SCHOOL BUS DRIVER TRAINING

SEC. 126. (a) Chapter 4 of title 23, United States Code, is amended by adding at the end thereof the following new section: 23 USC 401.

"§ 406. School bus driver training 23 USC 406.

"(a) The Secretary is authorized to make grants to the States for the purpose of carrying out State programs approved by him of driver education and training for persons driving school buses. Grants.

"(b) A State program under this section shall be approved by the Secretary if such program—

"(1) provides for the establishment and enforcement of qualifications for persons driving school buses;

"(2) provides for initial education and training and for refresher courses;

"(3) provides for periodic reports to the Secretary on the results of such program; and Reports.

"(4) includes persons driving publicly operated, and persons driving privately operated, school buses.

"(b) Not less than $7,500,000 of the sums authorized to carry out section 402 of this title for fiscal year 1976 shall be obligated to carry out this section. Such sums shall be apportioned among the States in accordance with the formula established under subsection (c) of section 402 of this title. The Federal share payable on account of any project to carry out a program under this title shall not exceed 70 per centum of the cost of the project." 23 USC 402.

(b) The analysis of chapter 4, title 23, United States Code, is amended by adding at the end thereof the following:

"406. School bus driver training.".

Approved January 4, 1975.

Public Law 93-644

AN ACT

January 4, 1975
[H. R. 14449]

To provide for the extension of Headstart, community action, community economic development, and other programs under the Economic Opportunity Act of 1964, to provide for increased involvement of State and local governments in anti-poverty efforts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Headstart, Economic Opportunity, and Community Partnership Act of 1974". Headstart, Economic Opportunity, and Community Partnership Act of 1974. 42 USC 2701 note.

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to extend programs under the Economic Opportunity Act of 1964, including Headstart, community action, and community economic development programs; and to provide for increased involvement of State and local governments in anti-poverty efforts by authorizing a community partnership program. 42 USC 2706 note. 42 USC 2701 note.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

SHORT TITLE AND DEFINITIONS

SEC. 3. The Economic Opportunity Act of 1964 is amended by adding after section 2 the following new sections:

"SHORT TITLE

Community Services Act of 1974.
42 USC 2701 note.

"SEC. 101. This title and titles II through IX of this Act may be cited as the 'Community Services Act of 1974'.

"DEFINITIONS

42 USC 2706.

"SEC. 102. As used in this Act—

"(1) the term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(2) the term 'United States' when used in a geographical sense includes all those places named in the previous sentence and all other places continental or insular, subject to the jurisdiction of the United States;

Post, p. 2292.
42 USC 2861.
Post, p. 2324.

"(3) the term 'financial assistance' when used in title II, part B of title III, and title VIII includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services;

"(4) the term 'Secretary' means the Secretary of Health, Education, and Welfare;

"(5) the term 'Administration' means the Community Services Administration; and

"(6) the term 'Director' means the Director of the Community Services Administration.".

RESEARCH AND DEMONSTRATION PROGRAMS

SEC. 4. Title I of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE II—RESEARCH AND DEMONSTRATIONS

"STATEMENT OF PURPOSE

42 USC 2711.

"SEC. 101. The purpose of the title is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, including persons of limited English-speaking ability, in rural and urban areas to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 102. (a) The Director may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise furthering the purposes of this title. 42 USC 2712.

"(b) The Director shall establish an overall plan to govern the approval of research, demonstration, and pilot projects and the use of all research authority under this title. Such plan shall set forth specific objectives to be achieved and priorities among such objectives. In formulating the plan, the Director shall consult with other Federal agencies for the purpose of minimizing duplication among similar activities or projects and determining whether the findings resulting from any such projects may be incorporated into one or more programs for which those agencies are responsible.

"(c) No project shall be commenced under this section unless a plan setting forth such proposed project has been submitted to the chief executive officer of the State in which the project is to be located and such plan has not been disapproved by him within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title.

"(d) In making grants or contracts under this title, the Director shall give due consideration to requests for funds by applicants receiving financial assistance under this title in any fiscal year shall be made available for programs or projects receiving financial assistance under section 221 or 235 of this Act. 42 USC 2808. *Post*, p. 2296.

"CONSULTATION

"SEC. 103. In carrying out projects under this title, the Director shall, whenever feasible, arrange to obtain the opinions of program participants about the strengths and weaknesses of programs. 42 USC 2713.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 104. (a) The Director shall make a public announcement concerning— 42 USC 2714.

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this title; and

"(2) the results, findings, data, or recommendations made or reported as a result of such research, demonstration, or pilot project.

"(b) The public announcements required by subsection (a) of this section shall be made within thirty days of making any such grant or contract, and the public announcements required by subsection (b) of this section shall be made within thirty days of the receipt of such results, findings, data, or recommendations.

"(c) The Director shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this title shall become the property of the United States.

Studies, submittal to congressional committees.

"(d) The Director shall publish studies of the results of activities carried out pursuant to this title not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such studies.

"PROHIBITION OF FEDERAL CONTROL

42 USC 2715.

"SEC. 105. Nothing contained in this title shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system."

COMMUNITY ACTION PROGRAMS

42 USC 2790.

SEC. 5. (a) Section 210 of the Economic Opportunity Act of 1964 is amended—

(1) in subsection (a) thereof, by inserting "or an Indian tribal government," before the word "which" the second place it appears therein; and

(2) by repealing subsection (f) thereof.

(b) Section 210 of such Act is further amended by adding at the end thereof the following new subsection

Delegation of functions.

"(f) In carrying out his responsibilities under this part the Director may delegate functions other than policymaking functions and the final approval of grants and contracts to a State, in accordance with criteria and guidelines established by him, such functions as he deems appropriate, except that no such delegation shall take place unless all the community action agencies within such State formally indicate their approval of such proposed delegation, except that whenever such delegated functions include the authority to approve programs within such State the Director shall make available to the State, in addition to an amount not less than the amount made available to such State for State agency assistance under section 231 in the previous fiscal year, an amount in each fiscal year equal to such State's share (as determined by the formula set forth in the second sentence of section 235(a)) of the aggregate amount made available during the fiscal year ending June 30, 1974, for the operation of regional offices of the Office of Economic Opportunity.".

42 USC 2824.

Post, p. 2296.

Repeals.
42 USC 2809.

(c)(1) Paragraph (1) of section 222(a) of such Act is repealed.

(2) Paragraph (2) of section 222(a) of such Act is repealed.

(3) Paragraph (6) of section 222(a) of such Act is repealed.

(4) Paragraph (8) of section 222(a) of such Act is repealed.

(5) Paragraph (9) of section 222(a) of such Act is repealed.

(d)(1) Section 222(a) of the Economic Opportunity Act of 1964 is amended by inserting after paragraph (11) the following:

Emergency Energy Conservation Services.

"(12) a program to be known as 'Emergency Energy Conservation Services' designed to enable low-income individuals and families,

including the elderly and the near poor, to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption. The Director is authorized to provide financial and other assistance for programs and activities, including, but not limited to, an energy conservation and education program; winterization of old or substandard dwellings, improved space conditioning, and insulation; emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with increased housing expenses relating to the energy crisis; alternative fuel supplies, special fuel voucher or stamp programs; alternative transportation activities designed to save fuel and assure continued access to training, education, and employment; appropriate outreach efforts; furnishing personnel to act as coordinators, providing legal or technical assistance, or otherwise representing the interests of the poor in efforts relating to the energy crisis; nutrition, health, and other supportive services in emergency cases; and evaluation of programs and activities under this paragraph. Such assistance may be provided as a supplement to any other assistance extended under the provisions of this Act or under other provisions of Federal law. The Director, after consultation with the Administrator of the Federal Energy Office and appropriate Federal departments and agencies shall establish procedures and take other appropriate action necessary to insure that the effects of the energy crisis on low-income persons, the elderly, and the near poor are taken into account in the formulation and administration of programs relating to the energy crisis.

Summer Youth Recreation.

"(13) A program to be known as 'Summer Youth Recreation' designed to provide recreational opportunities for low-income children during the summer months. Funds made available for this section shall be allocated by the Director, after consultation with the Secretary of Labor, among prime sponsors and other agencies designated under title I of the Comprehensive Employment and Training Act of 1973 on the basis of (1) the relative number of public assistance recipients in the area served by such prime sponsor or agency, as compared to the Nation; (2) the relative number of unemployed persons in such area as compared with the Nation; and (3) the relative number of related children living with families with incomes below the poverty line in such area, as compared to the Nation. That part of any allotment which the Director determines will not be needed may be reallotted, at such dates during the fiscal year as the Director may fix, to the extent feasible, in proportion to the original allotments. In making allocations under this section, the Director shall insure, to the maximum extent possible, that for the program commencing in the fiscal year ending June 30, 1975, and for the program in each succeeding fiscal year no prime sponsor or other designated agency shall receive an amount less than the amount received for such programs during the fiscal year ending June 30, 1973, or the fiscal year ending June 30, 1974, whichever is higher.

29 USC 811.

(2) Section 226(d) and section 228(c) are each amended by striking out "shall make whatever arrangements are necessary" and inserting in lieu thereof "is authorized to make whatever arrangements are necessary".

42 USC 2813, 2815.

(e)(1) Section 225(a) of the Economic Opportunity Act of 1964 is amended by striking out the third sentence thereof and inserting in lieu thereof the following: "The remainder shall be allotted among the States, in accordance with the latest available data, so that equal

42 USC 2812.

proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the relative number of unemployed persons in each State as compared to all States, and (3) the relative number of related children living with families with incomes below the poverty line in each State as compared to all States. For purposes of this subsection, the Director shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census. The Director shall insure that for the fiscal year ending June 30, 1975, and for each succeeding fiscal year, no State shall be allotted for programs under section 221 and section 222(a) an amount which is less than the amount received for use within such State for programs described in such sections during the fiscal year ending June 30, 1974.".

42 USC 2808.
Ante, p. 2294.

42 USC 2812.

(2) Section 225(c) of such Act is amended by striking out "shall not exceed 90 per centum of the approved cost of the assisted programs or activities and thereafter shall not exceed 80 per centum of such costs" and inserting in lieu thereof the following: "shall not exceed 80 per centum of the approved cost of the assisted programs or activities with respect to fiscal year 1975, and 70 per centum of such costs with respect to fiscal year 1976, and shall not exceed 60 per centum of such costs with respect to fiscal year 1977, except that in the case of community action agencies receiving such financial assistance annually of $300,000 or less, such financial assistance shall not exceed 75 per centum of such costs with respect to fiscal year 1976, and shall not exceed 70 per centum of such costs with respect to fiscal year 1977".

(f) The Economic Opportunity Act of 1964 is further amended by inserting after section 234 thereof the following new sections:

"DEMONSTRATION COMMUNITY PARTNERSHIP AGREEMENTS

42 USC 2828.

"SEC. 235. (a) The Director may provide financial assistance from funds appropriated to carry out this section to community action agencies or public or private nonprofit agencies designated under section 210 for programs authorized under this title, and to State economic opportunity offices for programs and activities authorized under section 231(a). Financial assistance extended to a community action agency or other agency pursuant to this section may be used for new programs or to supplement existing programs and shall not exceed 50 per centum of the cost of such new or supplemental programs.

42 USC 2790.

42 USC 2824.

"(b) Matching local and State funds supplied under this section shall be in cash and shall represent State and local initiatives newly obligated within the previous year to the purposes of the grant-supported activity; and no program shall be approved for assistance under this section unless the Director satisfies himself (1) that the activities to be carried out under such program will be in addition to, and not in substitution for, activities previously carried on without Federal assistance, (2) that funds or other resources devoted to programs designed to meet the needs of the poor within the community, area, or State will not be diminished in order to provide the contributions required under this section. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may adopt and promulgate establishing objective criteria for determinations covering situations where a strict application of that requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes sought to be achieved.

"(c) The provisions of section 242 of this Act shall not apply to assistance provided under this section. 42 USC 2834.

"INTERGOVERNMENTAL ADVISORY COUNCIL ON COMMUNITY SERVICES

"SEC. 236. (a) There shall be established within the Office of Economic Opportunity or successor authority an Intergovernmental Advisory Council on Community Services (referred to in this section as the 'Council'). Establishment. 42 USC 2829.

"(b) The Council shall be composed of nine members who shall be appointed by the President as follows: Membership.

"(i) Three members shall be appointed from among representatives of States and county and municipal governments or organizations which represent such governmental units, selected on an equitable political and geographic basis after considering recommendations made by the National Governors' Conference, the National League of Cities-United States Conference of Mayors, the National Association of Counties and similar organizations representative of State and local government.

"(ii) Three members shall be appointed from among representatives of community action agencies and other grantees under this Act or organizations which represent such agencies and grantees, selected on an equitable political and greographic basis after considering recommendations previously made by the Director of the Office of Economic Opportunity.

"(iii) Three members shall be appointed from among representatives of labor, management, and other sectors which have demonstrated active interest in community action and antipoverty programs.

"(c) The Council shall—

"(1) encourage the formation of community partnership agreements;

"(2) review the substance of such agreements and any regulations, guidelines, or other program criteria with respect thereto and advise the Director thereon prior to final approval thereof;

"(3) evaluate the effectiveness of such agreements in meeting the purposes of this Act;

"(4) conduct a continuing survey throughout the Nation on the extent to which, and terms under which, public and private resources have been and may be available for antipoverty efforts;

"(5) identify and encourage means of increasing resources available for such activities; and

"(6) submit annual reports to the President and to the Congress on or before March 1, 1976, and March 1, 1977, with respect to its activities and findings, together with such recommendations for legislation as it may deem appropriate. Reports to President and Congress.

"(d) The Director shall provide the Council with such information as shall be necessary for the Council to discharge its functions under this section and shall furnish the Council with copies of all grant applications within ten days of receipt thereof.

"FUNDS AVAILABLE

"SEC. 237. There is also authorized to be appropriated not to exceed $50,000,000 to carry out section 235 during the fiscal year 1975, and such sums as may be necessary during each of the two succeeding fiscal years, except that in no event may more than 12½ per centum of such additional amounts be used in any one State." 42 USC 2830. *Ante*, p. 2296.

ASSISTANCE FOR MIGRANT AND OTHER SEASONALLY EMPLOYED FARMWORKERS AND THEIR FAMILIES

42 USC 2862.

SEC. 6. (a) Section 312(b)(3) of the Economic Opportunity Act of 1964 is amended by striking out "and training" and inserting in lieu thereof "and developmental programs".

(b) The Economic Opportunity Act of 1964 is further amended by inserting after section 314 thereof the following new section:

"SPECIAL RESPONSIBILITIES

42 USC 2865.

"SEC. 315. The Director shall be responsible for coordinating programs under this part with other Federal programs designed to assist or serve migrant and seasonal farmworkers, and for reviewing and monitoring such programs."

42 USC 2865 note.

42 USC 2861.

(c) In providing financial assistance under the provisions of part B of title III of the Economic Opportunity Act of 1964, the Director shall give special consideration to any public or private nonprofit agency which has previously received financial assistance thereunder for the provision of services for migrant and other seasonally employed farmworkers and their families, taking into account financial assistance provided to any such agency under section 303 of the Comprehensive Employment and Training Act of 1973.

29 USC 873.

COMPREHENSIVE HEALTH SERVICES

SEC. 7. Title IV of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE IV—COMPREHENSIVE HEALTH SERVICES

"COMPREHENSIVE HEALTH SERVICES

Establishment.
42 USC 2901.

"SEC. 401. (a) The Secretary shall establish within the Department of Health, Education, and Welfare a 'Comprehensive Health Services' program which shall include—

"(1) programs to aid in developing and carrying out comprehensive health services projects focused upon the needs of urban and rural areas having high concentrations or proportions of poverty and marked inadequacy of health services for the poor. These projects shall be designed—

"(A) to make possible, with maximum feasible use of existing agencies and resources, the provision of comprehensive health services, such as preventive medical, diagnostic, treatment, rehabilitation, family planning, narcotic addiction and alcoholism prevention and rehabilitation, mental health, dental, and followup services, together with necessary related facilities and services, except in rural areas where the lack of even elemental health services and personnel may require simpler, less comprehensive services to be established first; and

"(B) to assure that these services are made readily accessible to low-income residents of such areas, are furnished in a manner most responsive to their needs and with their participation and wherever possible are combined with, or included within, arrangements for providing employment, education, social, or other assistance needed by the families and individuals served except that pursuant to such regula-

tions as the Secretary of Health, Education, and Welfare may prescribe, persons provided assistance through programs assisted under this paragraph who are not members of low-income families may be required to make payment, or have payment made in their behalf, in whole or in part for such assistance; and

"(2) programs to provide financial assistance to public or private agencies to projects designed to develop knowledge or enhance skills in the field of health services for the poor. Such projects shall encourage both prospective and practicing health professionals to direct their talents and energies toward providing health services for the poor.

Funds for financial assistance under paragraph (1) of this subsection shall be allotted according to need, and capacity of applicants to make rapid and effective use of that assistance, and may be used as necessary, to pay the full costs of projects. Before approving any project, the Secretary shall solicit and consider the comments and recommendations of the local medical associations in the area and shall consult with appropriate Federal, State, and local health agencies and take such steps as may be required to assure that the program will be carried on under competent professional supervision and that existing agencies providing related services are furnished all assistance needed to permit them to plan for participation in the program and for the necessary continuation of those related services. In carrying out the provisions of paragraph 2 of this subsection, the Secretary is authorized to provide or arrange for training and study in the field of health services for the poor.

"(c) Pursuant to regulations prescribed by him, the Secretary may arrange for the payment of stipends and allowances (including travel and subsistence expenses) for persons undergoing such training and study and for their dependents.

"(d) The Secretary shall achieve effective coordination of programs and projects authorized under this section with other related activities.

"DRUG REHABILITATION AND ALCOHOLIC COUNSELING PROGRAMS

"SEC. 402. In addition to the authority conferred under section 401 of this title the Secretary is authorized, as part of the Comprehensive Health Services program, to carry out the following programs: 42 USC 2902.

"(1) An 'Alcoholic Counseling and Recovery' program designed to discover and treat the disease of alcoholism. Such program should be community based, serve the objective of the maintenance of the family structure as well as the recovery of the individual alcoholic, encourage the use of neighborhood facilities and the services of recovered alcoholics as counselors, and emphasize the reentry of the alcoholic into society rather than the institutionalization of the alcoholic.

"(2) A 'Drug Rehabilitation' program designed to discover the causes of drug abuse and addiction, to treat narcotic and drug addiction and the dependence associated with drug abuse, and to rehabilitate the drug abuser and drug addict. Such program should deal with the abuse or addiction resulting from the use of narcotic drugs such as heroin, opium, and cocaine, stimulants such as amphetamines, depressants, marihuana, hallucinogens, and tranquilizers. Such program should be community based, serve the objective of the maintenance of the family structure as well as the recovery of the individual drug abuser or addict, encourage the use of neighborhood facilities and the services of recovered drug abusers and addicts as counselors, and emphasize the reentry of the drug abuser and addict into society rather

than his institutionalization. The Director is authorized to undertake special programs aimed at promoting employment opportunities for rehabilitated addicts or addicts enrolled and participating in methadone maintenance treatment or therapeutic programs, and assisting employers in dealing with addiction and drug abuse and dependency problems among formerly hardcore unemployed so that they can be maintained in employment. In undertaking such programs, the Director shall give special priority to veterans and employers of significant numbers of veterans, with priority to those areas within the States having the highest percentages of addicts. The Director is further authorized to establish procedures and policies which will allow clients to complete a full course of rehabilitation even though they become non-low-income by virtue of becoming employed as a part of the rehabilitation process but there shall be no change in income eligibility criteria for initial admission to treatment and rehabilitation programs under this Act."

HEADSTART AND FOLLOW THROUGH

SEC. 8. (a) Title V of the Economic Opportunity Act of 1964 is amended by striking out the heading thereof and all of such title preceding part B thereof (which is hereby redesignated as part D) and inserting in lieu thereof the following:

Headstart-Follow Through Act.

"TITLE V—HEADSTART AND FOLLOW THROUGH

"SHORT TITLE

42 USC 2921.

"SEC. 501. This title may be cited as the "Headstart-Follow Through Act" (hereinafter in this title referred to as the "Act").

"STATEMENT OF PURPOSE

42 USC 2922.

"SEC. 502. In recognition of the role which Project Headstart has played in the effective delivery of comprehensive health, educational, nutritional, social, and other services to economically disadvantaged children and their families, the Act extends the authority for appropriation of funds for that program.

"POLICY WITH RESPECT TO INDIAN AND MIGRANT CHILDREN

42 USC 2923.

"SEC. 503. In carrying out the purposes of part A the Secretary shall continue the administrative arrangement responsible for meeting the needs of migrant and Indian children and shall assure that appropriate funding is provided to meet such needs.

"PART A—HEADSTART PROGRAMS

"FINANCIAL ASSISTANCE FOR HEADSTART PROGRAMS

42 USC 2928.

"SEC. 511. The Secretary may, upon application by an agency which is eligible for designation as a Headstart agency pursuant to section 514, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a Headstart program focused primarily upon children from low-income families who have not reached the age of compulsory school attendance which (1) will provide such comprehensive health, nutritional, educational, social, and other services as will aid the children to attain their full potential, and (2) will provide for direct participation of the parents of such children in the development, conduct, and overall program direction at the local level.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 512. There are authorized to be appropriated for carrying out the purposes of this part such sums as may be necessary for fiscal years 1975 through 1977. 42 USC 2928a.

"ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

"SEC. 513. (a) Of the sums appropriated pursuant to section 512 for any fiscal year beginning after June 30, 1975, the Secretary shall allot not more than 2 per centum among Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs. In addition, the Secretary shall reserve not more than 20 per centum of the sums so appropriated for use in accordance with such criteria and procedures as he may prescribe. The remainder shall be allotted among the States, in accordance with the latest satisfactory available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, and (2) the relative number of related children living with families with incomes below the poverty line in each State as compared to all States; but there shall be made available, for use by Headstart programs within each State, no less funds for any fiscal year than were obligated for use by Headstart programs within such State with respect to fiscal year 1975. Allocation of such increases within each State shall, to the extent feasible, be made in such manner as to reflect the proportionate increases in program costs incurred by grantees, in accordance with regulations which the Secretary shall prescribe for this purpose. For the purpose of this subsection, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census. 42 USC 2928b.

"(b) Financial assistance extended under this part for a Headstart program shall not exceed 80 per centum of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 per centum of the approved costs of programs or activities assisted under this part.

"(c) No programs shall be approved for assistance under this part unless the Secretary is satisfied that the services to be provided under such program will be in addition to, and not in substitution for, comparable services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may prescribe.

"(d) The Secretary shall establish policies and procedures designed to assure that for fiscal year 1975 not less than 10 per centum of the total number of enrollment opportunities in Headstart programs in the Nation shall be available for handicapped children and that for fiscal year 1976 and thereafter no less than 10 per centum of the total number of enrollment opportunities in Headstart programs in each State shall be available for handicapped children (as defined in paragraph (1) of section 602 of the Education of the Handicapped Act) and that services shall be provided to meet their special needs. The Secretary shall report to the Congress at least annually on the status of handicapped children in Headstart programs, including the number of children being served, their handicapping conditions, and the services being provided such children. Handicapped children. 20 USC 1401. Report to Congress.

"(e) The Secretary shall adopt appropriate administrative measures to assure that the benefits of this part will be distributed equitably between residents of rural and urban areas.

"DESIGNATION OF HEADSTART AGENCIES

42 USC 2928c.

"SEC. 514. (a) The Secretary is authorized to designate as a Headstart agency any local public or private nonprofit agency which (1) has the power and authority to carry out the purposes of this part and perform the functions set forth in section 515 within a community, and (2) is determined by the Secretary to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a Headstart program.

"(b) For the purposes of this title, a community may be a city, county, multicity, or multicounty unit within a State, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organization base and possesses the commonality of interest needed to operate a Headstart program.

Priority.

"(c) In the administration of the provisions of this section, the Secretary shall give priority in the designation of Headstart agencies to any local public or private nonprofit agency which is receiving funds under any Headstart program on the date of the enactment of this Act, except that the Secretary shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the Secretary.

"POWERS AND FUNCTIONS OF HEADSTART AGENCIES

42 USC 2928d.

"SEC. 515. (a) In order to be designated as a Headstart agency under this part, an agency must have authority under its charter or applicable law to receive and administer funds under this part, funds and contributions from private or local public sources which may be used in support of a Headstart program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency (as the case may be) organized in accordance with this part, could act as grantee, contractor, or sponsor of projects appropriate for inclusion in a Headstart program. Such an agency must also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. This power to transfer funds and delegate powers must include the power to make transfers and delegations covering component projects in all cases where this will contribute to efficiency and effectiveness or otherwise further program objectives.

"(b) In order to be so designated, a Headstart agency must also (1) establish effective procedures by which parents and area residents concerned will be enabled to influence the character of programs affecting their interests, (2) provide for their regular participation in the implementation of such programs, and (3) provide technical and other support needed to enable parents and area residents to secure on their own behalf available assistance from public and private sources.

"SUBMISSION OF PLANS TO GOVERNORS

42 USC 2928e.

"SEC. 516. In carrying out the provisions of this part, no contract, agreement, grant, or other assistance shall be made for the purpose of carrying out a Headstart program within a State unless a plan

setting forth such proposed contract, agreement, grant, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Secretary and found by him to be fully consistent with the provisions and in furtherance of the purposes of this part. Funds to cover the costs of the proposed contract, agreement, grant, or other assistance shall be obligated from the appropriation which is current at the time the plan is submitted to the Governor. This section shall not, however, apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of enactment of this Act.

"ADMINISTRATIVE REQUIREMENTS AND STANDARDS

"SEC. 517. (a) Each Headstart agency shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this part and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulations, or agency policy. Each agency shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate community groups and reasonable public access to books and records of the agency or other agencies engaged in program activities or operations involving the use of authority or funds for which it is responsible. Each such agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits; to assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness; to guard against personal or financial conflicts of interests; and to define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

42 USC 2928f.

Public access to information.

"(b) No financial assistance shall be extended under the Act in any case in which the Secretary determines that the costs of developing and administering a program assisted under the Act exceed 15 per centum of the total costs, including non-Federal contributions to such costs, of such program. The Secretary shall establish by regulation, criteria for determining (i) the costs of developing and administering such program and (ii) the total costs of such program. In any case in which the Secretary determines that the cost of administering such program does not exceed 15 per centum and such total costs but is, in his judgment, excessive, he shall forthwith require the recipient of such financial assistance to take such steps prescribed by him as will eliminate such excessive administrative cost, including the sharing by one or more Headstart agencies of a common director and other administrative personnel. The Secretary may waive the limitation prescribed by this paragraph for specific periods of time not to exceed six months

whenever he determines that such a waiver is necessary in order to carry out the purposes of the Act.

Rules and regulations.

"(c) The Secretary shall prescribe rules or regulations to supplement subsection (a) of this section, which shall be binding on all agencies carrying on Headstart program activities with financial assistance under this part. He may, where appropriate, establish special or simplified requirements for smaller agencies or agencies operating in rural areas. Policies and procedures shall be established to insure that indirect costs attributable to the common or joint use of facilities and services by programs assisted under this part and other programs shall be fairly allocated among the various programs which utilize such facilities and services.

Publication in Federal Register.

"(d) At least thirty days prior to their effective date, all rules, regulations, guidelines, instructions, and application forms shall be published in the Federal Register and shall be sent to each grantee with the notification that each such grantee has the right to submit comments pertaining thereto to the Secretary prior to the final adoption thereof.

"PARTICIPATION IN HEADSTART PROGRAMS

42 USC 2928g.

"SEC. 518. (a) The Secretary shall by regulation prescribe eligibility for the participation of persons in Headstart programs assisted under this part. Such criteria may provide (1) that children from low-income families shall be eligible for participation in programs assisted under this part if their families are below the poverty line, or if their families are eligible or in the absence of child care would potentially be eligible for public assistance; and (2) pursuant to such regulations as the Secretary shall prescribe that programs assisted under this part may include, to a reasonable extent, participation of children in the area served who would benefit from such programs but whose families do not meet the low-income criteria prescribed pursuant to clause (1).

"(b) The Secretary shall not prescribe any fee schedule or otherwise provide for the charging of any fees for participation in Headstart programs, unless such fees are authorized by legislation hereafter enacted. Nothing in this subsection shall be construed to prevent the families of children who participate in Headstart programs and who are willing and able to pay the full cost of such participation from doing so.

"APPEALS, NOTICE, AND HEARING

42 USC 2928h.

"SEC. 519. The Secretary shall prescribe procedures to assure that—

"(1) special notice of and an opportunity for a timely and expeditious appeal to the Secretary will be provided for an agency or organization which desires to serve as a delegate agency under this part and whose application to the Headstart agency has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Secretary, in accordance with regulations which he shall prescribe;

"(2) financial assistance under this part shall not be suspended, except in emergency situations, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(3) financial assistance under this part shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

"RECORDS AND AUDITS

"SEC. 520. (a) Each recipient of financial assistance under this part shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. 42 USC 2928i.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this part.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 521. The Secretary may provide, directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel needed in connection with Headstart programs. 42 USC 2928j.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 522. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this part. 42 USC 2928k.

"(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, or pilot projects and the use of all research authority under this part. Such plan shall set forth specific objectives to be achieved and priorities among such objectives.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS CONTRACTS

"SEC. 523. (a) The Secretary shall make a public announcement concerning— 42 USC 2928l.

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this title; and

"(2) the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a) of this section shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (b) of this section shall be made within thirty days of the receipt of such results.

"(c) The Director shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this title shall become the property of the United States.

"(d) The Director shall publish studies of the results of activities carried out pursuant to this title not later than ninety days after the

Studies, submittal to congressional committees.

completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such studies.

"EVALUATION

42 USC 2928m.

"SEC. 524. (a) The Secretary shall provide, directly or through grants or contracts, for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of programs authorized by this part, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluation.

"(b) Prior to obligating funds for the programs and projects covered by this part with respect to fiscal year 1976, the Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this part. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this part.

"(c) In carrying out evaluations under this part, the Secretary may require Headstart agencies to provide for independent evaluations.

"(d) In carrying out evaluations under this part, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this part about such programs and projects.

Studies and summaries, submittal to congressional committees.

"(e) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"(f) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this part shall become the property of the United States.

"POVERTY LINE

42 USC 2928n.

"SEC. 525. (a) The Secretary shall revise annually (or at any shorter interval he deems feasible and desirable) a poverty line which, except as provided in section 711, shall be used as a criterion of eligibility for participation in Headstart programs.

Post, p. 2316.

"(b) The revision required by subsection (a) of this section shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

"(c) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary Consumer Price Index data becomes available.

"PART B—FOLLOW THROUGH PROGRAMS

"FINANCIAL ASSISTANCE FOR FOLLOW THROUGH PROGRAMS

42 USC 2929.

"SEC. 551. (a)(1) The Secretary is authorized to provide financial assistance in the form of grants to local educational agencies, combinations of such agencies, and, as provided in paragraph (2) of this

subsection, any other public or appropriate nonprofit private agencies, organizations, and institutions for the purpose of carrying out Follow Through programs focused primarily on children from low-income families in kindergarten and primary grades, including such children enrolled in private nonprofit elementary schools, who were previously enrolled in Headstart or similar programs.

"(2) Whenever the Secretary determines (A) that a local educational agency receiving assistance under paragraph (1) is unable or unwilling to include in a Follow Through program children enrolled in nonprofit private schools who would otherwise be eligible to participate therein, or (B) that it is otherwise necessary in order to accomplish the purposes of this section, he may provide financial assistance for the purpose of carrying out a Follow Through program to any other public or appropriate nonprofit private agency, organization, or institution.

"(3) Programs to be assisted under this section shall provide such comprehensive services as the Secretary determines will aid in the continued development of children described in paragraph (1) to their full potential. Such projects shall provide for the direct participation of the parents of such children in the development, conduct, and overall direction of the program at the local level. If the Secretary determines that participation in the project of children who are not from low-income families will serve to carry out the purposes of this section, he may provide for the inclusion of such children from non-low-income families, but only to the extent that their participation will not dilute the effectiveness of the services designed for children described in paragraph (1) of this subsection.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 552. (a) There are authorized to be appropriated for carrying out the purposes of this part $60,000,000 for the fiscal year 1975, and for each of the two succeeding fiscal years. Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated. 42 USC 2929a.

"(b) Financial assistance extended under this part for a Follow Through program shall not exceed 80 per centum of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 per centum of the approved costs of programs or activities assisted under this part.

"(c) No project shall be approved for assistance under this part unless the Secretary is satisfied that the services to be provided under such project will be in addition to, and not in substitution for, services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may adopt.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS; EVALUATION; AND TECHNICAL ASSISTANCE ACTIVITIES

"SEC. 553. (a) In conjunction with other activities authorized by this part, the Secretary may— 42 USC 2929b.

"(1) provide financial assistance, by contract or otherwise, for research, demonstration, or pilot projects conducted by public

or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this part;

"(2) provide, directly or through grants or contracts, for the continuing evaluation of projects assisted under this part, including evaluations that describe and measure the impact of such projects, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such projects, which evaluations shall be conducted by persons not directly involved in the administration of the project evaluated; and

"(3) provide, directly or through grants or other appropriate arrangements, (A) technical assistance to Follow Through programs in developing, conducting, and administering programs under this part, and (B) training for specialized or other personnel which is needed in connection with Follow Through programs.

"SPECIAL CONDITIONS

42 USC 2929c.

"SEC. 554. (a) Recipients of financial assistance under this part shall provide maximum employment opportunities for residents of the area to be served, and to parents of children who are participating in projects assisted under this part.

"(b) Financial assistance under this part shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations, nor shall an application for refunding be denied, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

"(c) Financial assistance under this part shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

"PART C—GENERAL PROVISIONS

"DEFINITIONS

42 USC 2930.

"SEC. 571. As used in this title, the term—

"(1) 'Secretary' means the Secretary of Health, Education, and Welfare;

"(2) 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands; except that when used in section 513(a) of this title, the term means only a State, Puerto Rico, or the District of Columbia; and

Ante, p. 2301.

"(3) 'financial assistance' includes assistance provided by grant, agreement, or contract, and payments may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

"LABOR STANDARDS

42 USC 2930a.

"SEC. 572. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under this title shall be paid wages at rates not less

than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(C)).

40 USC 276a note.

5 USC app.

40 USC 276c.

"COMPARABILITY OF WAGES

"SEC. 573. (a) The Secretary shall take such action as may be necessary to assure that persons employed in carrying out programs financed under this title shall not receive compensation at a rate which is (1) in excess of the average rate of compensation paid in the area where the program is carried out to a substantial number of the persons providing substantially comparable services, or in excess of the average rate of compensation paid to a substantial number of the persons providing substantially comparable services in the area of the person's immediately preceding employment, whichever is higher, or (2) less than the minimum wage rate prescribed in section 6(a)(1) of the Fair Labor Standards Act of 1938.

42 USC 2930b.

29 USC 206.

"NONDISCRIMINATION PROVISIONS

"SEC. 574. (a) The Secretary shall not provide financial assistance for any program, project, or activity under this title unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs.

42 USC 2930c.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this title. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this title.

42 USC 2000d-1.

42 USC 2000d-2.

"LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL ACTIVITIES

"SEC. 575. No individual employed or assigned by any Headstart agency or other agency assisted under this title shall, pursuant to or during the performance of services rendered in connection with any program or activity conducted or assisted under this part by such Headstart agency or such other agency, plan, initiate, participate in, or otherwise aid or assist in the conduct of any unlawful demonstration, rioting, or civil disturbance.

42 USC 2930d.

"POLITICAL ACTIVITIES

"SEC. 576. (a) For purposes of chapter 15 of title 5 of the United States Code any agency which assumes responsibility for planning, developing, and coordinating Headstart programs and receives assist-

42 USC 2930e.

5 USC 1501.

5 USC 1502.

ance under this title shall be deemed to be a State or local agency; and for purposes of clauses (1) and (2) of section 1502(a) of such title any agency receiving assistance under this part shall be deemed to be a State or local agency.

"(b) Programs assisted under this title shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or (3) any voter registration activity. The Secretary, after consultation with the Civil Service Commission, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.

"ADVANCE FUNDING

42 USC 2930f.

"SEC. 577. For the purpose of affording adequate notice of funding available under this title, appropriations for carrying out this part are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation."

Infra.

(b) The Economic Opportunity Act of 1964 is further amended by striking out "Director" each place it appears in sections 522 and 523 and inserting in lieu thereof "Secretary", by striking out "and the Secretary of Health, Education, and Welfare" in section 522(d), and by striking out "their jurisdictions" in section 522(d) and inserting in lieu thereof "his jurisdiction".

42 USC 2931-2933.

(c) Sections 521 through 523 of the Economic Opportunity Act of 1964 are redesignated as sections 581 through 583, respectively.

42 USC 5101.

(d)(1) Section 2 of the Child Abuse Prevention and Treatment Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary may carry out his functions under subsection (b) of this section either directly or by way of grant or contract.".

42 USC 5103.

(2) Section 4 of such Act is amended by adding at the end thereof the following new subsection:

"State."

"(e) For the purpose of this section, the term 'State' includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam and the Trust Territories of the Pacific.".

ADMINISTRATION

SEC. 9. (a) Section 601 of the Economic Opportunity Act of 1964 is amended to read as follows:

"COMMUNITY SERVICES ADMINISTRATION

42 USC 2941.
Ante, p. 2291.

"SEC. 601. Upon the date of enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974, there is established within the executive branch an agency known as the 'Community Services Administration' which shall be headed by a Director and which shall be, in all respects and for all purposes, the successor authority to the Office of Economic Opportunity. The Director of the Administration shall be appointed by the President by and with the advice and consent of the Senate. The Director shall be compensated

at a rate equal to the rate in effect for the compensation of the Director of the Office of Economic Opportunity on the date of the enactment of such Act.

"(b) There shall also be in the Administration one Deputy Director and Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may prescribe. The Deputy Director and the Assistant Directors shall be compensated at a rate equal to the rate in effect for the Deputy Director and the Assistant Directors, respectively, of the Office of Economic Opportunity on the date of enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974.

Ante, p. 2291.

"(c) Subject to the provisions of subsection (e) of this section, the Administration shall be an independent agency. The Director shall have the responsibility for carrying out titles I, II, III–B, VI, VII, and IX of this Act. The functions of the Director with respect to carrying out titles I, II (except section 232), III–B, VI, VII, and IX of this Act shall not be delegated to any other officer not directly responsible, both with respect to program operation and administration, to the Director. Beginning after June 15, 1975, the policymaking functions, including the final approval of grants and contracts, of the Director, shall not be delegated to any regional office or official.

Ante, p. 2292.
42 USC 2861, 2941.
Post, p. 2315, 2328.

"(d)(1) All official actions taken by the Director of the Office of Economic Opportunity, his designee, or any other person under the authority of the Economic Opportunity Act of 1964 which are in force on the date of the enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974, and for which there is continuing authority under the provisions of this Act, shall continue in full force and effect until modified, superseded, or revoked by the Director.

42 USC 2701 note.

"(2) All references to the Office of Economic Opportunity, or to the Director of the Office of Economic Opportunity, in any statute, reorganization plan, executive order, regulation, or other official document or proceeding shall, on and after such date, be deemed to refer to the Administration, or to the Director, as the case may be.

"(3) No suit, action, or other proceeding, and no cause of action, by or against the Office of Economic Opportunity, or any action by any officer thereof acting in his official capacity, shall abate by reason of the enactment of the Headstart, Economic Opportunity, and Community Partnership Act of 1974.

"(4) Persons appointed by the President, by and with the advice and consent of the Senate, to positions in the Office of Economic Opportunity, requiring appointment by and with such advice and consent, may, if the President so desires, continue to serve in comparable positions in the Administration; but the President may submit to the Senate nominations for appointment to any or all positions in the Administration, requiring the advice and consent of the Senate.

"(e)(1) After March 15, 1975, the President may submit to the Congress a reorganization plan which, subject to the provisions of paragraph (2) of this subsection, shall take effect if such reorganization plan is not disapproved by enactment of a joint resolution which shall be considered in Congress in accordance with the provisions of paragraph (3) of this subsection and the procedures established with respect to reorganization plans by chapter 9 of title 5, United States Code, except to the extent otherwise provided in this Act.

Reorganization plan, submittal to Congress.

5 USC 901.

"(2) A reorganization plan submitted in accordance with the provisions of paragraph (1) shall provide—

"(A) for establishing in the Department of Health, Education, and Welfare a Community Services Administration—

"(i) which shall be headed by a Director,

"(ii) which shall be the principal agency, and the Director of which shall be the principal officer, for carrying out titles I, II, III-B, VI, and IX of this Act, and which, with respect to such provisions, shall be the successor authority to the Community Services Administration established by subsection (a) of this section,

Ante, p. 2292.
42 USC 2861, 2941.
Post, p. 2328.

"(iii) the Director of which shall be, in the performance of his functions, directly responsible to the Secretary, and

"(iv) in which no policymaking functions, including the final approval of grants or contracts, of the Director shall be delegated to any regional office or official.

"(B) for establishing in the Department of Commerce a Community Economic Development Administration—

"(i) which shall be headed by a Director,

"(ii) which shall be the principal agency, and the Director of which shall be the principal officer, for carrying out title VII of this Act, and which, with respect to such provisions, shall be the successor authority to the Community Services Administration established by subsection (a) of this section,

Post, p. 2315.

"(iii) the Director of which shall be, in the performance of his functions, directly responsible to the Secretary, and

"(iv) in which no policymaking functions, including the final approval of grants or contracts, of the Director shall be delegated to any regional office or official.

"(3) For the purpose of this subsection and chapter 9, title 5, United States Code, to the extent incorporated by this subsection, the following provisions apply:

5 USC 901.

"Resolution."

"(A) The term 'resolution' means a joint resolution the matter after the resolving clause of which is: 'That the Congress of the United States disapproves the Community Services Administration Reorganization Plan transmitted to the Congress by the President on ————, 19—,.' The blank spaces therein are to be appropriately filled.

"(B) If, prior to the passage by one House of the joint resolution of that House with respect to the reorganization plan, such House receives from the other House a joint resolution with respect to the same plan, then the following procedure applies:

"(i) If no resolution of the first House with respect to such plan has been referred to committee, no other resolution with respect to the same plan may be reported or (despite the provisions of section 912(a) of title 5, United States Code) be made the subject of a motion to discharge.

"(ii) If a resolution of the first House with respect to such plan has been referred to committee—

"(I) the procedure with respect to that or other resolutions of such House with respect to such plan which have been referred to committee shall be the same as if no resolution from the other House with respect to such plan had been received; but

"(II) on any vote on final passage of a resolution of the first House with respect to such plan the resolution from the other House with respect to such plan shall be automatically substituted for the resolution of the first House."

"(4) The transfers authorized under subparagraphs (A) and (B) of paragraph (3) of this subsection shall be effective 30 days after the last date on which such reorganization plan could be disapproved under this subsection.

"(f) In the event that the reorganization plan pursuant to subsection (e) takes effect, the Director of the Community Services Administration and the Director of the Community Economic Development Administration shall each be appointed by the President, by and with the advice and consent of the Senate, except that the person serving as Director of the independent Community Services Administration pursuant to the advice and consent of the Senate may, if the President notifies the Congress accordingly, continue to serve as Director of the Community Services Administration within the Department of Health, Education, and Welfare; but the President may in such event submit to the Senate a nomination for such position.

"(g) In the event that the reorganization plan pursuant to subsection (e) of this section takes effect, on the effective date thereof the property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions of the Director of the independent Community Services Administration, established by subsection (a) of this section, shall be transferred to the Director of the Community Services Administration, within the Department of Health, Education, and Welfare and to the Director of the Economic Development Administration within the Department of Commerce, as appropriate. All grants, applications for grants, contracts, and other agreements awarded or entered into by the Director of the independent Community Services Administration shall continue to be recognized so that there is no disruption of ongoing activities for which there is continuing authority.

"(h)(1) In the event that the reorganization plan pursuant to subsection (e) of this section takes effect, on the effective date thereof all Federal personnel employed by the independent Community Services Administration under the authorization and appropriations for the Economic Opportunity Act of 1964, transferred to the Community Services Administration within the Department of Health, Education, and Welfare or to the Community Economic Development Administration within the Department of Commerce shall, to the extent feasible, be assigned to related functions and organizational units in the appropriate Administration, without loss of salary, rank, or other benefits, including the right to representation and to the existing basic collective-bargaining agreement.

42 USC 2701 note.

"(2) In the event that the reorganization plan pursuant to subsection (e) of this section takes effect, on the effective date thereof all official actions taken by the Director of the independent Community Services Administration, his designee, or any other person under the authority of the Economic Opportunity Act of 1964 which are in force on such date, and for which there is continuing authority under the provisions of this Act, shall continue in full force and effect until modified, superseded, or revoked by the Director of the Community Services Administration within the Department of Health, Education and Welfare or the Director of the Community Economic Development Administration within the Department of Commerce, as appropriate.

"(3) In the event that the reorganization plan submitted pursuant to subsection (e) of this section takes effect, on the effective date thereof all references to the independent Community Services Administration or to the Director of that Administration in any statute, reorganization plan, executive order, regulation, or other official docu-

ment or proceeding shall, on and after such date, be deemed to refer to the Community Services Administration within the Department of Health, Education and Welfare, or the Director of the Community Economic Development Administration, in the Department of Commerce as appropriate, or to the Director of either such Administration, as the case may be.

"(4) In the event that the reorganization plan submitted pursuant to subsection (e) of this section takes effect, on the effective date thereof no suit, action, or other proceeding, and no cause of action, by or against the independent Community Services Administration, or any action by any officer thereof acting in his official capacity, shall abate by reason of the taking effect of such plan."

Repeal.
42 USC 2942 note.

(b) Section 28 of the Economic Opportunity Amendments of 1972 (86 Stat. 705, September 19, 1972) is repealed effective on the date on which a reorganization plan is effective under subsection (c) of this section.

42 USC 2701 note.

(c) The Economic Opportunity Act of 1964 is further amended by—

42 USC 2942.

(1) striking out "Office of Economic Opportunity" and "Office" each time that they appear in section 602(d) and inserting in lieu thereof "Community Services Administration";

42 USC 2943.

(2) striking out "Office of Economic Opportunity" in section 603(c) and inserting in lieu thereof "Community Services Administration";

42 USC 2945.

(3) striking out "in the Office" in section 605(a) and inserting in lieu thereof "in the Community Services Administration";

42 USC 2974.

(4) striking out "Office of Economic Opportunity" in section 632(2) and inserting in lieu thereof "Community Services Administration";

42 USC 2979.

(5) striking out "of the Office of Economic Opportunity" in section 637(b)(2), and inserting in lieu thereof "of the Community Services Administration"; and

Repeal.
42 USC 2949.

(6) repealing section 609 of such Act.

(d) Section 625 of the Economic Opportunity Act of 1964 is amended to read as follows:

"CRITERIA FOR DETERMINING ELIGIBILITY

42 USC 2971d.

"SEC. 625. (a) Every agency administering programs authorized by this Act in which the poverty line is a criterion of eligibility shall revise the poverty line at annual intervals, or at any shorter interval it deems feasible and desirable.

"(b) The revision required by subsection (a) of this section shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

"(c) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary consumer price index data becomes available."

"(e) The Economic Opportunity Act of 1964 is further amended by inserting after section 625 the following new sections:

"CRIMINAL PROVISIONS

42 USC 2971f.

"SEC. 626. (a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any agency receiving financial assistance under this Act embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets, or property which are the subject of a grant or contract of

assistance pursuant to this Act, shall be fined not more than $10,000 or imprisoned for not more than two years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(b) Whoever, by threat of procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a grant or contract of assistance under this Act induces any person to give up any money or thing of any value to any person (including such grantee agency), shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"WITHHOLDING CERTAIN FEDERAL TAXES BY ANTIPOVERTY AGENCIES

"SEC. 627. Upon notice from the Secretary of the Treasury or his delegate that any person otherwise entitled to receive a payment made pursuant to a grant, contract, agreement, loan or other assistance made or entered into under this Act is delinquent in paying or depositing (1) the taxes imposed on such person under chapters 21 and 23 of the Internal Revenue Code of 1954, or (2) the taxes deducted and withheld by such person under chapters 21 and 24 of such Code, the Director shall suspend such portion of such payment due to such person, which, if possible, is sufficient to satisfy such delinquency, and shall not make or enter into any new grant, contract, agreement, loan or other assistance under this Act with such person until the Secretary of the Treasury or his delegate has notified him that such person is no longer delinquent in paying or depositing such tax or the Director determines that adequate provision has been made for such payment. In order to effectuate the purpose of this section on a reasonable basis the Secretary of the Treasury and the Director shall consult on a quarterly basis." 42 USC 2971g. 26 USC 3101, 3301. 26 USC 3401.

COMMUNITY ECONOMIC DEVELOPMENT

SEC. 10. (a) Title VII of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE VII—COMMUNITY ECONOMIC DEVELOPMENT

"STATEMENT OF PURPOSE

"SEC. 701. The purpose of this title is to encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits. 42 USC 2981.

"DEFINITION

"SEC. 702. As used in this title the term 'community development corporation' means a nonprofit organization responsible to residents of the area it serves which is receiving financial assistance under part A of this title and any organization more than 50 per centum of which is owned by such an organization, or otherwise controlled by such an organization, or designated by such an organization for the purpose of this title. 42 USC 2981a.

"AUTHORIZATION OF APPROPRIATIONS

42 USC 2981b.

"SEC. 703. For the purpose of carrying out this title, there are authorized to be appropriated $39,000,000 and such additional sums as may be necessary for fiscal year 1975 and such sums as may be necessary for each of the two succeeding fiscal years.

"PART A—URBAN AND RURAL SPECIAL IMPACT PROGRAMS

"STATEMENT OF PURPOSE

42 USC 2982.

"SEC. 711. The purpose of this part is to establish special programs of assistance to nonprofit private locally initiated community development corporations which (1) are directed to the solution of the critical problems existing in particular communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) within those urban and rural areas having concentrations or substantial numbers of low-income persons; (2) are of sufficient size, scope, and duration to have an appreciable impact in such communities, neighborhoods, and rural areas in arresting tendencies toward dependency, chronic unemployment, and community deterioration; (3) hold forth the prospect of continuing to have such impact after the termination of financial assistance under this part, and (4) provide financial and other assistance to start, expand, or locate enterprises in or near the area to be served so as to provide employment and ownership opportunities for residents of such areas, including those who are disadvantaged in the labor market because of their limited speaking, reading, and writing abilities in the English language.

"ESTABLISHMENT AND SCOPE OF PROGRAMS

42 USC 2982a.

"SEC. 712. (a) The Director is authorized to provide financial assistance in the form of grants to nonprofit and for profit community development corporations and other affiliated and supportive agencies and organizations associated with qualifying community development corporations for the payment of all or part of the cost of programs which are designed to carry out the purposes of this part. Financial assistance shall be provided so that each community economic development program is of sufficient size, scope, and duration to have an appreciable impact on the area served. Such programs may include—

"(1) community economic and business development programs, including but not limited to: (A) programs which provide financial and other assistance (including equity capital) to start, expand, or locate businesses in or near the area served so as to provide employment and ownership opportunities for residents of such areas, and (B) programs for small businesses located in or owned by residents of such areas;

"(2) community development including industrial parks and housing activities which contribute to an improved environment and which create new training, employment, and ownership opportunities for residents of such area;

"(3) training and public service employment programs and related services for unemployed or low-income persons which support and complement community development programs financed under this part, including, without limitation, activities such as those described in the Comprehensive Employment and Training Act of 1973; and

29 USC 801 note.

"(4) social service programs which support and complement community economic development programs financed under this part, including but not limited to child care, educational services,

health services, credit counseling, energy conservation, and programs for the maintenance of housing facilities.

"(b) The Director shall conduct programs assisted under this part so as to contribute, on an equitable basis between urban and rural areas, to the elimination of poverty and the establishment of permanent economic and social benefits in such areas.

"FINANCIAL ASSISTANCE REQUIREMENTS

"SEC. 713. (a) The Director, under such regulations as he may establish, shall not provide financial assistance for any community economic development program under this part unless he determines that— 42 USC 2982b.

"(1) such community development corporation is responsible to residents of the area served (i) through a governing body not less than 50 per centum of the members of which are area residents and (ii) in accordance with such other guidelines as may be established by the Director, except that the composition of the governing bodies of organizations owned or controlled by the community development corporation need not be subject to such residency requirement;

"(2) the program will be appropriately coordinated with local planning under this title, with housing and community development programs, with employment and training programs, and with other relevant planning for physical and human resources in the areas served;

"(3) adequate technical assistance is made available and committed to the programs being supported;

"(4) such financial assistance will materially further the purposes of this part;

"(5) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met;

"(6) all projects and related facilities will, to the maximum feasible extent, be located in the areas served;

"(7) projects will, where feasible, promote the development of entrepreneurial and management skills and the ownership or participation in ownership of assisted businesses and housing, cooperatively or otherwise, by residents of the area served;

"(8) projects will be planned and carried out with the fullest possible participation of resident or local businessmen and representatives of financial institutions, including participation through contract, joint venture, partnership, stock ownership or membership on the governing boards or advisory councils of such projects consistent with the self-help purposes of this title;

"(9) no participant will be employed on projects involving political parties, or the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;

"(10) the program will not result in the displacement of employed workers or impair existing contracts for services, or result in the substitution of Federal or other funds in connection with work that would otherwise be performed;

"(11) the rates of pay for time spent in work-training and education, and other conditions of employment, will be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant;

"(12) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;

"(13) preference will be given to low-income or economically disadvantaged residents of the areas served in filling jobs and training opportunities; and

"(14) training programs carried out in connection with projects financed under this part shall be designed wherever feasible to provide those persons who successfully complete such training with skills which are also in demand in communities, neighborhoods, or rural areas other than those for which programs are established under this part.

"(b) Financial assistance under this section shall not be extended to assist in the relocation of establishments from one location to another if such relocation would result in an increase in unemployment in the area of original location.

"(c) The level of financial assistance for related purposes under this Act, or any other program for Federal financial assistance, to the area served by a special impact program shall not be diminished in order to substitute funds authorized by this part.

"FEDERAL SHARE OF PROGRAM COSTS

42 USC 2982c.

"SEC. 714. Federal assistance to any program carried out pursuant to this part, including grants used by community development corporations for capital improvements, shall (1) not exceed 90 per centum of the cost of such program including costs of administration unless the Director determines that the assistance in excess of such percentage is required in furtherance of the purposes of this part, and (2) be made available for deposit to the order of the grantee, under conditions which the Director deems appropriate, within thirty days following approval of the grant agreement by the Director and such grantee of the grant agreement. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. Capital investments made with funds granted as a result of the Federal share of the costs of programs carried out under this title, and the proceeds from such capital investments, shall not be considered Federal property. Upon investment, title rights vest in the community development corporation. The Federal Government retains the right to direct that on severance of the grant relationship the assets purchased continue to be used for the original purpose for which they were granted.

"PART B—SPECIAL RURAL PROGRAMS

"STATEMENT OF PURPOSE

42 USC 2983.

"SEC. 721. It is the purpose of this part to meet the special economic needs of rural communities or areas with concentrations or substantial numbers of low-income persons by providing support to self-help programs which promote economic development and independence, as a supplement to existing similar programs conducted by other departments and agencies of the Federal Government. Such programs should encourage low-income families to pool their talents and resources so as to create and expand rural economic enterprise.

"FINANCIAL ASSISTANCE

42 USC 2983a.

"SEC. 722. (a) The Director is authorized to provide financial assistance, including loans having a maximum maturity of 15 years and in amounts not resulting in an aggregate principal indebtedness of more than $3,500 at any one time, to any low-income rural family where, in the judgment of the Director, such financial assistance has a reasonable possibility of effecting a permanent increase in the income of

such families, or will contribute to the improvement of their living or housing conditions, by assisting or permitting them to—

"(1) acquire or improve real estate or reduce encumbrances or erect improvements thereon;

"(2) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment; or

"(3) participate in cooperative associations, or to finance non-agricultural enterprises which will enable such families to supplement their income.

"(b) The Director is authorized to provide financial assistance to local cooperative associations in rural areas containing concentrations or substantial numbers of low-income persons for the purpose of defraying all or part of the costs of establishing and operating cooperative programs for farming, purchasing, marketing, processing, and to improve their income as producers and their purchasing power as consumers, and to provide such essentials as credit and health services. Costs which may be defrayed shall include but not be limited to—

"(1) administrative costs of staff and overhead;

"(2) costs of planning and developing new enterprises;

"(3) costs of acquiring technical assistance; and

"(4) initial capital where it is determined by the Director that the poverty of the families participating in the program and the social conditions of the rural area require such assistance.

"LIMITATION ON ASSISTANCE

"SEC. 723. (a) No financial assistance shall be provided under this part unless the Director determines that— 42 USC 2983b.

"(1) any cooperative association receiving assistance has a minimum of fifteen active members, a majority of which are low-income rural persons;

"(2) adequate technical assistance is made available and committed to the programs being supported;

"(3) such financial assistance will materially further the purposes of this part; and

"(4) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met.

"(b) The level of financial assistance for related purposes under this Act to the area served by a program under this part shall not be diminished in order to substitute funds authorized by this part.

"PART C—DEVELOPMENT LOANS TO COMMUNITY ECONOMIC DEVELOPMENT PROGRAMS

"DEVELOPMENT LOAN FUND

"SEC. 731. (a) The Director is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations, and families and local cooperatives eligible for financial assistance under this title, for business, housing, and community development projects which the Director determines will carry out the purposes of this part. No loans, guarantees, or other financial assistance shall be provided under this section unless the Director determines that— 42 USC 2984.

"(1) there is reasonable assurance of repayment of the loan;

"(2) the loan is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs; and

"(3) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made.

Interest rate on loans.

Loans made by the Director pursuant to this section shall bear the interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus such additional charge if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes, except that, for the five years following the date in which funds are initially available to the borrower, the rate of interest shall be set at a rate considered appropriate by the Director in light of the particular needs of the borrower which rate shall not be lower than 1 per centum. All such loans shall be repayable within a period of not more than thirty years.

"(b) The Director is authorized to adjust interest rates, grant moratoriums on repayment of principal and interest, collect or compromise any obligations held by him, and to take such other actions in respect to such loans as he shall determine to be necessary or appropriate, consistent with the purposes of this section.

"(c)(1) To carry out the lending and guaranty functions authorized under this part, there shall be established a Development Loan Fund consisting of two separate accounts, one of which shall be a revolving fund called the Rural Development Loan Fund and the other of which shall be a revolving fund called the Community Development Loan Fund. The capital of each such revolving fund shall remain available until expended.

42 USC 2841.

"(2) The Rural Development Loan Fund shall consist of the remaining funds provided for in part A of title III of this Act and such amounts as may be deposited in such Fund by the Director out of funds made available from appropriations for the purposes of carrying out this part. The Director shall utilize the services of the Farmers Home Administration in administering the Fund.

"(3) The Community Development Loan Fund shall consist of such amounts as may be deposited in such fund by the Secretary out of funds made available from appropriations for the purpose of carrying out this subchapter. The Secretary may make deposits in the Community Development Loan Fund in any fiscal year in which he has made available for grants to community development corporations under part B of this title not less than $60,000,000 out of funds made available from appropriations for the purpose of carrying out this title.

Ante, p. 2318.

"ESTABLISHMENT OF MODEL COMMUNITY ECONOMIC DEVELOPMENT FINANCE CORPORATION

42 USC 2984a.

"SEC. 732. (a) To the extent he deems appropriate, the Director shall utilize funds available under this part to prepare a plan of action for the establishment of a Model Community Economic Development Finance Corporation to provide a user-controlled independent and professionally operated long-term financing vehicle with the principal purpose of providing financial support for community economic development corporations, cooperatives, other affiliated and supportive agencies and organizations associated with community economic development corporations, and other entities eligible for assistance under this title.

"(d) Not later than June 1, 1975, the Director shall submit to the appropriate committees of the Congress the plan required by this section.

Plan, submittal to congressional committees.

"PART D—SUPPORTIVE PROGRAMS AND ACTIVITIES

"TRAINING AND TECHNICAL ASSISTANCE

"SEC. 741. (a) The Director shall provide, directly or through grants, contracts or other arrangements, such technical assistance and training of personnel as may be required to effectively implement the purposes of this title. No financial assistance shall be provided to any public or private organization under this section unless the Director provides the beneficiaries of these services with opportunity to participate in the selection of and to review the quality and utility of the services furnished them by such organization.

42 USC 2985.

"(b) Technical assistance to community development corporations and both urban and rural cooperatives may include planning, management, legal preparation of feasibility studies, product development, marketing, and the provision of stipends to encourage skilled professionals to engage in full-time activities under the direction of a community organization financially assisted under this title.

"(c) Training for employees of community development corporations and for employees and members of urban and rural cooperatives shall include, but not be limited to, on-the-job training, classroom instruction, and scholarships to assist them in development, managerial, entrepreneurial, planning, and other technical and organizational skills which will contribute to the effectiveness of programs assisted under this subchapter.

"APPLICATIONS OF OTHER FEDERAL RESOURCES—SMALL BUSINESS ADMINISTRATION PROGRAMS

"SEC. 742. (a)(1) Funds granted under this part which are invested directly or indirectly, in a small business investment company or a local development company, limited small business investment company shall be included as "private paid-in capital and paid-in surplus," "combined paid-in capital and paid-in surplus," and "paid-in capital" for purposes of sections 302, 303, and 502, respectively, of the Small Business Investment Act of 1958.

42 USC 2985a.

15 USC 682, 683, 696.

"(2) Within ninety days of the enactment of this title, the Administrator of the Small Business Administration, after consultation with the Secretary, shall prescribe such regulations as may be necessary and appropriate to insure the availability to community development corporations of such programs as shall further the purposes of this part.

Regulations.

"(b)(1) Areas selected for assistance under this title shall be deemed 'redevelopment areas' within the meaning of section 401 of the Public Works and Economic Development Act of 1965, shall qualify for assistance under the provisions of title I and title II of that Act, and shall be deemed to have met the overall economic development program requirements of section 202(b)(10) of such Act.

Redevelopment areas.
42 USC 3161.
42 USC 3131, 3141.
42 USC 3142.

"(2) Within ninety days of the enactment of this title, the Secretary shall prescribe regulations which will insure that community development corporations and cooperatives shall qualify for assistance and shall be eligible to receive such assistance under all such programs of the Economic Development Administration as shall further the purposes of this title.

"DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS

42 USC 2985b.

"SEC. 743. The Secretary of Housing and Urban Development, after consultation with the Director, shall take all necessary steps to assist community development corporations and local cooperative associations to qualify for and receive (1) such assistance in connection with technical assistance, counseling to tenants and homeowners, and loans to sponsors of low- and moderate-income housing under section 106 of the Housing and Urban Development Act of 1968 as amended by section 811 of the Housing and Community Development Act of 1974, (2) such land for housing and business location and expansion under title I of the Housing and Community Development Act of 1974, and (3) such funds for comprehensive planning under section 701 of the Housing Act of 1954 as amended by section 401 of the Housing and Community Development Act of 1974, as shall further the purposes of this Act.

12 USC 1701x.
Ante, p. 735.
Ante, p. 633.
40 USC 461.
Ante, p. 686.

"DEPARTMENT OF AGRICULTURE AND FARMERS HOME ADMINISTRATION PROGRAMS

42 USC 2985c.

"SEC. 744. (a) The Secretary of Agriculture or, where appropriate, the Administrator of the Farmers Home Administration, after consultation with the Director, shall take all necessary steps to insure that community development corporations and local cooperative associations shall qualify for and shall receive (1) such assistance in connection with housing development under the Housing Act of 1949, (2) such assistance in connection with housing, business, industrial, and community development under the Consolidated Farmers Home Administration Act of 1961 and the Rural Development Act of 1972, and (3) such further assistance under all such programs of the United States Department of Agriculture, as shall further the purposes of this title.

42 USC 1441 note.
7 USC 1921 note.

Report to Congress.

"(b) On or before six months after the enactment of this title, and annually thereafter, the Secretary shall submit to the Congress a detailed report setting forth a description of all Federal agency programs which he finds relevant to achieving the purposes of this part and the extent to which such programs have been made available to community development corporations receiving financial assistance under this part including specifically the availability and effectiveness of programs referred to in subsection (a) of this section. Where appropriate, the report required under this subsection also shall contain recommendations for the more effective utilization of Federal agency programs for carrying out the purposes of this title.

"COORDINATION AND ELIGIBILITY

42 USC 2985d.

"SEC. 745. (a) The Director shall take all necessary and appropriate steps to encourage Federal departments and agencies and State and local governments to make grants, provide technical assistance, enter into contracts, and generally support and cooperate with community development corporations and local cooperative associations.

"(b) Eligibility for assistance under other Federal programs shall not be denied to any applicant on the ground that it is a community development corporation or any other entity assisted under this title.

"EVALUATION AND RESEARCH

42 USC 2985e.

"SEC. 746. (a) Each program for which grants are made under this title shall provide for a thorough evaluation of the effectiveness of the program in achieving its purposes, which evaluation shall be conducted

by such public or private organizations as the Director, in consultation with existing grantees familiar with programs carried out under this Act, may designate, and all or part of the costs of evaluation may be paid from funds appropriated to carry out this part. In evaluating the performance of any community development corporation funded under part A of this title, the criteria for evaluation shall be based upon such program objectives, goals, and priorities as are consistent with the purposes of this title and were set forth by such community development corporation in its proposal for funding as approved and agreed upon by the Director or as subsequently modified from time to time by mutual agreement between the Director and such community development corporation.

"(b) The Director shall conduct, either directly or through grants or other arrangements, research designed to suggest new programs and policies to achieve the purposes of this title in such ways as to provide opportunities for employment, ownership, and a better quality of life for low-income residents.

"PLANNING GRANTS

"SEC. 747. In order to facilitate the purposes of this title, the Director is authorized to provide financial assistance to any public or private nonprofit agency or organization for planning of community economic development programs and cooperative programs under this title. 42 USC 2985f.

"NONDISCRIMINATION PROVISIONS

"SEC. 748. (a) The Director shall not provide financial assistance for any program, project, or activity under this title unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs. 42 USC 2985g.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this title. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this title." 42 USC 2000d-1. 42 USC 2000d-2.

NATIVE AMERICAN PROGRAMS

SEC. 11. The Economic Opportunity Act of 1964 is further amended by inserting after title VII thereof the following new title VIII:

Native American Programs Act of 1974.

"TITLE VIII—NATIVE AMERICAN PROGRAMS

"SHORT TITLE

42 USC 2991.

"SEC. 801. This title may be cited as the 'Native American Programs Act of 1974'.

"STATEMENT OF PURPOSE

42 USC 2991a.

"SEC. 802. The purpose of this title is to promote the goal of economic and social self-sufficiency for American Indians, Hawaiian Natives and Alaskan Natives.

"FINANCIAL ASSISTANCE FOR NATIVE AMERICAN PROJECTS

42 USC 2991b.

"SEC. 803. (a) The Secretary is authorized to provide financial assistance to public and nonprofit private agencies, including but not limited to, governing bodies of Indian tribes on Federal and State reservations, Alaskan Native villages and regional corporations established by the Alaska Native Claims Settlement Act, and such public and nonprofit private agencies serving Hawaiian Natives, and Indian organizations in urban or rural nonreservation areas, for projects pertaining to the purposes of this title. In determining the projects to be assisted under this title, the Secretary shall consult with other Federal agencies for the purpose of eliminating duplication or conflict among similar activities or projects and for the purpose of determining whether the findings resulting from those projects may be incorporated into one or more programs for which those agencies are responsible.

43 USC 1061 note.

"(b) Financial assistance extended to an agency under this title shall not exceed 80 per centum of the approved costs of the assisted project, except that the Secretary may approve assistance in excess of such percentage if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. The Secretary shall not require non-Federal contributions in excess of 20 per centum of the approved costs of programs or activities assisted under this title.

"(c) No project shall be approved for assistance under this title unless the Secretary is satisfied that the activities to be carried out under such project will be in addition to, and not in substitution for, comparable activities previously carried out without Federal assistance, except that the Secretary may waive this requirement in any case in which he determines, in accordance with regulations establishing objective criteria, that application of the requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes of this title.

"TECHNICAL ASSISTANCE AND TRAINING

42 USC 2991c.

"SEC. 804. The Secretary may provide, directly or through other arrangements, (1) technical assistance to public and private agencies in developing, conducting, and administering projects under this title, and (2) short-term in-service training for specialized or other personnel which is needed in connection with projects receiving financial assistance under this title.

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

42 USC 2991d.

"SEC. 805. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot proj-

ects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise furthering the purposes of this title.

"(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, and pilot projects and the use of all research authority under this title. The plan shall set forth specific objectives to be achieved and priorities among such objectives.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, OR PILOT PROJECTS

"SEC. 806. (a) The Secretary shall make a public announcement concerning— 42 USC 2991e.

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency for a research, demonstration, or pilot project; and

"(2) except in cases in which the Secretary determines that it would not be consistent with the purposes of this title, the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a) shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (b) of this section shall be made within thirty days of the receipt of such results.

"SUBMISSION OF PLANS TO STATE AND LOCAL OFFICIALS

"SEC. 807. (a) No financial assistance may be provided to any project under section 803 of this title or any research, demonstration, or pilot project under section 805 of this title, which is to be carried out on or in an Indian reservation or Alaskan Native village, unless a plan setting forth the project has been submitted to the governing body of that reservation or village and the plan has not been disapproved by the governing body within thirty days of its submission. 42 USC 2991f.

"(b) No financial assistance may be provided to any project under section 803 of this title or any research, demonstration, or pilot project under section 805 of this title, which is to be carried out in a State other than on or in an Indian reservation or Alaskan Native village or Hawaiian Homestead, unless the Secretary has notified the chief executive officer of the State of his decision to provide that assistance.

"(c) No financial assistance may be provided to any project under section 803 of this title or any research, demonstration, or pilot project under section 805 of this title, which is to be carried out in a city, county, or other major political subdivision of a State, other than on or in an Indian reservation or Alaskan Native village, or Hawaiian Homestead, unless the Secretary has notified the local governing officials of the political subdivision of his decision to provide that assistance.

"RECORDS AND AUDITS

"SEC. 808. (a) Each agency which receives financial assistance under this title shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by that agency of such financial assistance, the total cost of the project in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project supplied by other 42 USC 2991g.

sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of any agency which receives financial assistance under this title that are pertinent to the financial assistance received under this title.

"APPEALS, NOTICE, AND HEARING

42 USC 2991h.

"SEC. 809. The Secretary shall prescribe procedures to assure that—

"(1) financial assistance under this title shall not be suspended, except in emergency situations, unless the assisted agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance under this title shall not be terminated, and application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the assisted agency has been afforded reasonable notice and opportunity for a full and fair hearing.

"EVALUATION

42 USC 2992.

"SEC. 810. (a) The Secretary shall provide, directly or through grants or contracts, for the evaluation of projects assisted under this title, including evaluations that describe and measure the impact of such projects, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such projects. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluated.

"(b) Prior to obligating funds for the programs and projects covered by this title with respect to fiscal year 1976, the Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this title. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this title.

"(c) In carrying out evaluations under this title, the Secretary may require agencies which receive assistance under this title to provide for independent evaluations.

"(d) In carrying out evaluations under this title, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this title about such programs and projects.

"(e) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

Studies and summaries, submittal to congressional committees.

"(f) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

"LABOR STANDARDS

"SEC. 811. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting or decorating, of buildings or other facilities in connection with projects assisted under this title, shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950, and section 2 of the Act of June 1, 1934.

42 USC 2992a.

40 USC 276a note.

5 USC app.

42 USC 276c.

"DELEGATION OF AUTHORITY

"SEC. 812. (a) The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of his functions, powers, and duties under this title, as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

42 USC 2992b.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this title.

"(c) Funds appropriated for the purpose of carrying out this title may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are authorized and appropriated.

"DEFINITIONS

"SEC. 813. As used in this title, the term—

42 USC 2992c.

"(1) 'financial assistance' includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services;

"(2) 'Indian reservation or Alaskan Native village' includes the reservation of any federally or State recognized Indian tribe, including any band, nation, pueblo, or rancheria, any former reservation in Oklahoma, any community under the jurisdiction of an Indian tribe, including a band, nation, pueblo, or rancheria, with allotted lands or lands subject to a restriction against alienation imposed by the United States or a State, and any lands of or under the jurisdiction of an Alaskan Native village or group, including any lands selected by Alaskan Natives or Alaskan Native organizations under the Alaska Native Claims Settlement Act;

"(3) 'Native Hawaiian' means any individual any of whose ancestors were natives of the area which consists of the Hawaiian Islands prior to 1778.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 814. There are authorized to be appropriated for the purpose of carrying out the provisions of this title, such sums as may be necessary for fiscal years 1975 through 1977."

42 USC 2992d.

EVALUATION

SEC. 12. Title IX of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE IX—EVALUATION

"PROGRAM AND PROJECT EVALUATION

42 USC 2995.

"SEC. 901. (a) (1) The Director shall, directly or through grants or contracts, measure and evaluate the impact of all programs authorized by this Act and of poverty-related programs authorized by other Acts, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluated.

"(2) In carrying out his responsibilities under this section, the Director, in the case of research, demonstrations, and related activities carried out under title I of this Act, shall, after taking into consideration the views of State agencies and community action agencies designated pursuant to section 210 of this Act, on an annual basis—

Ante, p. 2294.

"(A) reassess priorities to which such activities should be directed; and

"(B) review present research, demonstration, and related activities to determine, in terms of the purpose specified for such activities in section 102(a) of this Act, whether and on what basis such activities should be continued, revised, or terminated.

Ante, p. 2292.

Report to congressional committees.

"(3) The Director shall, within 12 months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the determination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendations for additional legislation, as he deems appropriate.

"(b) Prior to obligating funds for the programs and projects covered by this Act with respect to fiscal year 1976, the Director shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this Act. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under any section of this Act. Reports submitted pursuant to section 608 of this Act shall describe the actions taken as a result of these evaluations.

42 USC 2948.

"(c) In carrying out evaluations under this title, the Director shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects, and shall consult, when appropriate, with State agencies and community action agencies designated pursuant to section 210, in order to provide for jointly sponsored objective evaluation studies on a State or areawide basis.

Studies and summaries, submittal to congressional committees.

"(d) The Director shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Director shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"(e) The Director shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

"COOPERATION OF AND CONSULTATION WITH OTHER FEDERAL AGENCIES

"SEC. 902. (a) Such information and cooperation as the Director may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch. 42 USC 2995a.

"(b) In carrying out evaluations under this title, the Director shall consult with the heads of other Federal agencies carrying out activities related to the subject matter of those evaluations.

"EVALUATION BY OTHER ADMINISTERING AGENCIES

"SEC. 903. The head of any agency administering a program authorized under this Act may, with respect to such program, conduct evaluations and take other actions authorized under this title to the same extent and in the same manner as the Director under this part. Nothing in this section shall preclude the Director from conducting such evaluations or taking such actions otherwise authorized under this title with respect to such programs." 42 USC 2995b.

CONGRESSIONAL REVIEW

SEC. 13. (a) The Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor shall conduct joint study which shall include— 42 USC 2981 note.

(1) a consideration of an appropriate administrative agency for the conduct of programs after July 1, 1975, under title VII of the Economic Opportunity Act, *Ante*, p. 2315.

(2) review the extent to which programs and activities conducted under title VII of the Economic Opportunity Act meet the overall need in the Nation for community economic development programs and the resources available from public and private funds in meeting those needs, and

(3) the extent to which there is maximum utilization of the resources of all Federal agencies having responsibilities under title VII of the Economic Opportunity Act, and other public and private agencies and organizations.

(b) The Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor shall submit such reports as they deem appropriate on their findings, together with any recommendations for further legislation, not later than one year after enactment of this title. Report.

EXTENSION OF PROGRAM AUTHORITY

SEC. 14. (a) Sections 245, 321, and 615 of the Economic Opportunity Act of 1964, are each amended by striking out "eight succeeding fiscal years" and inserting in lieu thereof "eleven succeeding fiscal years". 42 USC 2837, 2871, 2965.

(b) Section 523 of such Act (redesignated as section 583 by section 3(c) of this Act) is amended by striking out "seven succeeding fiscal years" and inserting in lieu thereof "ten succeeding fiscal years". 42 USC 2933.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. (a)(1) For the purpose of carrying out title I, title II, title III, title IV, title V, title VI, title VII, title VIII, and title IX of the Economic Opportunity Act of 1964, there are authorized to be 42 USC 2707.

Ante, p. 2292.
42 USC 2841.
Ante, pp. 2298-2328.

appropriated such sums as may be necessary for each of the fiscal years 1975 through 1977.

42 USC 2808.

(2) For the purpose of carrying out the programs authorized under section 221 there is authorized to be appropriated $330,000,000 for the fiscal year 1975 and such sums as may be necessary for each of the two succeeding fiscal years.

42 USC 2701 note.

(b) Unless the Congress has passed or formally rejected legislation extending the authorizations of appropriations for carrying out any title of the Economic Opportunity Act of 1964 specified in subsection (a) of this section, or adopts a concurrent resolution providing that the provisions of this subsection shall not apply, the authorizations of appropriations specified in subsection (a) are hereby automatically extended for one additional fiscal year beyond the terminal year specified in the Economic Opportunity Act of 1964 or in this section.

REPEALER

42 USC 2705.

SEC. 16. (a) Section 115 of the Economic Opportunity Amendments of 1969 is repealed.

42 USC 2703.

(b) Section 301 of the Economic Opportunity Amendments of 1967 is repealed.

Approved January 4, 1975.

Public Law 93-645

January 4, 1975
[H. R. 14689]

AN ACT

To provide for a plan for the preservation, interpretation, development, and use of the historic, cultural, and architectural resources of the Lowell Historic Canal District in Lowell, Massachusetts, and for other purposes.

Lowell Historic Canal District Commission. Establishment. 16 USC 461 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of preserving and interpreting for the educational and inspirational benefit of present and future generations the unique and significant contribution to our national heritage of certain historic and cultural lands, waterways, and edifices in the city of Lowell, Massachusetts (the cradle of the industrial revolution in America as well as America's first planned industrial city) with emphasis on harnessing this unique urban environment for its educational value as well as for recreation, there is hereby established the Lowell Historic Canal District Commission (hereinafter referred to as the "Commission"), the purpose of which shall be to prepare a plan for the preservation, interpretation, development, and use, by public and private entities, of the historic, cultural, and architectural resources of the Lowell Historic Canal District in the city of Lowell, Massachusetts.

Membership. 16 USC 461 note.

SEC. 2. (a) The Commission shall consist of nine members, as follows:

(1) the Secretary of the Interior, the Secretary of Housing and Urban Development, the Secretary of Transportation, and the Secretary of Commerce, all ex officio; and