of general local government shall be designated as a local area under paragraph (1), on determining that the programs of the service delivery area have demonstrated effectiveness, if the designation of the unit meets the State plan requirements described in section 304(b)(5).

Mr. LAUTENBERG. Mr. President, I am pleased to offer this amendment to S. 1186, the ''Workforce Investment Partnership Act.'' My amendment will provide a mechanism for 59 U.S. cities currently administering locally-tailored workforce development services

under the Job Training Partnership Act to retain their designation as Service Delivery Areas (SDAs). This amendment allows those 59 cities that are existing SDAs, with successful job training programs, to appeal to the Secretary of Labor if the Governor of their State denies their request to retain SDA status.

Without my amendment, 59 cities, with 200,000 people or more, that had previously been SDAs but whose populations are under the new 500,000 threshold, would have to specially request SDA designation from their State. Among others, these cities include Denver, Colorado; Fort Worth, Texas; Long Beach, California; Akron, Ohio; Omaha, Nebraska; and two cities in my state of New Jersey, Jersey City and Newark. If Governors have sole discretion to terminate SDA designations, successful and long standing community job training programs would be terminated. This could be disruptive to cities that are taking leadership roles in implementing welfare-to-work job training programs to meet welfare reform goals.

I support the goal of S.1186 to consolidate job training and employment programs into a more efficient workforce development system. I believe that creating an appeal mechanism for existing SDA designated cities with productive programs, like Newark and Jersey City, will enhance this legislation's objective to meet that goal.

I want to thank the bill's managers, Senators DEWINE and WELLSTONE, as well as the Ranking Democratic Member on the Labor Committee, Senator KENNEDY, for working with me on this issue. They should be congratulated on creating a strong, bipartisan bill. I am grateful that Senator WELLSTONE, Senator KENNEDY and Secretary Herman have committed their support to this provision when S.1186 goes to conference.

Mr. DEWINE. Mr. President, I would like to take this opportunity to discuss and explain that portion of the Workforce Investment Partnership Act that deals with States' ''Service Delivery Areas.''

As I have stated before, the current system of Federal job training programs is no system at all. Consumers, individuals seeking assistance, and businesses seeking to hire them face a fragmented and duplicative maze of narrowly focused programs that lack coordination, a coherent strategy to provide training assistance, and the confidence of the consumers who need to use the services.

These problems are the result of numerous shortcomings that have developed over time and become part of a dated and neglected job training system that no longer considers the needs or resources of the States and localities it serves.

One of the current system's largest shortcomings is its ineffective designation of over 600 Service Delivery Areas. These 600 plus regions are a tremendous burden on the country's job training system and one of the greatest contributors to ''a complex patchwork of overlapping bureaucratic responsibilities.''

Over the past 15 years, it has been the Federal government deciding where these Service Delivery Areas would be.

Over the past 15 years, the Federal government used a general federal mandate and chose the number ''200,000'' to represent what it thought the appropriate population of Service Delivery Areas should be.

Over the past 15 years, the Federal government's Service Delivery Area criteria remained stagnant while States continued to grow and change.

The number 200,000 no longer adequately reflects the needs or resources of each and every State. It does not allow States to take their economic development or empowerment zones into account. It does not flex to reflect the ever-changing populations of cities and counties. In many urban areas it fragments a much larger labor market making coordination among State and local employment agencies difficult if not impossible.

The ''Washington-knows-best'' ''one-size-fits-all'' approach no longer works and we have the past 15 years to prove it.

To fix this problem—to clear out this bureaucracy—and to create a cleaner more accountable and more efficient job training system, we must do away with the paternalistic Washington mentality, return the Service Delivery Area designation decisions to the States and localities, and ultimately lower the number of Service Delivery Areas.

To do this, the bill outlines four criteria to be followed in selecting the State's Service Delivery Areas:

The States and their localities must ensure that there is a link between participants in workforce investment activities and local employment opportunities;

The States and their localities must ensure that a significant number of people who live in the proposed area also work in the area;

The States and their localities must ensure that neighboring Service Delivery Areas cooperate with each other and coordinate their activities; and finally

The States and their localities must ensure that the State economic development areas are taken into consideration.

Currently, it is the Federal Government that decides what regions will become Service Delivery Areas and what regions will not.

Under this new law, this cleaner, more accountable, and more effective system, it is the States and local communities that will make these decisions; it is the States and local communities that will have a true understanding of how to best apply these four new criteria; and it will be the States and local communities that determine how their job training dollars will best be used.

Mr. President, we can no longer afford the ''Washington knows best'' mentality. That is the thinking that created the current maze and bureaucratic patchwork of job training programs. That is the thinking that brings us here today—needing to change the system and fix its problems. We must put the decisions, such as Service Delivery Area designation, in the hands of those who are closest to their needs and resources.

This bill, and the positive changes it makes to the way Service Delivery Areas are currently designated, will help eliminate the ''Washington one-size-fits-all mentality'' and allow States, their Governors, their cities, and their municipalities—through a consensus process—to change the status quo and develop a more effective and locally controlled job training system.

Mr. President, I yield the floor.

Mr. JEFFORDS. Mr. President, I ask that the amendment be adopted. It is accepted on both sides of the aisle.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2333) was agreed to.

AMENDMENT NO. 2334 TO AMENDMENT NO. 2329

(Purpose: To establish a demonstration program that locates secondary schools on the sites of community colleges for the purpose of conducting tech-prep programs)

Mr. JEFFORDS. Mr. President, I send to the desk an amendment on behalf of Senator DOMENICI.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for Mr. DOMENICI, proposes an amendment numbered 2334 to amendment No. 2329.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After section 157, insert the following:

SEC. 158. DEMONSTRATION PROGRAM.

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

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

(1) shall—

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

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

(C) require the voluntary participation of secondary school students in the tech-prep education program; and

(2) may provide summer internships at a business for students or teachers.

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

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

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

(2) each tech-prep education program assisted under this section shall meet the requirements of paragraphs (1), (2), (3)(A), (3)(B), (3)(C), (3)(D), (4), (5), (6), and (7) of section 155(b), except that such paragraph (3)(B) shall be applied by striking ‘‘, and where possible and practicable, 4-year institutions of higher education through nonduplicative sequence of courses in career fields’’; and

(3) in awarding grants under this section, the Secretary shall give special consideration to consortia submitting applications under subsection (c) that meet the requirements of paragraphs (1), (3), (4), and (5) of section 156(d), except that such paragraph (1) shall be applied by striking ‘‘or the transfer of students to 4-year institutions of higher education’’.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for fiscal year 1999 and each of the 5 succeeding fiscal years.

Mr. JEFFORDS. Mr. President, this amendment will establish a tech-prep demonstration program that locates secondary schools on the sites of community colleges. Tech-prep is an outstanding program. I believe this amendment will enhance tech-prep activities. I ask my colleagues to support it. I know of no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2334) was agreed to.

SECTION 367

Mr. DEWINE. Mr. President, I would like to engage in a brief colloquy with the distinguished ranking member of the Subcommittee on Employment and Training, Senator WELLSTONE, concerning the initiatives covered by section 367 of the bill. Mr. President, I strongly feel that clarifying the intent of this section will be helpful in my efforts to ensure that a very worthwhile initiative in Northeastern, Ohio receives favorable consideration by the Department of Labor.

As I understand it, section 367 authorizes the Secretary of Labor to carry out demonstration projects to develop new techniques, different approaches, and specialized methods to address communities; employment and training needs. This section also requires the community or entity to substantially contribute to their project's funding, have expertise in undertaking national demonstration projects, or have expertise in overseeing employment and training programs.

The Ohio initiative I referred to establishes an Engineering and Training Center which will provide employers, employees, students, and the underemployed access to job training services and course work germane the region's existing manufacturing base as well as its fledgling information technology industries. For example, the Center would provide welders, who recently lost their jobs when Ford Motor Company closed its Thunderbird and Econoline plants, computer software instruction for new computer controlled welding equipment. The Engineering and Training Center would also contain working laboratories where employees would receive custom training on the latest technology equipment.

Would the Senator agree that the establishment of such an Engineering and Training Center, whose principal focus is to provide job training to workers in a community suffering from the closure of auto and steel plants, is the type of activity section 367 encourages? And would the willingness of local foundations to provide half the cost of such an initiative satisfy the bill's substantial funding equipment?

Mr. WELLSTONE. I agree with my friend's reading of section 367. Its demonstration and pilot project section clearly is meant to encourage projects to help develop and implement techniques, approaches and methods such as those the Senator informs us are contained in the proposal from his state for an engineering and training center. I would also certainly think that local private funding of 50 percent would qualify as ‘‘a substantial portion.’’

Mr. DEWINE. Would the Senator agree that a County Community College, which functions as an integral part of the county's welfare-to-work initiative, and whose President who has won national awards and is the driving force in virtually every job training initiative in the region, addresses the bill's ‘‘expertise in employment and training programs?

Mr. WELLSTONE. I would fully expect the Department to give all due consideration to a proposal from an institution and chairman with such impressive credentials and expertise.

Mr. DEWINE. I thank the Senator.

MIGRANT AND SEASONAL FARMWORKERS

Mr. WELLSTONE. Mr. President, it has been a pleasure working with my colleague from OHIO on this bill. I appreciate his extremely hard work. I would like to confirm my understanding of a provision of the bill and ensure it is the same as the understanding of my colleague. For purposes of programs authorized under Title III of the bill, that is, the Workforce Investment Activities title, housing is considered to be an eligible supportive service. That is specified in the bill's definition section. In Section 362 of Title III, the section dealing with migrant and seasonal farmworker programs, a range of workforce investment activities are authorized, including employment and training assistance. The section then also authorizes further related assistance for eligible migrant and seasonal farmworkers, including supportive services.

For a number of years, the Labor Department has provided funding to a small number of single purpose grantees which provide an essential supportive service to farmworkers: improving their housing conditions. As S. 1186 defines supportive services to include housing and includes supportive services as eligible workforce investment related assistance for farmworkers, it seems clear to me that the bill would allow the Secretary to continue to make grants for farmworker housing.

Mr. DEWINE. The Senator is correct. Under the bill, the Secretary would have the discretion to continue grants to improve farmworker housing.

Mr. WELLSTONE. I thank the Senator.

Mr. JEFFORDS. Mr. President, I would not object to the Senator from Missouri speaking in morning business for a period, I believe, of up to 10 minutes.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that I have an opportunity to speak as in morning business for up to 6 minutes, until 11 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. I thank the Chair.

(The remarks of Mr. ASHCROFT pertaining to the introduction of S. 2023 and S. 2028 located in today's RECORD under ‘‘Statements on Introduced Bills and Joint Resolutions.’’)

Mr. ASHCROFT. I thank the Senator from Vermont, the Senator from Ohio, and the Senator from Georgia in allowing me to make these statements and introduce these matters. I yield the floor.

Mr. JEFFORDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. I ask unanimous consent that I be able to proceed as in morning business for a period not exceeding 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOBACCO LEGISLATION AND TEEN SMOKING

Mr. JEFFORDS. Mr. President, I had hoped to be in Burlington, VT, this morning meeting with a group of high school students. They have been studying tobacco use among adults and teens and talking about the proposed tobacco settlement in their health and civics classes. I regret that I am not able to be in Vermont to talk with them.

But I do want to take this opportunity to express my support for prompt consideration of tobacco legislation. When I look around the classrooms here in D.C. with students here in D.C.—when I read in the Brent School, or when I meet students at home, as I had planned to today—I see dozens of faces alive with potential. I see those kids as the soccer and track stars. I wonder which ones enjoy science and which ones are the budding