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105TH CONGRESS
1ST SESSION

S. 1186

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

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1997

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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

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

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

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1 **SEC. 2. DEFINITIONS.**

2 In this Act:

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

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

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

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

(C) who—

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

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

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

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

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

(B) the department of a public secondary school exclusively or principally used for providing vocational education in not fewer than 5 different occupational fields to individuals who

are available for study in preparation for entering the labor market;

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

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

(4) CHIEF ELECTED OFFICIAL.—The term ''chief elected official'' means the chief elected execu-

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

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

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

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

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

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

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

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

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

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

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

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

(D) is a displaced homemaker.

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

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

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

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

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

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

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

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

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

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

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

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

administering or setting policy for adult education and literacy in the State or outlying area, respectively, pursuant to the law of the State or outlying area, respectively; or

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

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

(A) an institution of higher education;

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

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

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

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

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

(13) ELIGIBLE PROVIDER.—The term ''eligible provider''—

(A) in title II, means—

(i) a local educational agency;

(ii) a community-based organization;

(iii) an institution of higher education;

(iv) a public or private nonprofit agency;

(v) a consortium of such agencies, organizations, or institutions; or

(vi) a library; and

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

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

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

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

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

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

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

(17) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term ''individual with a disability'' means an individual with any

disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

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

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

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

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

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

(20) LITERACY.—

(A) IN GENERAL.—The term ''literacy'' means an individual's ability to read, write, and speak in English, compute, and solve problems,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) a tribally controlled community college; or

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

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

(33) PUBLIC ASSISTANCE.—In title III, the term ''public assistance'' means Federal, State, or

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

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

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

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

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

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

(C) assistance in establishing a labor-management committee, voluntarily agreed to by

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

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

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

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

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

(37) SECRETARY.—

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

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

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

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

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

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

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

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

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

(45) VETERAN; RELATED DEFINITIONS.—

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

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

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

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

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

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

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

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

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

solving skills, work attitudes, general employability skills, and occupation-specific skills, of an individual.

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

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

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

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

(B) is a low-income individual; and

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

(i) Deficient in basic literacy skills.

(ii) A school dropout.

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

(iv) Pregnant or a parent.

(v) An offender.

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

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

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

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

SEC. 101. SHORT TITLE.

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

SEC. 102. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

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

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

(B) computer and other technical skills;

(C) theoretical knowledge;

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

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

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

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

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

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

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

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

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

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

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

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

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

accountability, and performance measures, the Federal Government will provide to States and localities financial assistance for the improvement and expansion of vocational education for students participating in vocational education.

(b) PURPOSE.—The purpose of this title is to make the United States more competitive in the world economy by developing more fully the academic, vocational, and employability skills of secondary students and postsecondary students who elect to enroll in vocational education programs, by—

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

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

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

(4) disseminating national research, and providing professional development and technical assist-

ance, that will improve vocational education programs, services, and activities.

SEC. 103. VOLUNTARY SELECTION AND PARTICIPATION.

No funds made available under this title shall be used—

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

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

Subtitle A—Vocational Education

CHAPTER 1—FEDERAL PROVISIONS

SEC. 111. RESERVATIONS AND STATE ALLOTMENT.

(a) RESERVATIONS AND STATE ALLOTMENT.—

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

(A) 0.2 percent to carry out section 113;

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

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

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

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

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

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

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

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

the sum of the corresponding products for all the States;

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

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

(3) MINIMUM ALLOTMENT.—

(A) IN GENERAL.—Notwithstanding any other provision of law and subject to subparagraphs (B) and (C), and paragraph (4), no State shall receive for a fiscal year under this subsection less than ½ of 1 percent of the amount appropriated under section 171 and not reserved under paragraph (1) for such fiscal

year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

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

(C) SPECIAL RULE.—

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

(I) 150 percent of the amount that the State received in the preceding fiscal year (or in the case of fiscal year 1999 only, under section 101 of the Carl D. Perkins Vocational and Applied Technology Education Act, as

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

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

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

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

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

(4) HOLD HARMLESS.—

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

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

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

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

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

(c) ALLOTMENT RATIO.—

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

(A) 0.50; and

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

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

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

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

(3) DEFINITION OF PER CAPITA INCOME.—For the purpose of this section, the term ''per capita income'' means, with respect to a fiscal year, the total

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

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

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

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

(1) Student mastery of academic skills.

(2) Student mastery of job readiness skills.

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

(4) Receipt of a postsecondary degree or certificate.

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

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

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

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

SEC. 113. ASSISTANCE FOR THE OUTLYING AREAS.

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

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

(A) teacher and counselor training and retraining;

(B) curriculum development; and

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

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

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

(b) SPECIAL RULE.—

(1) IN GENERAL.—From funds reserved under section 111(a)(1)(A) and not awarded under subsection (a), the Secretary shall make available the amount awarded to the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau under section 101A of the Carl D. Perkins Vocational and Applied Technology Edu-

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

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

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

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

Educational Laboratory regarding activities assisted under this subsection.

SEC. 114. INDIAN AND HAWAIIAN NATIVE PROGRAMS.

(a) DEFINITIONS; AUTHORITY OF SECRETARY.—

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

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

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

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

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

this section, except that such programs shall not include secondary school programs in Bureau funded schools.

(b) INDIAN PROGRAMS.—

(1) AUTHORITY.—

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

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

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

to make grants to or enter into contracts with any Indian tribe or tribal organization, or to make a grant to such Bureau funded school, as

appropriate, to plan, conduct, and administer programs or portions of programs authorized by, and consistent with the purpose of, this title.

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

(i) TRIBAL ORGANIZATIONS.—Such grants or contracts with any tribal organization shall be subject to the terms and conditions of section 102 of the Indian Self-Determination Act (25 U.S.C. 450f) and shall be conducted in accordance with the provisions of sections 4, 5, and 6 of the Act of April 16, 1934, which are relevant to the programs administered under this subsection.

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

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

ble to receive assistance under this paragraph may apply individually or as part of a consortium with another such Indian tribe, tribal organization, or Bureau funded school.

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

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

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

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

(F) RESTRICTIONS.—The Secretary may not place upon grants awarded or contracts entered into under this paragraph any restrictions relating to programs other than restrictions that apply to grants made to or contracts entered into with States pursuant to allotments

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

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

(ii) applications from tribally controlled community colleges that—

(I) are accredited or are candidates for accreditation by a nationally recognized accreditation organization as an institution of postsecondary vocational education; or

(II) operate vocational education programs that are accredited or are candidates for accreditation by a nationally recognized accreditation organization, and issue certificates for completion of vocational education programs.

(G) STIPENDS.—

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

in subparagraph (A) may be used to provide stipends to students who are enrolled in vocational education programs and who have acute economic needs which cannot be met through work-study programs.

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

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

evaluation of programs assisted under this subsection. Upon the completion of a joint plan for the expenditure of the funds and the evaluation of the programs, the Secretary shall assume responsibility for the administration of the program, with the assistance and consultation of the Bureau of Indian Affairs.

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

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

SEC. 115. TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTIONS.

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

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

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

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

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

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

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

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

authority for postsecondary vocational education; and

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

(d) GRANT REQUIREMENTS.—

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

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

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

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

(e) USES OF GRANTS.—

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

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

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

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

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

(f) EFFECT ON OTHER PROGRAMS.—

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

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

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

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

(1) NEEDS ESTIMATE.—The Secretary shall, based on the most accurate data available from the institutions and Indian tribes whose Indian students are served under this section, and in consideration of employment needs, economic development needs, population training needs, and facilities needs, prepare an actual budget needs estimate for each institution eligible under this section for each subsequent program year, and submit such budget needs estimate to Congress in such a timely manner as will enable the appropriate committees of Congress to consider such needs data for purposes of the unin-

terrupted flow of adequate appropriations to such institutions. Such data shall take into account the goals and requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105).

(2) STUDY OF TRAINING AND HOUSING NEEDS.—

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

(i) training equipment needs;

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

(iii) immediate facilities needs.

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

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

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

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

(3) LONG-TERM STUDY OF FACILITIES.—

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

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

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

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

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

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

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

(B) offers technical degrees or certificate granting programs.

SEC. 116. INCENTIVE GRANTS.

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

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

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

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

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

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

CHAPTER 2—STATE PROVISIONS

SEC. 121. STATE ADMINISTRATION.

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

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

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

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

SEC. 122. STATE USE OF FUNDS.

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

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

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

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

(B) the remainder may be used to—

(i) develop the State plan;

(ii) review local applications;

(iii) monitor and evaluate program effectiveness;

(iv) provide technical assistance; and

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

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

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

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

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

SEC. 123. STATE LEADERSHIP ACTIVITIES.

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

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

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

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

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

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

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

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

(5) supporting tech-prep education activities;

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

(7) supporting partnerships among local educational agencies, institutions of higher education,

adult education providers, and, as appropriate, other entities, such as employers, labor organizations, parents, and local partnerships, to enable students to achieve to challenging State academic standards, and vocational and technological skills; and

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

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

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

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

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

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

SEC. 124. STATE PLAN.

(a) STATE PLAN.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) individuals with disabilities;

(C) single parents and displaced homemakers; and

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

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

(d) PLAN APPROVAL.—

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

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

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

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

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

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

(e) ELIGIBLE AGENCY REPORT.—

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

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

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

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

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

(B) shall be made available to the public.

CHAPTER 3—LOCAL PROVISIONS

SEC. 131. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

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

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

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

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

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

(b) MINIMUM ALLOCATION.—

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

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

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

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

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

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

(c) LIMITED JURISDICTION AGENCIES.—

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

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

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

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

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

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

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

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

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

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is

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

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

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

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

(3) STATE DETERMINATION.—

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

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

(i) eligibility for—

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 132. DISTRIBUTION FOR POSTSECONDARY VOCATIONAL EDUCATION.

(a) DISTRIBUTION.—

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

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

vocational education under section 122(b) for the fiscal year as the number of Pell Grant recipients and recipients of assistance from the Bureau of Indian Affairs enrolled for the preceding fiscal year by such eligible institution in vocational education programs that do not exceed 2 years in duration bears to the number of such recipients enrolled in such programs within the State for such fiscal year.

(3) MINIMUM ALLOCATION.—

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

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

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

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

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

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

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

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

SEC. 133. LOCAL ACTIVITIES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) to carry out student internships;

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

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

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

(5) to support vocational student organizations;

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

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

SEC. 134. LOCAL APPLICATION.

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

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

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

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

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

Subtitle B—Tech-Prep Education

SEC. 151. SHORT TITLE.

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

SEC. 152. PURPOSES.

The purposes of this subtitle are—

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

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

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

SEC. 153. DEFINITIONS.

(a) In this subtitle:

(1) ARTICULATION AGREEMENT.—The term ''articulation agreement'' means a written commit-

ment to a program designed to provide students with a non duplicative sequence of progressive achievement leading to degrees or certificates in a tech-prep education program.

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

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

(B) includes tribally controlled community colleges.

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

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

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

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

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

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

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

SEC. 154. PROGRAM AUTHORIZED.

(a) DISCRETIONARY AMOUNTS.—

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

(A) local educational agencies, intermediate educational agencies or area vocational education schools serving secondary school stu-

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

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

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

(II) a 2-year apprenticeship program that follows secondary instruction,

if such nonprofit institutions of higher education are not prohibited from receiving assistance under part B of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) pursuant to the provisions of section 435(a)(3) of such Act (20 U.S.C. 1083(a)); or

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

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

(C) employers or labor organizations.

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

(b) STATE GRANTS.—

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

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

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

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

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

SEC. 155. TECH-PREP EDUCATION PROGRAMS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 156. APPLICATIONS.

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

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

(b) THREE-YEAR PLAN.—Each application submitted under this section shall contain a 3-year plan for the development and implementation of activities under this subtitle.

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

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

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

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

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

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

ages, including the information technology industry; and

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

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

(f) NOTICE.—

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

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

SEC. 157. AUTHORIZATION OF APPROPRIATIONS.

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

Subtitle C—General Provisions

SEC. 161. ADMINISTRATIVE PROVISIONS.

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

(b) MAINTENANCE OF EFFORT.—

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

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

cy for 1 fiscal year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

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

SEC. 162. EVALUATION, IMPROVEMENT, AND ACCOUNTABILITY.

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

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

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

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

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

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

SEC. 163. NATIONAL ACTIVITIES.

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

SEC. 164. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

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

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

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

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

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

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

(4) participation in vocational education programs;

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

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

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

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

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

(d) CONSULTATION.—

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

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

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

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

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

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

SEC. 165. NATIONAL RESEARCH CENTER.

(a) GENERAL AUTHORITY.—

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

(A) applied research and development; and

(B) dissemination and training.

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

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

organizations or agencies, and consortia of such institutions, organizations, or agencies.

(b) ACTIVITIES.—

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

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

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

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

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

(E) longitudinal studies of student achievement; and

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

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

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

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

(c) REVIEW.—The Secretary shall—

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

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

SEC. 166. DATA SYSTEMS.

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

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

(c) ASSESSMENTS.—As a regular part of its assessments, the National Center for Education Statistics shall

collect and report information on vocational education for a nationally representative sample of students. Such assessment may include international comparisons.

Subtitle D—Authorization of Appropriations

SEC. 171. AUTHORIZATION OF APPROPRIATIONS.

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

Subtitle E—Repeal

SEC. 181. REPEAL.

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

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

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

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

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

(A) by striking paragraph (4); and

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

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

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

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

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

(i) by striking subparagraph (C); and

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

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

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

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

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

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

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

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

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

striking ''section 3 of the Carl D. Perkins Vocational Education Act'' and inserting ''the Carl D. Perkins Vocational and Applied Technology Education Act of 1997''.

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

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

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

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

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

TITLE II—ADULT EDUCATION AND LITERACY

SEC. 201. SHORT TITLE.

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

SEC. 202. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

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

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

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

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

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

(2) complete a secondary school education; and

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

Subtitle A—Adult Education and Literacy Programs

CHAPTER 1—FEDERAL PROVISIONS

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

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

(1) 1.5 percent to carry out section 213;

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

(3) 1.5 percent to carry out section 245.

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

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

(c) ALLOTMENTS.—

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

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

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

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

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

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

(1) is at least 16 years of age;

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

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

(4) is not enrolled in secondary school.

(e) SPECIAL RULE.—

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

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

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

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

(f) MAINTENANCE OF EFFORT.—

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

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

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

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

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

(a) ESTABLISHMENT OF PERFORMANCE MEASURES.—After consultation with eligible agencies, eligible providers, and other interested parties (including representatives of business, representatives of labor organizations, and institutions of higher education), the Secretary shall establish and publish performance measures described in this subsection that assess the progress of each

eligible agency in enhancing and developing more fully the literacy skills of the adult population in the State or outlying area. The measures, at a minimum, shall include—

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

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

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

(4) other performance measures the Secretary determines necessary.

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

SEC. 213. NATIONAL LEADERSHIP ACTIVITIES.

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

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

rectly or through grants, contracts, or cooperative agreements.

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

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

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

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

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

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

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

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

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

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

CHAPTER 2—STATE PROVISIONS

SEC. 221. STATE ADMINISTRATION.

(a) IN GENERAL.—Each eligible agency shall be responsible for the State administration of activities under this subtitle, including—

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

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

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

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

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

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

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

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

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

administrative expenses of the eligible agency for the fiscal year.

(b) STATE SHARE REQUIREMENT.—

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

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

SEC. 223. STATE LEADERSHIP ACTIVITIES.

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

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

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

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

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

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

(6) Linkages with postsecondary institutions.

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

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

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

SEC. 224. STATE PLAN.

(a) 3-YEAR PLANS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) low-income students;

(B) individuals with disabilities;

(C) single parents and displaced homemakers; and

(D) individuals with multiple barriers to educational enhancement;

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

(A) adult education activities authorized under this subtitle;

(B) activities authorized under title III;

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

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

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

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

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

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

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

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

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

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

(d) CONSULTATION.—The eligible agency shall—

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

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

(e) PLAN APPROVAL.—

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

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

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

(2) DISAPPROVAL.—The Secretary shall not finally disapprove a State plan, except after giving the

eligible agency notice and an opportunity for a hearing.

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

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

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

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

(1) basic education;

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

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

(4) secondary school credit programs.

(c) DEFINITION OF CRIMINAL OFFENDER.—

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

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

(A) prison;

(B) jail;

(C) reformatory;

(D) work farm;

(E) detention center; or

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

CHAPTER 3—LOCAL PROVISIONS

SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

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

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

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

(c) REQUIRED LOCAL ACTIVITIES.—Each eligible provider receiving a grant or contract under this subtitle shall establish programs that provide instruction or services, such as—

(1) adult education and literacy services; or

(2) English literacy programs.

SEC. 232. LOCAL APPLICATION.

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

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

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

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

SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

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

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

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

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

CHAPTER 4—GENERAL PROVISIONS

SEC. 241. ADMINISTRATIVE PROVISIONS.

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

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

SEC. 242. PRIORITIES AND PREFERENCES.

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

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

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

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

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

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

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

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

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

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

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

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

(2) consider—

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

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

SEC. 243. INCENTIVE GRANTS.

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

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

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

(b) PRIORITY.—In awarding incentive grants under this section, the Secretary shall give priority to those States submitting a State unified plan as described in section 501 that is approved by the appropriate Secretaries as described in such section.

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

SEC. 244. EVALUATION, IMPROVEMENT, AND ACCOUNTABILITY.

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

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

(c) STATE REPORT.—

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

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

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

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

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

SEC. 245. NATIONAL INSTITUTE FOR LITERACY.

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

(1) provides national leadership regarding literacy;

(2) coordinates literacy services and policy; and

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

(b) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be a National Institute for Literacy (in this section referred to as

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

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

agency Group to discuss the Board's recommendations.

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

(c) DUTIES.—

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

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

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

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

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

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

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

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

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

(E) provide policy and technical assistance to Federal, State, and local entities for the improvement of policy and programs relating to literacy;

(F) fund a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to improve literacy by—

(i) encouraging the coordination of literacy services; and

(ii) serving as a link between the Institute and providers of adult education and literacy activities for the purpose of sharing information, data, research, expertise, and literacy resources; and

(G) undertake other activities that lead to the improvement of the Nation's literacy delivery system and that complement other such efforts being undertaken by public and private agencies and organizations.

(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Institute may award grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations

that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(d) LITERACY LEADERSHIP.—

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

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

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

(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

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

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

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

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

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

(iv) experts in the area of literacy research;

(v) State and local governments;

(vi) State Directors of adult education; and

(vii) labor organizations.

(2) DUTIES.—The Board shall—

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

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

(3) APPOINTMENTS.—

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

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

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

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

(f) GIFTS, BEQUESTS, AND DEVISES.—

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

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

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

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

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

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

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

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

(m) FUNDING.—Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute

is authorized to perform under this section may be provided to the Institute for such purposes.

SEC. 246. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal year 1998 and each of the 3 succeeding fiscal years.

Subtitle B—Repeal

SEC. 251. REPEAL.

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

(b) CONFORMING AMENDMENTS.—

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

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

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

(B) SECTION 1205 OF ESEA.—Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B))

is amended by striking ''Adult Education Act'' and inserting ''Workforce Investment Partnership Act of 1997''.

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

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

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

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

Education Act'' and inserting ''Workforce Investment Partnership Act of 1997''.

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

TITLE III—WORKFORCE INVESTMENT AND RELATED ACTIVITIES

Subtitle A—Workforce Investment Activities

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

SEC. 301. GENERAL AUTHORIZATION.

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

(1) adult employment and training activities;

(2) dislocated worker employment and training activities; and

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

SEC. 302. STATE ALLOTMENTS.

(a) IN GENERAL.—The Secretary shall—

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

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

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

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

(B) use the remainder of the amount appropriated under section 322(c) for a fiscal year to

make allotments and grants in accordance with subparagraphs (B) and (C) of subsection (b)(3) and make funds available for use under section 361.

(b) ALLOTMENT AMONG STATES.—

(1) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) OUTLYING AREAS.—

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

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

(II) for each of the fiscal years 1999 through 2003, to carry out the competition described in clause (iii), except that the amount reserved to carry out such clause for any such fiscal year shall not exceed the amount reserved for the Freely Associated States for fiscal year 1998, from amounts reserved under section 202(a)(1) of the Job Training Partnership Act (29 U.S.C. 1602(a)(1))

(as in effect on the day before the date of enactment of this Act).

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

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

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

(v) ASSISTANCE REQUIREMENTS.—Any Freely Associated State that desires to receive a grant made under this sub-

paragraph shall include in the application of the State for assistance—

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

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

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

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

regarding activities assisted under this subparagraph.

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

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

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

(B) STATES.—

(i) IN GENERAL.—After determining the amount to be reserved under subparagraph (A), the Secretary shall allot the remainder of the amount referred to in subsection (a)(1) relating to a fiscal year to

the States pursuant to clause (ii) for adult employment and training activities.

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

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

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

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

(iii) MINIMUM AND MAXIMUM PERCENTAGES.—

(I) MINIMUM PERCENTAGE.—No State shall receive an allotment percentage for a fiscal year that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

(II) MAXIMUM PERCENTAGE.—No State shall receive an allotment percentage for a fiscal year that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

(iv) SMALL STATE MINIMUM ALLOTMENT.—No State shall receive an allotment under this subparagraph that is less than ½ of 1 percent of the remainder described in clause (i) for a fiscal year. Amounts necessary for increasing such allotments to States to comply with the preceding sentence shall be obtained by ratably reducing the allotments to be made to other States under this subparagraph.

(v) DEFINITIONS.—In this subparagraph:

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

(II) AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term ''area of substantial unemployment'' means any area that is of sufficient size and scope to sustain a program of workforce investment activities carried

out under this subtitle and that has an average rate of unemployment of at least 6.5 percent for the most recent 12 months, as determined by the Secretary. For purposes of this subclause, determinations of areas of substantial unemployment shall be made once each fiscal year.

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

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

(2) DISLOCATED WORKER EMPLOYMENT AND TRAINING.—

(A) OUTLYING AREAS.—

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

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

(II) for each of the fiscal years 1999 through 2003, to carry out the competition described in clause (iii), except that the amount reserved to carry out such clause for any such fiscal year shall not exceed the amount reserved for the Freely Associated States for fiscal year 1998, from amounts reserved under section 302(b) of the Job Training Partnership Act (29 U.S.C. 1652(b)) (as in effect on the day before the date of enactment of this Act).

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

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

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

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

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

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

only for the direct provision of services.

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

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

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

(ix) REGULATIONS.—The Secretary shall issue regulations specifying require-

ments of this title that apply to outlying areas receiving funds under this subparagraph.

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

(B) STATES.—

(i) IN GENERAL.—After determining the amount to be reserved under subparagraph (A), the Secretary shall allot the remainder of the amount referred to in subsection (a)(2)(B) relating to a fiscal year to the States pursuant to clause (ii) for dislocated worker employment and training activities.

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

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

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

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

(iii) SMALL STATE MINIMUM ALLOTMENT.—

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

(II) EXCEPTION.—For purposes of applying the requirements of those clauses under this subparagraph references in those clauses to the re-

mainder described in clause (i) of paragraph (1)(B) shall be considered to be references to the remainder described in clause (i) of this subparagraph.

(3) YOUTH ACTIVITIES.—

(A) YOUTH OPPORTUNITY GRANTS.—

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

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

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

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

(iii) YOUTH ACTIVITIES FOR FARMWORKERS.—From the portion described in clause (i) for a fiscal year, the Secretary shall make available $10,000,000 to provide youth activities under section 362.

(B) OUTLYING AREAS.—

(i) IN GENERAL.—From the amount made available under subsection (a)(3)(B) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent—

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

(II) for each of the fiscal years 1999 through 2003, to carry out the competition described in clause (iii), except that the amount reserved to carry out such clause for any such fiscal year shall not exceed the amount reserved for the Freely Associated States for fiscal year 1998, from amounts reserved under sections 252(a) and 262(a)(1) of the Job Training Partnership Act (29 U.S.C. and 1631(a) and 1642(a)(1)) (as in

effect on the day before the date of enactment of this Act).

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

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

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

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

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

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

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

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

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

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

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

(C) STATES.—

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

(I) from the amount referred to in subsection (a)(3)(B) relating to a fiscal year, make available

$15,000,000 to provide youth activities under section 361; and

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

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

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

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

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

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

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

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

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

(bb) the term ''allotment percentage'', used with respect to fiscal year 1998, means the percentage of the amounts allocated under sections 252(b) and 262(b) of the Job Training Partnership

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

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

SEC. 303. STATEWIDE PARTNERSHIP.

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

(b) MEMBERSHIP.—The statewide partnership shall include—

(1) the Governor;

(2) representatives, appointed by the Governor—

(A) a majority of whom—

(i) are representatives of business in the State;

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

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

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

(B) the remainder of whom are individuals who have optimum policymaking authority, including—

(i) representatives of—

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

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

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

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

(iii) the State agency official responsible for vocational rehabilitation, and where applicable, the State agency official responsible for providing vocational rehabilitation program activities for the blind;

(3) such other State agency officials as the Governor may designate, such as State agency officials carrying out activities relating to employment and training, economic development, public assistance, veterans, youth, juvenile justice and the employment service established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.); and

(4) two members of each chamber of the State legislature, appointed by the appropriate presiding officer of the chamber.

(c) CHAIRMAN.—The Governor shall select a chairperson for the statewide partnership from among the representatives described in subsection (b)(2)(A).

(d) FUNCTIONS.—In addition to developing the State plan, the statewide partnership shall—

(1) advise the Governor on the development of a comprehensive statewide workforce investment system;

(2) assist the Governor in preparing the annual report to the Secretaries described in section 321(c);

(3) assist the Governor in developing the statewide labor market information system described in section 15(d) of the Wagner-Peyser Act; and

(4) assist in the monitoring and continuous improvement of the performance of the statewide workforce investment system, including the evaluation of the effectiveness of workforce investment activities carried out under this subtitle in serving the needs of employers seeking skilled employees and individuals seeking services.

(e) AUTHORITY OF GOVERNOR.—

(1) AUTHORITY.—The Governor shall have the final authority to determine the contents of and submit the State plan described in section 304.

(2) PROCESS.—Prior to the date on which the Governor submits a State plan under section 304, the Governor shall—

(A) make available copies of a proposed State plan to the public;

(B) allow members of the statewide partnership and members of the public to submit comments on the proposed State plan to the Governor, not later than the end of the 30-day period beginning on the date on which the proposed State plan is made available; and

(C) include with the State plan submitted to the Secretary under section 304 any such comments that represent disagreement with the plan.

SEC. 304. STATE PLAN.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 302, the Governor of the State shall submit to the Secretary for approval a single comprehensive State plan (referred to in this title as the ''State plan'') that outlines a 3-year strategy for the statewide workforce investment system of the State and that meets the requirements of section 303 and this section.

(b) CONTENTS.—The State plan shall include—

(1) a description of the statewide partnership described in section 303 used in developing the plan;

(2) a description of State-imposed requirements for the statewide workforce investment system;

(3) a description of the State performance measures developed for the workforce investment activities to be carried out through the system, that includes information identifying the State performance measures, established in accordance with section 321(a);

(4) information describing—

(A) the needs of the State with regard to current and projected employment opportunities;

(B) the job skills necessary to obtain the needed employment opportunities;

(C) the economic development needs of the State; and

(D) the type and availability of workforce investment activities in the State;

(5) an identification of local areas designated in the State, including a description of the process used for the designation of such areas, which shall—

(A) ensure a linkage between participants in workforce investment activities funded under

this subtitle, and local employment opportunities;

(B) ensure that a significant portion of the population that lives in the local area also works in the same local area;

(C) ensure cooperation and coordination of activities between neighboring local areas; and

(D) take into consideration State economic development areas;

(6) an identification of criteria for the appointment of members of local partnerships based on the requirements of section 308;

(7) the detailed plans required under section 8 of the Wagner-Peyser Act;

(8) a description of the measures that will be taken by the State to assure coordination of and avoid duplication among—

(A) workforce investment activities authorized under this subtitle;

(B) other activities authorized under this title;

(C) activities authorized under title I or II;

(D) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), title I of the Rehabilitation Act of 1973 (29 U.S.C. 720

et seq.), part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)), and activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

(E) work programs authorized under section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o));

(F) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

(G) activities authorized under chapter 41 of title 38, United States Code;

(H) activities carried out by the Bureau of Apprenticeship and Training;

(I) training activities carried out by the Department of Housing and Urban Development; and

(J) programs authorized under State unemployment compensation laws and the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.);

(9) a description of the process used by the State to provide an opportunity for public comment, and input into the development of the State plan, prior to submission of the plan;

(10) a description of the process for the public to comment on members of the local partnerships;

(11) a description of the length of terms and appointment processes for members of the statewide partnership and local partnerships in the State;

(12) information identifying how the State will leverage any funds the State receives under this subtitle with other private and Federal resources;

(13) assurances that the State will provide, in accordance with section 374, for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotment made under section 302;

(14) if appropriate, a description of a within-State allocation formula—

(A) that is based on factors relating to excess poverty in local areas or excess unemployment above the State average in local areas; and

(B) through which the State may distribute the funds the State receives under this subtitle for adult employment and training activities or youth activities to local areas;

(15) an assurance that the funds made available to the State through the allotment made under section 302 will supplement and not supplant other public funds expended to provide activities described in this subtitle;

(16) information indicating—

(A) how the services of one-stop partners in the State will be provided through the one-stop customer service system;

(B) how the costs of such services and the operating costs of the system will be funded; and

(C) how the State will assist in the development and implementation of the operating agreement described in section 311(c);

(17) information specifying the actions that constitute a conflict of interest prohibited in the State for purposes of section 308(g)(2)(B);

(18) a description of a core set of consistently defined data elements for reporting on the activities

carried out through the one-stop customer service system in the State;

(19) with respect to employment and training activities funded under this subtitle, information—

(A) describing the employment and training activities that will be carried out with the funds the State receives under this subtitle, and a description of how the State will provide rapid response activities to dislocated workers;

(B) describing the State strategy for development of a fully operational statewide one-stop customer service system as described in section 315(b), including—

(i) criteria for use by chief elected officials and local partnerships, for designating or certifying one-stop customer service center operators, appointing one-stop partners, and conducting oversight with respect to the one-stop customer service system, for each local area; and

(ii) the steps that the State will take over the 3 years covered by the plan to ensure that all publicly funded labor exchange services described in section 315(c)(2) or the Wagner-Peyser Act (29

U.S.C. 49 et seq.), will be available through the one-stop customer service system of the State;

(C) describing the criteria used by the local partnership in the development of the local plan described in section 309; and

(D) describing the procedures the State will use to identify eligible providers of training services, as required under this subtitle; and

(20) with respect to youth activities funded under this subtitle, information—

(A) describing the youth activities that will be carried out with the funds the State receives under this subtitle;

(B) identifying the criteria to be used by the local partnership in awarding grants under section 313 for youth activities;

(C) identifying the types of criteria the Governor and local partnerships will use to identify effective and ineffective youth activities and eligible providers of such activities; and

(D) describing how the State will coordinate the youth activities carried out in the State under this subtitle with the services provided by Job Corps centers in the State.

(c) PLAN SUBMISSION AND APPROVAL.—A State plan submitted to the Secretary under this section by a Governor shall be considered to be approved by the Secretary at the end of the 60-day period beginning on the day the Secretary receives the plan, unless the Secretary makes a written determination, during the 60-day period, that—

(1) the plan is inconsistent with a specific provision of this title; or

(2) the levels of performance have not been agreed to pursuant to section 321(a)(4).

(d) MODIFICATIONS TO INITIAL PLAN.—A State may submit, for approval by the Secretary, substantial modifications to the State plan in accordance with the requirements of this section and section 303, as necessary, during the 3-year period of the plan.

CHAPTER 2—ALLOCATIONS TO LOCAL WORKFORCE INVESTMENT AREAS

SEC. 306. WITHIN STATE ALLOCATIONS.

(a) RESERVATIONS FOR STATE ACTIVITIES.—

(1) ADULT EMPLOYMENT AND TRAINING ACTIVITIES, DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES, AND YOUTH ACTIVITIES.—The Governor of a State shall reserve not more than 15 percent of each of the amounts allotted to the

State under paragraphs (1)(B), (2)(B), and (3)(C)(ii) of section 302(b) for a fiscal year for statewide workforce investment activities described in subsections (b)(2) and (c) of section 314.

(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—The Governor of the State shall reserve not more than 25 percent of the total amount allotted to the State under section 302(b)(2)(B) for a fiscal year for statewide rapid response activities described in section 314(b)(1).

(b) WITHIN STATE ALLOCATION.—

(1) ALLOCATION.—The Governor of the State shall allocate to the local areas the funds that are allotted to the State under section 302(b) and are not reserved under subsection (a) for the purpose of providing employment and training activities to eligible participants pursuant to section 315 and youth activities to eligible participants pursuant to section 316.

(2) METHODS.—The State, acting in accordance with the State plan, and after consulting with chief elected officials in the local areas, shall allocate—

(A) the funds that are allotted to the State for adult employment and training activities

under section 302(b)(1)(B) and are not reserved under subsection (a)(1), in accordance with paragraph (3) or (4);

(B) the funds that are allotted to the State for dislocated worker employment and training activities under section 302(b)(2)(B) and are not reserved under paragraph (1) or (2) of subsection (a), in accordance with paragraph (3); and

(C) the funds that are allotted to the State for youth activities under section 302(b)(3)(C)(ii) and are not reserved under subsection (a)(1), in accordance with paragraph (3) or (4).

(3) ADULT EMPLOYMENT AND TRAINING ACTIVITIES, DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES, AND YOUTH ACTIVITIES FORMULA ALLOCATIONS.—

(A) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—In allocating the funds described in paragraph (2)(A) to local areas, a State may allocate—

(i) 33⅓ percent of the funds on the basis described in section 302(b)(1)(B)(ii)(I);

(ii) 33⅓ percent of the funds on the basis described in section 302(b)(1)(B)(ii)(II); and

(iii) 33⅓ percent of the funds on the basis described in section 302(b)(1)(B)(ii)(III).

(B) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—In allocating the funds described in paragraph (2)(B) to local areas, a State shall allocate—

(i) 33⅓ percent of the funds on the basis described in section 302(b)(2)(B)(ii)(I);

(ii) 33⅓ percent of the funds on the basis described in section 302(b)(2)(B)(ii)(II); and

(iii) 33⅓ percent of the funds on the basis described in section 302(b)(2)(B)(ii)(III).

(C) YOUTH ACTIVITIES.—In allocating the funds described in paragraph (2)(C) to local areas, a State may allocate—

(i) 33⅓ percent of the funds on the basis described in section 302(b)(3)(C)(ii)(I);

(ii) 33⅓ percent of the funds on the basis described in section 302(b)(3)(C)(ii)(II); and

(iii) 33⅓ percent of the funds on the basis described in section 302(b)(3)(C)(ii)(III).

(D) APPLICATION.—For purposes of carrying out subparagraphs (A), (B), and (C), and subparagraphs (A) and (B) of paragraph (4)—

(i) references in section 302(b) to a State shall be deemed to be references to a local area; and

(ii) references in section 302(b) to all States shall be deemed to be references to all local areas in the State involved.

(4) ADULT EMPLOYMENT AND TRAINING AND YOUTH DISCRETIONARY ALLOCATIONS.—

(A) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—In lieu of making the allocation described in paragraph (3)(A), in allocating the funds described in paragraph (2)(A) to local areas, a State may distribute—

(i) a portion equal to not less than 70 percent of the funds in accordance with paragraph (3)(A); and

(ii) the remaining portion of the funds on the basis of a formula that—

(I) takes into consideration factors relating to excess poverty in local areas or excess unemployment above the State average in local areas; and

(II) was developed by the statewide partnership and approved by the Secretary as part of the State plan.

(B) YOUTH ACTIVITIES.—In lieu of making the allocation described in paragraph (3)(C), in allocating the funds described in paragraph (2)(C) to local areas, a State may distribute—

(i) a portion equal to not less than 70 percent of the funds in accordance with paragraph (3)(C); and

(ii) the remaining portion of the funds on the basis of a formula that—

(I) takes into consideration factors relating to excess youth poverty in local areas or excess unemployment above the State average in local areas; and

(II) was developed by the statewide partnership and approved by the Secretary as part of the State plan.

(5) LIMITATION.—

(A) IN GENERAL.—Not more than 15 percent of the amount allocated to a local area for a fiscal year—

(i) under paragraph (3)(A) or (4)(A) may be used by the local partnership for the area for the administrative cost of carrying out local adult employment and training activities;

(ii) under paragraph (3)(B) may be used by the local partnership for the administrative cost of carrying out local dislocated worker employment and training activities; and

(iii) under paragraph (3)(C) or (4)(B) may be used by the local partnership for the administrative cost of carrying out local youth activities.

(B) REGULATIONS.—The Secretary, after consulting with the Governors, shall develop and issue regulations that define the term ''administrative cost'' for purposes of this title.

(6) TRANSFER AUTHORITY.—A local partnership may transfer, if such a transfer is approved by the Governor, not more than 20 percent of the funds allocated to the local area under paragraph (3)(A) or (4)(A), and 20 percent of the funds allocated to the local area under paragraph (3)(B), for a fiscal year between—

(A) adult employment and training activities; and

(B) dislocated worker employment and training activities.

(7) FISCAL AUTHORITY.—

(A) FISCAL AGENT.—The chief elected official in a local area shall serve as the fiscal agent for, and shall be liable for any misuse of, the funds allocated to the local area under this section, unless the chief elected official reaches an agreement with the Governor for the Governor to act as the fiscal agent and bear such liability.

(B) DISBURSAL.—The fiscal agent shall disburse such funds for workforce investment activities at the direction of the local partnership, pursuant to the requirements of this title, if the direction does not violate a provision of

this Act. The fiscal agent shall disburse funds immediately on receiving such direction from the local partnership.

SEC. 307. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) IN GENERAL.—Except as provided in subsection (b) and paragraph (2), the Governor shall designate local workforce investment areas in the State, in accordance with the State plan requirements described in section 304(b)(5).

(2) AUTOMATIC DESIGNATION.—

(A) IN GENERAL.—The Governor of the State shall approve a request for designation as a local area from any unit of general local government with a population of 500,000 or more, if the designation meets the State plan requirements described in section 304(b)(5).

(B) LARGE COUNTIES.—A county with a population of 500,000 or more may request such designation only with the agreement of the political subdivisions within the county with populations of 200,000 or more.

(C) LARGE POLITICAL SUBDIVISIONS.—Single units of general local government with populations of 200,000 or more that are service

delivery areas on the date of enactment of this Act shall have an automatic right to request designation as local areas under this section.

(3) PERMANENT DESIGNATION.—Once the boundaries for a local area are determined under this section in accordance with the State plan, the boundaries shall not change except with the approval of the Governor.

(b) SMALL STATES.—The Governor of any State determined to be eligible to receive a minimum allotment under paragraph (1), (2), or (3) of section 302(b) for the first year covered by the State plan may designate the State as a single State local area for the purposes of this title. The Governor shall identify the State as a local area under section 304(b)(5), in lieu of designating local areas as described in subparagraphs (A), (B), and (C) of section 304(b)(5).

SEC. 308. LOCAL WORKFORCE INVESTMENT PARTNERSHIPS AND YOUTH PARTNERSHIPS.

(a) ESTABLISHMENT OF LOCAL PARTNERSHIP.—There shall be established in each local area of a State, and certified by the Governor of the State, a local workforce investment partnership.

(b) ROLE OF LOCAL PARTNERSHIP.—The primary role of the local partnership shall be to set policy for the

portion of the statewide workforce investment system within the local area, including—

(1) ensuring that the activities authorized under this subtitle and carried out in the local area meet local performance measures that include high academic and skill measures;

(2) ensuring that the activities meet the needs of employers and jobseekers; and

(3) ensuring the continuous improvement of the system.

(c) MEMBERSHIP OF LOCAL PARTNERSHIP.—

(1) STATE CRITERIA.—The Governor of the State shall establish criteria for the appointment of members of the local partnerships for local areas in the State in accordance with the requirements of paragraph (2). Information identifying such criteria shall be included in the State plan, as described in section 304(b)(6).

(2) COMPOSITION.—Such criteria shall require, at a minimum, that the membership of each local partnership—

(A) shall include—

(i) a majority of members who—

(I) are representatives of business in the local area;

(II) are owners of businesses, chief executives or operating officers of private businesses, and other business executives or employers with optimum policymaking or hiring authority;

(III) represent businesses with employment opportunities that reflect the employment opportunities of the local area; and

(IV) are appointed from among individuals nominated by local business organizations and business trade associations;

(ii) chief officers representing local postsecondary educational institutions, representatives of vocational education providers, and representatives of adult education providers;

(iii) chief officers representing labor organizations (for a local area in which such representatives reside), nominated by local labor federations, or (for a local area in which such representatives do not re-

side) other representatives of employees; and

(iv) chief officers representing economic development agencies, including private sector economic development entities; and

(B) may include chief officers who have policymaking authority, from one-stop partners who have entered into an operating agreement described in section 311(c) to participate in the one-stop customer service system in the local area; and

(C) may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate.

(3) CHAIRPERSON.—The local partnership shall elect a chairperson from among the members of the partnership described in paragraph (2)(A)(i).

(d) APPOINTMENT AND CERTIFICATION OF LOCAL PARTNERSHIP.—

(1) APPOINTMENT OF LOCAL PARTNERSHIP MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

(A) IN GENERAL.—The chief elected official in a local area is authorized to appoint the members of the local partnership for such area, in accordance with the State criteria established under subsection (c).

(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—

(i) IN GENERAL.—In a case in which a local area includes more than 1 unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials—

(I) in the appointment of the members of the local partnership from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (c); and

(II) in carrying out any other responsibilities assigned to such officials under this subtitle.

(ii) LACK OF AGREEMENT.—If, after a reasonable effort, the chief elected offi-

cials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local partnership from individuals so nominated or recommended.

(2) CERTIFICATION.—

(A) IN GENERAL.—The Governor shall annually certify 1 local partnership for each local area in the State.

(B) CRITERIA.—Such certification shall be based on criteria established under subsection (c) and, for a second or subsequent certification, the extent to which the local partnership has ensured that workforce investment activities carried out in the local area have enabled the local area to meet the local performance measures required under section 321(b).

(C) FAILURE TO ACHIEVE CERTIFICATION.—Failure of a local partnership to achieve certification shall result in reappointment and certification of another local partnership for the local area pursuant to the process described in paragraph (1) and this paragraph.

(3) DECERTIFICATION.—

(A) IN GENERAL.—Notwithstanding paragraph (2), the Governor may decertify a local partnership at any time for—

(i) fraud or abuse; or

(ii) failure to carry out the functions specified for the local partnership in paragraphs (1) through (5) of subsection (e);

after providing notice and an opportunity for comment.

(B) PLAN.—If the Governor decertifies a local partnership for a local area, the Governor may require that a local partnership be appointed and certified for the local area pursuant to a plan developed by the Governor in consultation with the chief elected official in the local area and in accordance with the criteria established under subsection (c).

(4) EXCEPTION.—Notwithstanding subsection (c) and paragraphs (1) and (2), if a State described in section 307(b) designates the State as a local area in the State plan, the Governor may designate the statewide partnership described in section 303 to carry out any of the functions described in subsection (e).

(e) FUNCTIONS OF LOCAL PARTNERSHIP.—The functions of the local partnership shall include—

(1) developing and submitting a local plan as described in section 309 in partnership with the appropriate chief elected official;

(2) appointing, certifying, or designating one-stop partners and one-stop customer service center operators, pursuant to the criteria specified in the local plan;

(3) conducting oversight with respect to the one-stop customer service system;

(4) modifying the list of eligible providers of training services pursuant to subsections (b)(3)(B) and (c)(2)(B) of section 312;

(5) setting local performance measures pursuant to section 312(b)(2)(D)(ii);

(6) analyzing and identifying—

(A) current and projected local employment opportunities; and

(B) the skills necessary to obtain such local employment opportunities;

(7) coordinating the workforce investment activities carried out in the local area with economic development strategies and developing other employer linkages with such activities; and

(8) assisting the Governor in developing the statewide labor market information system described in section 15(d) of the Wagner-Peyser Act.

(f) SUNSHINE PROVISION.—The local partnership shall make available to the public, on a regular basis, through open meetings, information regarding the activities of the local partnership, including information regarding membership, the appointment of one-stop partners, the designation and certification of one-stop customer service center operators, and the award of grants to eligible providers of youth activities.

(g) OTHER ACTIVITIES OF LOCAL PARTNERSHIP.—

(1) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no local partnership may directly carry out or enter into a contract for a training service described in section 315(c)(3).

(B) WAIVERS.—The Governor of the State in which the local partnership is located may grant to the local partnership a written waiver of the prohibition set forth in subparagraph (A), if the local partnership provides substantial evidence that a private or public entity is not available to provide the training service and that the activity is necessary to provide an em-

ployment opportunity described in the local plan described in section 309.

(2) CONFLICT OF INTEREST.—No member of a local partnership may—

(A) vote on a matter under consideration by the local partnership—

(i) regarding the provision of services by such member (or by an organization that such member represents); or

(ii) that would provide direct financial benefit to such member or the immediate family of such member; or

(B) engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

(h) TECHNICAL ASSISTANCE.—If a local area fails to meet established State or local performance measures, the Governor shall provide technical assistance to the local partnership involved to improve the performance of the local area.

(i) YOUTH PARTNERSHIP.—

(1) ESTABLISHMENT.—There shall be established in each local area of a State, a youth partnership appointed by the local partnership, in cooperation with the chief elected official, in the local area.

(2) MEMBERSHIP.—The membership of each youth partnership—

(A) shall include—

(i) 1 or more members of the local partnership;

(ii) representatives of youth service agencies, including juvenile justice agencies;

(iii) representatives of local public housing authorities;

(iv) parents of youth seeking assistance under this subtitle;

(v) individuals, including former participants, and representatives of organizations, that have experience relating to youth activities; and

(vi) representatives of the Job Corps, as appropriate; and

(B) may include such other individuals as the chairperson of the local partnership, in cooperation with the chief elected official, determines to be appropriate.

(3) DUTIES.—The duties of the youth partnership include—

(A) the development of the portions of the local plan relating to youth, as determined by the chairperson of the local partnership;

(B) awarding grants to, and conducting oversight with respect to, eligible providers of youth activities, as described in section 313, in the local area;

(C) coordinating youth activities in the local area; and

(D) other duties determined to be appropriate by the chairperson of the local partnership.

SEC. 309. LOCAL PLAN.

(a) IN GENERAL.—Each local partnership shall develop and submit to the Governor a comprehensive 3-year local plan (referred to in this title as the ''local plan''), in partnership with the appropriate chief elected official. The local plan shall be consistent with the State plan.

(b) CONTENTS.—The local plan shall include—

(1) an identification of the needs of the local area with regard to current and projected employment opportunities;

(2) an identification of the job skills necessary to obtain such employment opportunities;

(3) a description of the activities to be used under this subtitle to link local employers and local job seekers;

(4) an identification and assessment of the type and availability of adult and dislocated worker employment and training activities in the local area;

(5) an identification of successful eligible providers of youth activities in the local area;

(6) a description of the measures that will be taken by the local area to assure coordination of and avoid duplication among the programs and activities described in section 304(b)(8);

(7) a description of the manner in which the local partnership will coordinate activities carried out under this subtitle in the local area with such activities carried out in neighboring local areas;

(8) a description of the competitive process to be used to award grants in the local area for activities carried out under this subtitle;

(9) information describing local performance measures for the local area that are based on the performance measures in the State plan;

(10) in accordance with the State plan, a description of the criteria that the chief elected official in the local area and the local partnership will use

to appoint, designate, or certify, and to conduct oversight with respect to, one-stop customer service center systems in the local area; and

(11) such other information as the Governor may require.

(c) PLAN SUBMISSION AND APPROVAL.—A local plan submitted to the Governor under this section shall be considered to be approved by the Governor at the end of the 60-day period beginning on the day the Governor receives the plan, unless the Governor makes a written determination during the 60-day period that—

(1) entities conducting evaluations conducted under section 321(d) in the local area have found deficiencies in activities carried out under this subtitle and the local area has not made acceptable progress in implementing corrective measures to address the deficiencies; or

(2) the plan does not comply with this title.

(d) LACK OF AGREEMENT.—If the local partnership and the appropriate chief elected official in the local area cannot agree on the local plan after making a reasonable effort, the Governor may develop the local plan.

CHAPTER 3—WORKFORCE INVESTMENT ACTIVITIES AND PROVIDERS

SEC. 311. IDENTIFICATION AND OVERSIGHT OF ONE-STOP PARTNERS AND ONE-STOP CUSTOMER SERVICE CENTER OPERATORS.

(a) IN GENERAL.—Consistent with the State plan, the chief elected official and the local partnership may develop and implement operating agreements described in subsection (c) to appoint one-stop partners, may designate or certify one-stop customer service center operators, and may conduct oversight with respect to the one-stop customer service system, in the local area.

(b) ONE-STOP PARTNERS.—

(1) DESIGNATED PARTNERS.—

(A) IN GENERAL.—Each entity that carries out a program, services, or activities described in subparagraph (B) shall make available to participants, through a one-stop customer service center, the services described in section 315(c)(2) that are applicable to such program, and shall participate in the operation of such center as a party to the agreement described in subsection (c).

(B) PROGRAMS; SERVICES; ACTIVITIES.—The programs, services, and activities referred to in subparagraph (A) consist of—

(i) core services authorized under this subtitle;

(ii) other activities authorized under this title;

(iii) activities authorized under title I and title II;

(iv) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(v) programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 729 et seq.);

(vi) programs authorized under section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) (as added by section 5001 of the Balanced Budget Act of 1997);

(vii) programs authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

(viii) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

(ix) activities authorized under chapter 41 of title 38, United States Code;

(x) activities carried out by the Bureau of Apprenticeship and Training;

(xi) training activities carried out by the Department of Housing and Urban Development; and

(xii) programs authorized under State unemployment compensation laws and the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—In addition to the entities described in paragraph (1), other entities that carry out human resource programs may make available to participants through a one-stop customer service center the services described in section 315(c)(2) that are applicable to such program, and participate in the operation of such centers as a party to the agreement described in subsection (c), if the local partnership and chief elected official involved approve such participation.

(B) PROGRAMS.—The programs referred to in subparagraph (A) include—

(i) programs authorized under part A of title IV of the Social Security Act;

(ii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));

(iii) work programs authorized under section 6(o) of the Food Stamp Act of 1997 (7 U.S.C. 2015 (o)); and

(iv) other appropriate Federal, State, or local programs, including programs in the private sector.

(c) OPERATING AGREEMENTS.—

(1) IN GENERAL.—The one-stop customer service center operator selected pursuant to subsection (d) for a one-stop customer service center shall enter into a written agreement with the local partnership and one-stop partners described in subsection (b) concerning the operation of the center. Such agreement shall be subject to the approval of the chief elected official and the local partnership.

(2) CONTENTS.—The written agreement required under paragraph (1) shall contain—

(A) provisions describing—

(i) the services to be provided through the center;

(ii) how the costs of such services and the operating costs of the system will be funded,

(iii) methods for referral of individuals between the one-stop customer service center operators and the one-stop partners, for the appropriate services and activities;

(iv) the monitoring and oversight of activities carried out under the agreement; and

(v) the duration of the agreement and the procedures for amending the agreement during the term of the agreement; and

(B) such other provisions, consistent with the requirements of this title, as the parties to the agreement determine to be appropriate.

(d) ONE-STOP CUSTOMER SERVICE CENTER OPERATORS.—

(1) IN GENERAL.—To be eligible to receive funds made available under this subtitle to operate a one-stop customer service center, an entity shall—

(A) be designated or certified as a one-stop customer service center operator, as described in subsection (a); and

(B) be a public or private entity, or consortium of entities, located in the local area, which entity or consortium may include an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), a local employment service office established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), a local government agency, a private for-profit entity, a private nonprofit entity, or other interested entity, of demonstrated effectiveness.

(2) EXCEPTION.—Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop customer service center operators, except that nontraditional secondary schools and area vocational education schools shall be eligible for such designation or certification.

(e) ESTABLISHED ONE-STOP CUSTOMER SERVICE SYSTEM.—For a local area in which a one-stop customer service system has been established prior to the date of enactment of this Act, the local partnership, the chief elected official, and the Governor may agree to appoint,

designate, or certify the one-stop partners and one-stop customer service center operators of such system, for purposes of this section.

(f) OVERSIGHT.—The local partnership shall conduct oversight with respect to the one-stop customer service center system and may terminate for cause the eligibility of such a partner or operator to provide activities through or operate a one-stop customer service center.

SEC. 312. DETERMINATION AND IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES BY PROGRAM.

(a) GENERAL ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in subsection (e), to be eligible to receive funds made available under section 306 to provide training services described in section 315(c)(3) (referred to in this title as ''training services'') and be identified as an eligible provider of such services, a provider of such services shall meet the requirements of this section.

(2) PROVIDERS.—To be eligible to receive the funds, the provider shall be—

(A) a postsecondary educational institution that—

(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(ii) provides a program that leads to an associate degree, baccalaureate degree, or certificate; or

(B) another public or private provider of a program.

(b) INITIAL DETERMINATION AND IDENTIFICATION.—

(1) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—To be eligible to receive funds as described in subsection (a), an institution described in subsection (a)(2)(A) shall submit an application at such time, in such manner, and containing such information as the designated State agency described in subsection (f) may require, after consultation with the local partnerships in the State. On submission of the application, the institution shall automatically be initially eligible to receive such funds for the program described in subsection (a)(2)(A).

(2) OTHER PROVIDERS.—

(A) PROCEDURE.—The Governor, in consultation with the local partnerships in the State, shall establish a procedure for determin-

ing the initial eligibility of providers described in subsection (a)(2)(B) to receive such funds for specified programs. The procedure shall require a provider of a program to meet minimum acceptable levels of performance based on—

(i) performance criteria relating to the rates, percentages, increases, and costs described in subparagraph (C) for the program, as demonstrated using verifiable program-specific performance information described in subparagraph (C) and submitted to the designated State agency, as required under subparagraph (C); and

(ii) performance criteria relating to any characteristics for which local partnerships request the submission of information under subparagraph (D) for the program, as demonstrated using the information submitted.

(B) MINIMUM LEVELS.—The Governor shall—

(i) consider, in determining such minimum levels—

(I) criteria relating to the economic, geographic, and demographic

factors in the local areas in which the provider provides the program; and

(II) the characteristics of the population served by such provider through the program; and

(ii) verify the minimum levels of performance by using quarterly records described in section 321.

(C) APPLICATION.—To be initially eligible to receive funds as described in subsection (a), a provider described in subsection (a)(2)(B) shall submit an application at such time, in such manner, and containing such information as the designated State agency may require, including performance information on—

(i) program completion rates for participants in the applicable program conducted by the provider;

(ii) the percentage of the graduates of the program placed in unsubsidized employment in an occupation related to the program conducted;

(iii) retention rates of the graduates in unsubsidized employment—

(I) 6 months after completion of the program; and

(II) 12 months after completion of the program;

(iv) the wages received by the graduates placed in unsubsidized employment after the completion of participation in the program—

(I) on the first day of the employment;

(II) 6 months after the first day of the employment; and

(III) 12 months after the first day of the employment;

(v) where appropriate, the rates of licensure or certification of the graduates, attainment of academic degrees or equivalents, or attainment of other measures of skill; and

(vi) program cost per participant in the program.

(D) ADDITIONAL INFORMATION.—

(i) IN GENERAL.—In addition to the performance information described in subparagraph (C), the local partnerships in

the State involved may require that a provider submit, to the local partnerships and to the designated State agency, other performance information relating to the program to be initially identified as an eligible provider of training services, including information regarding the ability of the provider to provide continued counseling and support regarding the workplace to the graduates, for not less than 12 months after the graduation involved.

(ii) HIGHER LEVELS OF PERFORMANCE ELIGIBILITY.—The local partnership may require higher levels of performance than the minimum levels established under subparagraph (A)(i) for initial eligibility to receive funds as described in subsection (a).

(3) LIST OF ELIGIBLE PROVIDERS BY PROGRAM.—

(A) IN GENERAL.—The designated State agency, after reviewing the performance information described in paragraph (2)(C) and any information required to be submitted under

paragraph (2)(D) and using the procedure described in paragraph (2)(B), shall—

(i) identify eligible providers of training services described in subparagraphs (A) and (B) of subsection (a)(2), including identifying the programs of the providers through which the providers may offer the training services; and

(ii) compile a list of the eligible providers, and the programs, accompanied by the performance information described in paragraph (2)(C) and any information required to be submitted under paragraph (2)(D) for each such provider described in subsection (a)(2)(B).

(B) LOCAL MODIFICATION.—The local partnership may modify such list by reducing the number of eligible providers listed, to ensure that the eligible providers carry out programs that provide skills that enable participants to obtain local employment opportunities.

(c) SUBSEQUENT ELIGIBILITY.—

(1) INFORMATION AND CRITERIA.—To be eligible to continue to receive funds as described in subsection (a) for a program, a provider shall—

(A) submit the performance information described in subsection (b)(2)(C) and any information required to be submitted under subsection (b)(2)(D) annually to the designated State agency at such time and in such manner as the designated State agency may require for the program;

(B) annually meet the performance criteria described in subclause (I) and (if applicable) subclause (II) of subsection (b)(2)(B)(i) for the program; and

(C) annually meet local performance measures, as demonstrated utilizing quarterly records described in section 321, for the program.

(2) LIST OF ELIGIBLE PROVIDERS BY PROGRAM.—

(A) IN GENERAL.—The designated State agency, after reviewing the performance information and any other information submitted under paragraph (1) and using the procedure described in subsection (b)(2)(A), shall identify eligible providers and programs, and compile a list of the providers and programs, as described in subsection (b)(3), accompanied by the per-

formance information and other information for each such provider.

(B) LOCAL MODIFICATION.—The local partnership may modify such list by reducing the number of eligible providers listed, to ensure that the eligible providers carry out programs that provide skills that enable participants to obtain local employment opportunities.

(3) AVAILABILITY.—Such list and information shall be made widely available to participants in employment and training activities funded under this subtitle, and to others, through the one-stop customer service system described in section 315(b).

(d) ENFORCEMENT.—

(1) ACCURACY OF INFORMATION.—If the designated State agency, after consultation with the local partnership involved, determines that a provider or individual supplying information on behalf of a provider intentionally supplies inaccurate information under this section, the agency shall terminate the eligibility of the eligible provider to receive funds described in subsection (a) for a period of time, but not less than 2 years.

(2) COMPLIANCE WITH CRITERIA OR REQUIREMENTS.—If the designated State agency, after con-

sultation with the local partnership, determines that an eligible provider or a program of training services carried out by an eligible provider fails to meet the required performance criteria and performance measures described in subparagraphs (B) and (C) of subsection (c)(1) or materially violates any provision of this title, including the regulations promulgated to implement this title, the agency may terminate the eligibility of the eligible provider to receive funds described in subsection (a) for such program or take such other action as the agency determines to be appropriate.

(3) REPAYMENT.—Any provider whose eligibility is terminated under paragraph (1) or (2) for a program shall be liable for repayment of funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

(4) APPEAL.—The Governor shall establish a procedure for an eligible provider to appeal a determination by the designated State agency that results in termination of eligibility under this subsection. Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(e) ON-THE-JOB TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training shall not be subject to the requirements of subsections (a) through (d).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop customer service center operator in a local area shall collect such performance information from on-the-job training providers as the Governor may require, and disseminate such information through the one-stop customer service system.

(f) ADMINISTRATION.—The Governor shall designate a State agency to collect and disseminate the performance information described in subsection (b)(2)(C) and any information required to be submitted under subsection (b)(2)(D) and carry out other duties described in this section.

SEC. 313. IDENTIFICATION OF ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

The youth partnership is authorized to award grants on a competitive basis, based on the criteria contained in the State plan and local plan, to providers of youth activities, and conduct oversight with respect to such providers, in the local area.

SEC. 314. STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.

(a) IN GENERAL.—Funds reserved by a Governor for a State—

(1) under section 306(a)(2) shall be used to carry out the statewide rapid response activities described in subsection (b)(1); and

(2) under section 306(a)(1)—

(A) shall be used to carry out the statewide workforce investment activities described in subsection (b)(2); and

(B) may be used to carry out any of the statewide workforce investment activities described in subsection (c),

regardless of whether the funds were allotted to the State under paragraph (1), (2), or (3) of section 302(b).

(b) REQUIRED STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

(1) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall use funds reserved under section 306(a)(2) to carry out statewide rapid response activities, which shall include—

(A) provision of rapid response activities, carried out in local areas by the State, working

in conjunction with the local partnership and the chief elected official in the local area; and

(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in the local areas by the State, working in conjunction with the local partnership and the chief elected official in the local areas.

(2) OTHER REQUIRED STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—A State shall use funds reserved under section 306(a)(1) to carry out other statewide workforce investment activities, which shall include—

(A) disseminating the list of eligible providers of training services, including eligible providers of nontraditional training services, and the performance information as described in subsections (b) and (c) of section 312 and a list of eligible providers of youth activities described in section 313;

(B) conducting evaluations, under section 321(d), of activities authorized in this section, section 315, and section 316, in coordination

with the activities carried out under section 368;

(C) provision of incentive grants to local areas for regional cooperation among local partnerships, for local coordination and nonduplication of activities carried out under this Act, and for comparative performance by local areas on the local performance measures described in section 321(b);

(D) providing technical assistance to local areas that fail to meet local performance measures;

(E) assisting in the establishment and operation of a one-stop customer service system; and

(F) operation of a fiscal and management accountability information system under section 321(e).

(c) ALLOWABLE STATEWIDE WORKFORCE INVESTMENT ACTIVITIES.—

(1) IN GENERAL.—A State may use funds reserved under section 306(a)(1) to carry out additional statewide workforce investment activities, which may include—

(A) subject to paragraph (2), administration by the State of the workforce investment activities carried out under this subtitle;

(B) identification and implementation of incumbent worker training programs, which may include the establishment and implementation of an employer loan program;

(C) carrying out other activities authorized in section 315 that the State determines to be necessary to assist local areas in carrying out activities described in subsection (c) or (d) of section 315 through the statewide workforce investment system; and

(D) carrying out, on a statewide basis, activities described in section 316.

(2) LIMITATION.—Of the reserved funds described in paragraph (1)(A), a portion, equal to not more than 5 percent of the total amount allotted to the State under paragraphs (1), (2), and (3) of section 302(b) for the fiscal year involved, may be used for the administration of the workforce investment activities carried out under this subtitle. Funds made available from the portion may be used for the administration of any of the workforce investment activities, regardless of whether the funds were allot-

ted to the State under paragraph (1), (2), or (3) of section 302(b).

SEC. 315. LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.

(a) IN GENERAL.—Funds received by a local area under paragraph (3)(A) or (4)(A), as appropriate, of section 306(b), and funds received by the local area under section 306(b)(3)(B)—

(1) shall be used to carry out employment and training activities described in subsection (c) for adults or dislocated workers, as appropriate; and

(2) may be used to carry out employment and training activities described in subsection (d) for adults or dislocated workers, as appropriate.

(b) ESTABLISHMENT OF ONE-STOP CUSTOMER SERVICE SYSTEM.—

(1) IN GENERAL.—There shall be established in a State that receives an allotment under section 302 a one-stop customer service system, which—

(A) shall provide the core services described in subsection (c)(2);

(B) shall provide access to training services as described in subsection (c)(3);

(C) shall provide access to the activities (if any) carried out under subsection (d); and

(D) shall provide access to the information described in section 15 of the Wagner-Peyser Act and all job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(2) ONE-STOP DELIVERY.—At a minimum, the one-stop customer service system—

(A) shall make each of the services described in paragraph (1) accessible at not less than 1 physical customer service center in each local area of the State; and

(B) may also make services described in paragraph (1) available—

(i) through a network of customer service centers that can provide 1 or more of the services described in paragraph (1) to such individuals; and

(ii) through a network of eligible one-stop partners—

(I) in which each partner provides 1 or more of the services to such individuals and is accessible at a customer service center that consists of a physical location or an electronically

or technologically linked access point; and

(II) that assures individuals that information on the availability of core services will be available regardless of where the individuals initially enter the statewide workforce investment system, including information made available through an access point described in subclause (I).

(c) REQUIRED LOCAL ACTIVITIES.—

(1) IN GENERAL.—Funds received by a local area under paragraph (3)(A) or (4)(A), as appropriate, of section 306(b), and funds received by the local area under section 306(b)(3)(B) shall be used—

(A) to establish a one-stop customer service center described in subsection (b);

(B) to provide the core services described in paragraph (2) to participants described in such paragraph through the one-stop customer service system; and

(C) to provide training services described in paragraph (3) to participants described in such paragraph.

(2) CORE SERVICES.—Funds received by a local area as described in paragraph (1) shall be used to provide core services, which shall be available to all individuals seeking assistance through a one-stop customer service system and shall, at a minimum, include—

(A) determinations of whether the individuals are eligible to receive activities under this subtitle;

(B) outreach, intake (which may include worker profiling), and orientation to the information and other services available through the one-stop customer service system;

(C) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(D) case management assistance, as appropriate;

(E) job search and placement assistance;

(F) provision of information regarding—

(i) local, State, and, if appropriate, regional or national, employment opportunities; and

(ii) job skills necessary to obtain the employment opportunities;

(G) provision of performance information on eligible providers of training services as described in section 312, provided by program, and eligible providers of youth activities as described in section 313, eligible providers of adult education as described in title II, eligible providers of postsecondary vocational education activities and vocational education activities available to school dropouts as described in title I, and eligible providers of vocational rehabilitation program activities as described in title I of the Rehabilitation Act of 1973;

(H) provision of performance information on the activities carried out by one-stop partners, as appropriate;

(I) provision of information regarding how the local area is performing on the local performance measures described in section 321(b), and any additional performance information provided to the one-stop customer service center by the local partnership;

(J) provision of accurate information relating to the availability of supportive services, including child care and transportation, available

in the local area, and referral to such services, as appropriate;

(K) provision of information regarding filing claims for unemployment compensation;

(L) assistance in establishing eligibility for—

(i) welfare-to-work activities authorized under section 403(a)(5) of the Social Security Act (as added by section 5001 of the Balanced Budget Act of 1997) available in the local area; and

(ii) programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; and

(M) followup services, including counseling regarding the workplace, for participants in workforce investment activities who are placed in unsubsidized employment, for not less than 12 months after the completion of such participation, as appropriate.

(3) REQUIRED TRAINING SERVICES.—

(A) ELIGIBLE PARTICIPANTS.—Funds received by a local area as described in paragraph

(1) shall be used to provide training services to individuals—

(i) who are adults (including dislocated workers);

(ii) who seek the services;

(iii)(I) who are unable to obtain employment through the core services; or

(II) who are employed and who are determined by a one-stop customer service center operator to be in need of such training services in order to gain or retain employment that allows for self-sufficiency;

(iv) who after an interview, evaluation, or assessment, and case management, have been determined by a one-stop customer service center operator or one-stop partner, as appropriate, to be in need of training services and to have the skills and qualifications, to successfully participate in the selected program of training services;

(v) who select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the

adults receiving such services are willing to relocate;

(vi) who meet the requirements of subparagraph (B); and

(vii) who are determined to be eligible in accordance with the priority system, if any, in effect under subparagraph (D).

(B) QUALIFICATION.—

(i) REQUIREMENT.—Except as provided in clause (ii), provision of such training services shall be limited to individuals who—

(I) are unable to obtain other grant assistance for such services, including Federal Pell Grants established under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); or

(II) who require assistance beyond the assistance made available under other grant assistance programs, including Federal Pell Grants.

(ii) REIMBURSEMENTS.—Training services may be provided under this paragraph to an individual who otherwise meets

the requirements of this paragraph while an application for a Federal Pell Grant is pending, except that if such individual is subsequently awarded a Federal Pell Grant, appropriate reimbursement shall be made to the local area from such Federal Pell Grant.

(C) TRAINING SERVICES.—Training services may include—

(i) employment skill training;

(ii) on-the-job training;

(iii) job readiness training; and

(iv) adult education services when provided in combination with services described in clause (i), (ii), or (iii).

(D) PRIORITY.—In the event that funds are limited within a local area for adult employment and training activities, priority shall be given to disadvantaged adults for receipt of training services provided under this paragraph. The appropriate local partnership and the Governor shall direct the one-stop customer service center operator in the local area with regard to making determinations related to such priority.

(E) DELIVERY OF SERVICES.—Training services provided under this paragraph shall be provided—

(i) except as provided in section 312(e), through eligible providers of such services identified in accordance with section 312; and

(ii) in accordance with subparagraph (F).

(F) CONSUMER CHOICE REQUIREMENTS.—

(i) IN GENERAL.—Training services provided under this paragraph shall be provided in a manner that maximizes consumer choice in the selection of an eligible provider of such services.

(ii) ELIGIBLE PROVIDERS.—Each local partnership, through one-stop customer service centers, shall make available—

(I) the list of eligible providers required under subsection (b)(3) or (c)(2) of section 312, with a description of the programs through which the providers may offer the training

services, and a list of the names of on-the-job training providers; and

(II) the performance information on eligible providers of training services as described in section 312.

(iii) EMPLOYMENT INFORMATION.—Each local partnership, through one-stop customer service centers, shall make available—

(I) information regarding local, State, and, if appropriate, regional or national, employment opportunities; and

(II) information regarding the job skills necessary to obtain the employment opportunities.

(iv) INDIVIDUAL TRAINING ACCOUNTS.—An individual who is eligible pursuant to subparagraph (A) and seeks training services may select, in consultation with a case manager, an eligible provider of training services from the lists of providers described in clause (ii)(I). Upon such selection, the operator of the one-stop customer service center shall, to the extent

practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through an individual training account.

(d) PERMISSIBLE LOCAL ACTIVITIES.—

(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—Funds received by a local area under paragraph (3)(A) or (4)(A), as appropriate, of section 306(b), and funds received by the local area under section 306(b)(3)(B) may be used to provide, through one-stop delivery described in subsection (b)(2)—

(A) intensive employment-related services for participants in training services;

(B) customized screening and referral of qualified participants in training services to employment; and

(C) customized employment-related services to employers.

(2) SUPPORTIVE SERVICES.—Funds received by the local area as described in paragraph (1) may be used to provide supportive services to participants—

(A) who are participating in activities described in this section or youth activities under this subtitle; and

(B) who are unable to obtain such supportive services through other programs providing such services.

(3) NEEDS-RELATED PAYMENTS.—

(A) IN GENERAL.—Funds received by the local area under section 306(b)(3)(B) may be used to provide needs-related payments to dislocated workers who do not qualify for, or have exhausted, unemployment compensation, for the purpose of enabling such individuals to participate in training services.

(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has ceased to qualify for unemployment compensation may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in the training services—

(i) by the end of the 13th week of the worker's unemployment compensation benefits period for the most recent layoff that resulted in a determination of the worker's eligibility for employment and training ac-

tivities for dislocated workers under this subtitle; or

(ii) if later, by the end of the 13th week after the worker is informed that a short-term layoff will exceed 6 months.

(C) LEVEL OF PAYMENTS.—The level of a needs-related payment made to a dislocated worker under this paragraph shall not exceed the greater of—

(i) the applicable level of unemployment compensation; or

(ii) if such worker did not qualify for unemployment compensation, an amount equal to the poverty line, for an equivalent period, which amount shall be adjusted to reflect changes in total family income.

SEC. 316. LOCAL YOUTH ACTIVITIES.

(a) PURPOSES.—The purposes of this section are—

(1) to provide effective and comprehensive activities to youth seeking assistance in achieving academic and employment success;

(2) to ensure continuous contact for youth with committed adults;

(3) to provide opportunities for training to youth;

(4) to provide continued support services for youth;

(5) to provide incentives for recognition and achievement to youth; and

(6) to provide opportunities for youth in activities related to leadership, development, decisionmaking, citizenship, and community service.

(b) REQUIRED ELEMENTS.—Funds received by a local area under paragraph (3)(C) or (4)(B) of section 306(b) shall be used to carry out, for youth who seek the activities, activities that—

(1) consist of the provision of—

(A) tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies;

(B) alternative secondary school services;

(C) summer employment opportunities and other paid and unpaid work experiences, including internships;

(D) employment skill training, as appropriate;

(E) community service and leadership development opportunities;

(F) services described in section 315(c)(2);

(G) supportive services;

(H) adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months; and

(I) followup services for not less than 12 months after the completion of participation, as appropriate;

(2) provide—

(A) preparation for postsecondary educational opportunities, in appropriate cases;

(B) strong linkages between academic and occupational learning; and

(C) preparation for unsubsidized employment opportunities, in appropriate cases; and

(3) involve parents, participants, and other members of the community with experience relating to youth in the design and implementation of the activities.

(c) PRIORITY.—At a minimum, 50 percent of the funds described in subsection (b) shall be used to provide youth activities to out-of-school youth.

(d) PROHIBITIONS.—

(1) NO LOCAL EDUCATION CURRICULUM.—No funds described in subsection (b) shall be used to develop or implement local school system education curricula.

(2) NONDUPLICATION.—No funds described in subsection (b) shall be used to carry out activities that duplicate federally funded activities available to youth in the local area.

(3) NONINTERFERENCE AND NONREPLACEMENT OF REGULAR ACADEMIC REQUIREMENTS.—No funds described in subsection (b) shall be used to provide an activity for youth who are not school dropouts if participation in the activity would interfere with or replace the regular academic requirements of the youth.

CHAPTER 4—GENERAL PROVISIONS

SEC. 321. ACCOUNTABILITY.

(a) PURPOSE.—The purpose of this section is to provide comprehensive performance measures to assess the progress of States and local areas (including eligible providers and programs of activities authorized under this subtitle that are made available in the States and local areas), in assisting both employers and jobseekers in meeting their employment needs, in order to ensure an adequate return on the investment of Federal funds for the activities.

(b) STATE PERFORMANCE MEASURES.—

(1) IN GENERAL.—To be eligible to receive an allotment under section 302, a State shall establish,

and identify in the State plan, State performance measures. Each State performance measure shall consist of an indicator of performance, referred to in paragraph (2) or (3), and a performance level, referred to in paragraph (4).

(2) CORE INDICATORS OF PERFORMANCE.—The State performance measures shall contain indicators of performance, including, at a minimum—

(A) core indicators of performance for adults, including dislocated workers, participating in activities that are training services, which indicators consist of—

(i) placement in unsubsidized employment related to the training received through the activities;

(ii) retention in unsubsidized employment related to the training received through the activities—

(I) 6 months after completion of participation in the activities; and

(II) 12 months after completion of participation;

(iii) wages received by such participants who are placed in unsubsidized employment related to the training received

through the activities after completion of participation—

(I) on the first day of the employment;

(II) 6 months after the first day of the employment; and

(III) 12 months after the first day of the employment; and

(iv) percentage of wage replacement for dislocated workers placed in unsubsidized employment related to the training received through the activities;

(B) core indicators of performance for adults, including dislocated workers, participating in activities that are core services, which indicators consist of the indicators described in clauses (i) through (iv) of subparagraph (A); and

(C) core indicators of performance for youth participating in youth activities under section 316, that consist of—

(i) attainment of secondary school diplomas or their recognized equivalents;

(ii) attainment of job readiness and employment skills;

(iii) placement in, retention in, and completion of postsecondary education, advanced training, or an apprenticeship;

(iv) placement in unsubsidized employment related to the training received through the activities;

(v) retention in unsubsidized employment related to the training received through the activities—

(I) 6 months after completion of participation in the activities; and

(II) 12 months after completion of participation; and

(vi) wages received by such participants who are placed in unsubsidized employment related to the training received through the activities, after completion of participation—

(I) on the first day of the employment;

(II) 6 months after the first day of the employment; and

(III) 12 months after the first day of the employment.

(3) CUSTOMER SATISFACTION INDICATOR.—The State performance measures shall contain an indicator of performance with respect to customer satisfaction of employers and participants, which may be measured through surveys conducted after the conclusion of participation in workforce investment activities.

(4) STATE LEVELS OF PERFORMANCE.—In order to ensure an adequate return on the investment of Federal funds in workforce investment activities, the Secretary and each Governor shall reach agreement on the levels of performance expected to be achieved by the State, on the State performance measures established pursuant to this subsection. In reaching the agreement, the Secretary and Governor shall establish a level of performance for each indicator of performance described in paragraph (2) or (3). Such agreement shall take into account—

(A) how the levels compare with the levels established by other States, taking into consideration the specific circumstances, including economic circumstances, of each State; and

(B) the extent to which such levels promote continuous improvement in performance

by such State and ensure an adequate return on the investment of Federal funds.

(5) POPULATIONS.—In developing the State performance measures, a State shall develop and identify in the State plan State performance measures for populations that include, at a minimum—

(A) disadvantaged adults;

(B) dislocated workers;

(C) out-of-school youth; and

(D) individuals with disabilities.

(b) LOCAL PERFORMANCE MEASURES.—

(1) IN GENERAL.—Each Governor shall negotiate and reach agreement with the local partnership and the chief elected official in each local area on local performance measures. Each local performance measure shall consist of an indicator of performance referred to in paragraph (2) or (3) of subsection (a), and a performance level referred to in paragraph (2).

(2) PERFORMANCE LEVELS.—Based on the expected levels of performance established pursuant to subsection (a)(4), the Governor shall negotiate and reach agreement with the local partnership and the chief elected official in each local area regarding the

levels of performance expected to be achieved for the local area on the indicators of performance.

(3) POPULATIONS.—In negotiating and reaching agreement on the local performance measures, the Governor, local partnership, and chief elected official, shall negotiate and reach agreement on local performance measures for populations that include, at a minimum, the populations described in subsection (a)(5). The local partnership shall identify these local performance measures in the local plan.

(c) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 302 shall annually prepare and submit to the Secretary a report on the progress of the State in achieving State performance measures. The annual report shall also include information regarding the progress of local areas in achieving local performance measures. The report shall also include information on the status of State evaluations of workforce investment activities described in subsection (d).

(2) ADDITIONAL INFORMATION.—In preparing such report, the State shall include, at a minimum, information relating to—

(A) the performance of graduates of programs of training services as compared to former enrollees in the programs, with the respect to the core indicators described in subsection (a)(2)(A);

(B) the educational attainment of such graduates and former enrollees;

(C) the cost of the workforce investment activities relative to the impact of the activities on the performance of graduates on the core indicators; and

(D) the performance of welfare recipients, veterans, individuals with disabilities, and displaced homemakers with respect to the core indicators described in subparagraphs (A) and (B) of subsection (a)(2).

(3) INFORMATION DISSEMINATION.—The Secretary shall make the information contained in such reports available to Congress, the Library of Congress, and the public through publication and other appropriate methods, and shall disseminate State-by-State comparisons of the information that take into consideration the specific circumstances, including economic circumstances, of the States.

(4) DEFINITION.—In this subsection, the term ''welfare recipient'' means a person receiving payments described in section 2(24)(A).

(d) EVALUATION OF STATE PROGRAMS.—

(1) WORKFORCE INVESTMENT ACTIVITIES.—Using funds reserved under section 306(a)(1), a State shall conduct ongoing evaluations of workforce investment activities carried out in the State under this subtitle.

(2) CRITERIA FOR LONGITUDINAL STUDIES.—The evaluations shall include longitudinal studies of the workforce investment activities. Evaluation criteria for purposes of the longitudinal studies shall be developed in conjunction with statewide partnerships and local partnerships. The criteria shall measure the relationship between the level of public funding for the activities and the degree to which the activities promote employment and wage gains. Such longitudinal studies shall be conducted by an evaluator who is unaffiliated with the statewide partnership or the local partnership and shall include measures that reflect the State performance measures.

(3) ADDITIONAL STUDIES.—The State shall also fund evaluation studies of the workforce investment activities. The evaluation studies shall provide

ongoing analysis to statewide partnerships and local partnerships to promote efficiency and effectiveness in improving employability outcomes for jobseekers and competitiveness for employers. Such evaluation studies shall be designed in conjunction with statewide partnerships and local partnerships, and shall include analysis of customer feedback, and outcome and process measures.

(e) FISCAL AND MANAGEMENT ACCOUNTABILITY INFORMATION SYSTEMS.—

(1) IN GENERAL.—Using funds reserved under section 306(a)(1), the Governor shall operate a fiscal and management accountability information system, based on guidelines established by the Secretary in consultation with the Governors and other appropriate parties. Such guidelines shall promote the efficient collection and use of fiscal and management information for reporting and monitoring the use of funds made available to the State under this subtitle for workforce investment activities and for use by the State in preparing the annual report described in subsection (c). In measuring the progress of the State on State and local performance measures, a State shall utilize quarterly wage records available through the unemployment insurance system.

(2) CONFIDENTIALITY.—In carrying out the requirements of this Act, the State shall comply with section 444 of the General Education Provisions Act (20 U.S.C. 1232g) (as added by the Family Educational Rights and Privacy Act of 1974).

(f) SANCTIONS.—

(1) DETERMINATION.—If a State fails to meet 2 or more State performance measures described in this section for each of the 3 years covered by a State plan, the Secretary shall determine whether the failure is attributable to—

(A) adult employment and training activities;

(B) dislocated worker employment and training activities; or

(C) youth activities.

(2) TECHNICAL ASSISTANCE OR REDUCTION OF ALLOTMENTS.—The Secretary—

(A) may provide technical assistance to the State to improve the level of performance of the State, in accordance with section 366(b); and

(B) shall, on finding that a State fails to meet 2 or more State performance measures for 2 consecutive years, reduce, by not more than 5 percent, the allotment made under section

302 for the category of activities to which the failure is attributable.

(3) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary may use an amount retained as a result of a reduction in an allotment made under paragraph (2)(B) to award an incentive grant under section 365 or to provide technical assistance in accordance with section 366.

(g) INCENTIVE GRANTS.—The Secretary may make incentive grants under section 365 to States that exceed the State performance measures.

(h) DEFINITIONS.—In this section:

(1) FORMER ENROLLEE.—The term ''former enrollee'' means an individual who has been selected for and has enrolled in a program of workforce investment activities, but left the program before completing the requirements of the program.

(2) GRADUATE.—The term ''graduate'' means an individual who has been selected for and has enrolled in a program of workforce investment activities and has completed the requirements of such program.

(i) OTHER TERMS.—The Secretary, in consultation with the Governors, local partnerships, and other appropriate entities, shall issue regulations that identify and de-

fine other terms used in this title, in order to promote uniformity in the implementation of this Act.

SEC. 322. AUTHORIZATION OF APPROPRIATIONS.

(a) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 302(a)(1) under this subtitle, such sums as may be necessary for each of fiscal years 1999 through 2003.

(b) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 302(a)(2) under this subtitle, such sums as may be necessary for each of fiscal years 1999 through 2003.

(c) YOUTH ACTIVITIES.—There are authorized to be appropriated to carry out the activities described in section 302(a)(3) under this subtitle, such sums as may be necessary for each of fiscal years 1999 through 2003.

Subtitle B—Job Corps

SEC. 331. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist eligible youth who need and can benefit from an intensive program, operated in a group setting in residential and nonresidential centers, to

become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of activities described in this subtitle; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 332. DEFINITIONS.

In this subtitle:

(1) APPLICABLE LOCAL PARTNERSHIP.—The term ''applicable local partnership'' means a local partnership—

(A) that provides information for a Job Corps center on local employment opportunities and the job skills needed to obtain the opportunities; and

(B) that serves communities in which the graduates of the Job Corps center seek employment.

(2) APPLICABLE ONE-STOP CUSTOMER SERVICE CENTER.—The term ''applicable one-stop customer

service center'' means a one-stop customer service center that provides services, such as referral, intake, recruitment, and placement, to a Job Corps center.

(3) ENROLLEE.—The term ''enrollee'' means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program, and remains with the program, but has not yet become a graduate.

(4) FORMER ENROLLEE.—The term ''former enrollee'' means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program, but left the program before completing the requirements of a vocational training program, or receiving a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.

(5) GRADUATE.—The term ''graduate'' means an individual who has voluntarily applied for, been selected for, and enrolled in the Job Corps program and has completed the requirements of a vocational training program, or received a secondary school diploma or recognized equivalent, as a result of participation in the Job Corps program.

(6) JOB CORPS.—The term ''Job Corps'' means the Job Corps described in section 333.

(7) JOB CORPS CENTER.—The term ''Job Corps center'' means a center described in section 333.

(8) OPERATOR.—The term ''operator'' means an entity selected under this subtitle to operate a Job Corps center.

(9) REGION.—The term ''region'' means an area served by a regional office of the Employment and Training Administration.

(10) SERVICE PROVIDER.—The term ''service provider'' means an entity selected under this subtitle to provide services described in this subtitle to a Job Corps center.

SEC. 333. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to a center.

SEC. 334. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be—

(1) not less than age 16 and not more than age 21 on the date of enrollment, except that—

(A) not more than 20 percent of the individuals enrolled in the Job Corps may be not less than age 22 and not more than age 24 on the date of enrollment; and

(B) either such maximum age limitation may be waived by the Secretary, in accordance with regulations of the Secretary, in the case of an individual with a disability; and

(2) a low-income individual; and

(3) an individual who is 1 or more of the following:

(A) Basic skills deficient.

(B) A school dropout.

(C) Homeless, a runaway, or a foster child.

(D) A parent.

(E) An individual who requires additional education, vocational training, or intensive counseling and related assistance, in order to participate successfully in regular schoolwork or to secure and hold employment.

SEC. 335. RECRUITMENT, SCREENING, SELECTION, AND ASSIGNMENT OF ENROLLEES.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the re-

cruitment, screening, and selection of eligible applicants for the Job Corps, after considering recommendations from the Governors, local partnerships, and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1), the Secretary, at a minimum, shall—

(A) prescribe procedures for informing enrollees that drug tests will be administered to the enrollees and the results received within 45 days after the enrollees enroll in the Job Corps;

(B) establish standards for recruitment of Job Corps applicants;

(C) establish standards and procedures for—

(i) determining, for each applicant, whether the educational and vocational needs of the applicant can best be met through the Job Corps program or an alternative program in the community in which the applicant resides; and

(ii) obtaining from each applicant pertinent data relating to background, needs, and interests for determining eligibility and potential assignment;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting screening of the applicants; and

(E) assure that an appropriate number of enrollees are from rural areas.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) applicable one-stop customer service centers;

(B) community action agencies, business organizations, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(5) REIMBURSEMENT.—The Secretary is authorized to enter into contracts with and make payments to individuals and organizations for the cost

of conducting recruitment, screening, and selection of eligible applicants for the Job Corps, as provided for in this section. The Secretary shall make no payment to any individual or organization solely as compensation for referring the names of applicants for the Job Corps.

(b) SPECIAL LIMITATIONS ON SELECTION.—

(1) IN GENERAL.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(A) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, and is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the Job Corps program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and communities surrounding the Job Corps center;

(B) the individual manifests a basic understanding of both the rules to which the individ-

ual will be subject and of the consequences of failure to observe the rules; and

(C) the individual has passed a background check conducted in accordance with procedures established by the Secretary.

(2) INDIVIDUALS ON PROBATION, PAROLE, OR SUPERVISED RELEASE.—An individual on probation, parole, or supervised release may be selected as an enrollee only if release from the supervision of the probation or parole official involved is satisfactory to the official and the Secretary and does not violate applicable laws (including regulations). No individual shall be denied a position in the Job Corps solely on the basis of individual contact with the criminal justice system.

(c) ASSIGNMENT PLAN.—

(1) IN GENERAL.—Every 2 years, the Secretary shall develop and implement an assignment plan for assigning enrollees to Job Corps centers. In developing the plan, the Secretary shall, based on the analysis described in paragraph (2), establish targets, applicable to each Job Corps center, for—

(A) the maximum attainable percentage of enrollees at the Job Corps center that reside in the State in which the center is located; and

(B) the maximum attainable percentage of enrollees at the Job Corps center that reside in the region in which the center is located, and in surrounding regions.

(2) ANALYSIS.—In order to develop the plan described in paragraph (1), the Secretary shall, every 2 years, analyze, for the Job Corps center—

(A) the size of the population of individuals eligible to participate in Job Corps in the State and region in which the Job Corps center is located, and in surrounding regions;

(B) the relative demand for participation in the Job Corps in the State and region, and in surrounding regions; and

(C) the capacity and utilization of the Job Corps center, including services provided through the center.

(d) ASSIGNMENT OF INDIVIDUAL ENROLLEES.—

(1) IN GENERAL.—After an individual has been selected for the Job Corps in accordance with the standards and procedures of the Secretary under subsection (a), the enrollee shall be assigned to the Job Corps center that is closest to the home of the enrollee, except that the Secretary may waive this requirement if—

(A) the enrollee chooses a vocational training program, or requires English as a second language program, that is not available at such center;

(B) the enrollee is an individual with a disability and may be better served at another center;

(C) the enrollee would be unduly delayed in participating in the Job Corps program because the closest center is operating at full capacity; or

(D) the parent or guardian of the enrollee requests assignment of the enrollee to another Job Corps center due to circumstances in the community of the enrollee that would impair prospects for successful participation in the Job Corps program.

(2) ENROLLEES WHO ARE YOUNGER THAN 18.—An enrollee who is younger than 18 shall not be assigned to a Job Corps center other than the center closest to the home of the enrollee pursuant to paragraph (1) if the parent or guardian of the enrollee objects to the assignment.

SEC. 336. ENROLLMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 338(b) would require an individual to participate in the Job Corps for not more than 1 additional year; or

(2) as the Secretary may authorize in a special case.

SEC. 337. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—

(A) OPERATORS.—The Secretary shall enter into an agreement with a Federal, State, or local agency, such as individuals participating in a statewide partnership or in a local partnership or an agency that operates or wishes to develop an area vocational education school facility or residential vocational school,

or with a private organization, for the operation of each Job Corps center.

(B) PROVIDERS.—The Secretary may enter into an agreement with a local entity to provide activities described in this subtitle to the Job Corps center.

(2) SELECTION PROCESS.—

(A) COMPETITIVE BASIS.—Except as provided in subsections (c) and (d) of section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253), the Secretary shall select on a competitive basis an entity to operate a Job Corps center and entities to provide activities described in this subtitle to the Job Corps center. In developing a solicitation for an operator or service provider, the Secretary shall consult with the Governor for the State in which the center is located, the industry council for the Job Corps center (if established), and the applicable local partnership regarding the contents of such solicitation, including elements that will promote the consistency of the activities carried out through the center with the objectives set forth in the State plan or in a local plan.

(B) RECOMMENDATIONS AND CONSIDERATIONS.—

(i) OPERATORS.—In selecting an entity to operate a Job Corps center, the Secretary shall consider—

(I) the ability of the entity to coordinate the activities carried out through the Job Corps center with activities carried out under the appropriate State plan and local plans;

(II) the degree to which the vocational training that the entity proposes for the center reflects local employment opportunities in the local areas in which enrollees at the center intend to seek employment;

(III) the degree to which the entity is familiar with the surrounding communities, applicable one-stop centers, and the State and region in which the center is located; and

(IV) the past performance of the entity, if any, relating to operating or providing activities described in this subtitle to a Job Corps center.

(ii) PROVIDERS.—In selecting a service provider for a Job Corps center, the Secretary shall consider the factors described in subclauses (I) through (IV) of clause (i), as appropriate.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in this subtitle. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers operated under agreements with the Secretary of Agriculture or the Secretary of the Interior, located primarily in rural areas, which shall provide, in addition to other vocational training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis, as provided in sub-

section (a), if the center fails to meet such national performance standards as the Secretary shall establish.

(d) INDIAN TRIBES.—

(1) GENERAL AUTHORITY.—The Secretary may enter into agreements with Indian tribes to operate Job Corps centers for Indians.

(2) DEFINITIONS.—In this subsection, the terms ''Indian'' and ''Indian tribe'', have the meanings given such terms in subsections (d) and (e), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

SEC. 338. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED BY JOB CORPS CENTERS.—

(1) IN GENERAL.—Each Job Corps center shall provide enrollees with an intensive, well organized, and fully supervised program of education, vocational training, work experience, recreational activities, and counseling. Each Job Corps center shall provide enrollees assigned to the center with access to core services described in subtitle A.

(2) RELATIONSHIP TO OPPORTUNITIES.—

(A) IN GENERAL.—The activities provided under this subsection shall provide work-based learning throughout the enrollment of the enrollees and assist the enrollees in obtaining meaningful unsubsidized employment, participating in secondary education or postsecondary education programs, enrolling in other suitable vocational training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(B) LINK TO EMPLOYMENT OPPORTUNITIES.—The vocational training provided shall be linked to the employment opportunities in the local area in which the enrollee intends to seek employment after graduation.

(b) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited. The advanced career training may be provided through the eligible providers of training services identified by the State involved under section 312.

(2) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(3) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

(c) CONTINUED SERVICES.—The Secretary shall also provide continued services to graduates, including providing counseling regarding the workplace for 12 months

after the date of graduation of the graduates. In selecting a provider for such services, the Secretary shall give priority to one-stop partners.

SEC. 339. COUNSELING AND JOB PLACEMENT.

(a) COUNSELING AND TESTING.—The Secretary shall arrange for counseling and testing for each enrollee at regular intervals to measure progress in the education and vocational training programs carried out through the Job Corps.

(b) PLACEMENT.—The Secretary shall arrange for counseling and testing for enrollees prior to their scheduled graduations to determine their capabilities and, based on their capabilities, shall make every effort to arrange to place the enrollees in jobs in the vocations for which the enrollees are trained or to assist the enrollees in obtaining further activities described in this subtitle. In arranging for the placement of graduates in jobs, the Secretary shall utilize the one-stop customer service system to the fullest extent possible.

(c) STATUS AND PROGRESS.—The Secretary shall determine the status and progress of enrollees scheduled for graduation and make every effort to assure that their needs for further activities described in this subtitle are met.

SEC. 340. SUPPORT.

(a) PERSONAL ALLOWANCES.—The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

(b) READJUSTMENT ALLOWANCES.—The Secretary shall arrange for a readjustment allowance to be paid to eligible former enrollees and graduates. The Secretary shall arrange for the allowance to be paid at the one-stop customer service center nearest to the home of such a former enrollee or graduate who is returning home, or at the one-stop customer service center nearest to the location where the former enrollee or graduate has indicated an intent to seek employment. If the Secretary uses any organization, in lieu of a one-stop customer service center, to provide placement services under this Act, the Secretary shall arrange for that organization to pay the readjustment allowance.

SEC. 341. OPERATING PLAN.

(a) IN GENERAL.—The provisions of the contract between the Secretary and an entity selected to operate a Job Corps center shall, at a minimum, serve as an operating plan for the Job Corps center.

(b) ADDITIONAL INFORMATION.—The Secretary may require the operator, in order to remain eligible to operate

the Job Corps center, to submit such additional information as the Secretary may require, which shall be considered part of the operating plan.

(c) AVAILABILITY.—The Secretary shall make the operating plan described in subsections (a) and (b), excluding any proprietary information, available to the public.

SEC. 342. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps centers shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY AND DRUG TESTING.—

(A) GUIDELINES.—The Secretary shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for other illegal or disruptive activity.

(B) DRUG TESTING.—The Secretary shall require drug testing of all enrollees for controlled substances in accordance with procedures prescribed by the Secretary under section 335(a).

(C) DEFINITIONS.—In this paragraph:

(i) CONTROLLED SUBSTANCE.—The term ''controlled substance'' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term ''zero tolerance policy'' means a policy under which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that

the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 343. COMMUNITY PARTICIPATION.

(a) BUSINESS AND COMMUNITY LIAISON.—Each Job Corps center shall have a Business and Community Liaison (referred to in this Act as a ''Liaison''), designated by the director of the center.

(b) RESPONSIBILITIES.—The responsibilities of the Liaison shall include—

(1) establishing and developing relationships and networks with—

(A) local and (in the case of rural or remote sites) distant employers; and

(B) applicable one-stop customer service centers and applicable local partnerships,

for the purpose of providing job opportunities for Job Corps graduates; and

(2) establishing and developing relationships with members of the community in which the Job Corps center is located, informing members of the community about the projects of the Job Corps cen-

ter and changes in the rules, procedures, or activities of the center that may affect the community, and planning events of mutual interest to the community and the Job Corps center.

(c) NEW CENTERS.—The Liaison for a Job Corps center that is not yet operating shall establish and develop the relationships and networks described in subsection (b) at least 3 months prior to the date on which the center accepts the first enrollee at the center.

SEC. 344. INDUSTRY COUNCILS.

(a) IN GENERAL.—Each Job Corps center shall have an industry council, appointed by the director of the center after consultation with the Liaison, in accordance with procedures established by the Secretary.

(b) INDUSTRY COUNCIL COMPOSITION.—

(1) IN GENERAL.—An industry council shall be comprised of—

(A) a majority of members who shall be local and (in the case of rural or remote sites) distant owners of business concerns, chief executives or chief operating officers of non-governmental employers, or other private sector employers, who—

(i) have substantial management, hiring, or policy responsibility; and

(ii) who represent businesses with employment opportunities that reflect the employment opportunities of the applicable local area; and

(B) representatives of labor organizations (where present) and representatives of employees.

(2) LOCAL PARTNERSHIP.—The industry council may include members of the applicable local partnerships who meet the requirements described in paragraph (1).

(c) RESPONSIBILITIES.—The responsibilities of the industry council shall be—

(1) to work closely with all applicable local partnerships in order to determine, and recommend to the Secretary, appropriate vocational training for the center;

(2) to review all the relevant labor market information to—

(A) determine the employment opportunities in the local areas in which the enrollees intend to seek employment after graduation;

(B) determine the skills and education that are necessary to obtain the employment opportunities; and

(C) recommend to the Secretary the type of vocational training that should be implemented at the center to enable the enrollees to obtain the employment opportunities; and

(3) to meet at least once every 6 months to re-evaluate the labor market information, and other relevant information, to determine, and recommend to the Secretary, any necessary changes in the vocational training provided at the center.

(d) NEW CENTERS.—The industry council for a Job Corps center that is not yet operating shall carry out the responsibilities described in subsection (c) at least 3 months prior to the date on which the center accepts the first enrollee at the center.

SEC. 345. ADVISORY COMMITTEES.

The Secretary may establish and use advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 346. EXPERIMENTAL, RESEARCH, AND DEMONSTRATION PROJECTS.

The Secretary may carry out experimental, research, or demonstration projects relating to carrying out the Job Corps program and may waive any provision of this subtitle that the Secretary finds would prevent the Secretary from carrying out the projects.

SEC. 347. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as

an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term ''employee'' as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 348. SPECIAL PROVISIONS.

(a) ENROLLMENT.—The Secretary shall ensure that women and men have an equal opportunity to participate in the Job Corps program, consistent with section 335.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of carrying out the Job Corps program shall become the property of the United States.

(c) TRANSFER OF PROPERTY.—

(1) IN GENERAL.—Notwithstanding title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) and any other provision of law, the Secretary and the Secretary of Education shall receive priority by the Secretary of Defense for the direct transfer, on a nonreimbursable basis, of the property described in paragraph

(2) for use in carrying out programs under this Act or under any other Act.

(2) PROPERTY.—The property described in this paragraph is real and personal property under the control of the Department of Defense that is not used by such Department, including property that the Secretary of Defense determines is in excess of current and projected requirements of such Department.

(d) GROSS RECEIPTS.—Transactions conducted by a private for-profit or nonprofit entity that is an operator or service provider for a Job Corps center shall not be considered to be generating gross receipts. Such an operator or service provider shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such entity for operating or providing services to a Job Corps center. Such an operator or service provider shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such operator or service provider of any property, service, or other item in con-

nection with the operation of or provision of services to a Job Corps center.

(e) MANAGEMENT FEE.—The Secretary shall provide each operator and (in an appropriate case, as determined by the Secretary) service provider with an equitable and negotiated management fee of not less than 1 percent of the amount of the funding provided under the appropriate agreement specified in section 337.

(f) DONATIONS.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this subtitle.

(g) SALE OF PROPERTY.—Notwithstanding any other provision of law, if the Administrator of General Services sells a Job Corps center facility, the Administrator shall transfer the proceeds from the sale to the Secretary, who shall use the proceeds to carry out the Job Corps program.

SEC. 349. MANAGEMENT INFORMATION.

(a) FINANCIAL MANAGEMENT INFORMATION SYSTEM.—

(1) IN GENERAL.—The Secretary shall establish procedures to ensure that each operator, and each

service provider, maintains a financial management information system that will provide—

(A) accurate, complete, and current disclosures of the costs of Job Corps operations; and

(B) sufficient data for the effective evaluation of activities carried out through the Job Corps program.

(2) ACCOUNTS.—Each operator and service provider shall maintain funds received under this subtitle in accounts in a manner that ensures timely and accurate reporting as required by the Secretary.

(3) FISCAL RESPONSIBILITY.—Operators shall remain fiscally responsible and control costs, regardless of whether the funds made available for Job Corps centers are incrementally increased or decreased between fiscal years.

(b) AUDIT.—

(1) ACCESS.—The Secretary, the Inspector General of the Department of Labor, the Comptroller General of the United States, and any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the operators and service providers described in subsection (a) that are pertinent to the Job Corps program, for purposes of conducting surveys, audits,

and evaluations of the operators and service providers.

(2) SURVEYS, AUDITS, AND EVALUATIONS.—The Secretary shall survey, audit, or evaluate, or arrange for the survey, audit, or evaluation of, the operators and service providers, using Federal auditors or independent public accountants. The Secretary shall conduct such surveys, audits, or evaluations not less often than once every 3 years.

(c) INFORMATION ON CORE PERFORMANCE MEASURES.—

(1) ESTABLISHMENT.—The Secretary shall, with continuity and consistency from year to year, establish core performance measures, and expected performance levels on the performance measures, for Job Corps centers and the Job Corps program, relating to—

(A) the number of graduates and the rate of such graduation, analyzed by type of vocational training received through the Job Corps program and by whether the vocational training was provided by a local or national service provider;

(B) the number of graduates who entered unsubsidized employment related to the voca-

tional training received through the Job Corps program and the number who entered unsubsidized employment not related to the vocational training received, analyzed by whether the vocational training was provided by a local or national service provider and by whether the placement in the employment was conducted by a local or national service provider;

(C) the average wage received by graduates who entered unsubsidized employment related to the vocational training received through the Job Corps program and the average wage received by graduates who entered unsubsidized employment unrelated to the vocational training received;

(D) the average wage received by graduates placed in unsubsidized employment after completion of the Job Corps program—

(i) on the first day of the employment;

(ii) 6 months after the first day of the employment; and

(iii) 12 months after the first day of the employment,

analyzed by type of vocational training received through the Job Corps program;

(E) the number of graduates who entered unsubsidized employment and were retained in the unsubsidized employment—

(i) 6 months after completion of the Job Corps program; and

(ii) 12 months after completion of the Job Corps program;

(F) the number of graduates who entered unsubsidized employment—

(i) for 32 hours per week or more;

(ii) for not less than 20 but less than 32 hours per week; and

(iii) for less than 20 hours per week;

(G) the number of graduates who entered postsecondary education or advanced training programs, including registered apprenticeship programs, as appropriate; and

(H) the number of graduates who attained job readiness and employment skills.

(2) PERFORMANCE OF RECRUITERS.—The Secretary shall also establish performance measures, and expected performance levels on the performance measures, for local and national recruitment service providers serving the Job Corps program. The performance measures shall relate to the number of en-

rollees retained in the Job Corps program for 30 days and for 60 days after initial placement in the program.

(3) REPORT.—The Secretary shall collect, and annually submit a report to the appropriate committees of Congress containing, information on the performance of each Job Corps center, and the Job Corps program, on the core performance measures, as compared to the expected performance level for each performance measure. The report shall also contain information on the performance of the service providers described in paragraph (2) on the performance measures established under such paragraph, as compared to the expected performance levels for the performance measures.

(d) ADDITIONAL INFORMATION.—The Secretary shall also collect, and submit in the report described in subsection (c), information on the performance of each Job Corps center, and the Job Corps program, regarding—

(1) the number of enrollees served;

(2) the average level of learning gains for graduates and former enrollees;

(3) the number of former enrollees and graduates who entered the Armed Forces;

(4) the number of former enrollees who entered postsecondary education;

(5) the number of former enrollees who entered unsubsidized employment related to the vocational training received through the Job Corps program and the number who entered unsubsidized employment not related to the vocational training received;

(6) the number of former enrollees and graduates who obtained a secondary school diploma or its recognized equivalent;

(7) the number and percentage of dropouts from the Job Corps program including the number dismissed under the zero tolerance policy described in section 342(b); and

(8) any additional information required by Secretary.

(e) METHODS.—The Secretary may, to collect the information described in subsections (c) and (d), use methods described in subtitle A.

(f) PERFORMANCE ASSESSMENTS AND IMPROVEMENTS.—

(1) ASSESSMENTS.—The Secretary shall conduct an annual assessment of the performance of each Job Corps center. Based on the assessment, the

Secretary shall take measures to continuously improve the performance of the Job Corps program.

(2) PERFORMANCE IMPROVEMENT PLANS.—With respect to a Job Corps center that fails to meet the expected levels of performance relating to the core performance measures specified in subsection (c), the Secretary shall develop and implement a performance improvement plan. Such a plan shall require action including—

(A) providing technical assistance to the center;

(B) changing the vocational training offered at the center;

(C) changing the management staff of the center;

(D) replacing the operator of the center;

(E) reducing the capacity of the center;

(F) relocating the center; or

(G) closing the center.

(3) ADDITIONAL PERFORMANCE IMPROVEMENT PLANS.—In addition to the performance improvement plans required under paragraph (2), the Secretary may develop and implement additional performance improvement plans. Such a plan shall require improvements, including the actions described

in paragraph (2), for a Job Corps center that fails to meet criteria established by the Secretary other than the expected levels of performance described in paragraph (2).

SEC. 350. GENERAL PROVISIONS.

The Secretary is authorized to—

(1) disseminate, with regard to the provisions of section 3204 of title 39, United States Code, data and information in such forms as the Secretary shall determine to be appropriate, to public agencies, private organizations, and the general public;

(2) subject to section 347(b), collect or compromise all obligations to or held by the Secretary and exercise all legal or equitable rights accruing to the Secretary in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and

(3) expend funds made available for purposes of this subtitle—

(A) for printing and binding, in accordance with applicable law (including regulation); and

(B) without regard to any other law (including regulation), for rent of buildings and space in buildings and for repair, alteration,

and improvement of buildings and space in buildings rented by the Secretary, except that the Secretary shall not expend funds under the authority of this subparagraph—

(i) except when necessary to obtain an item, service, or facility, that is required in the proper administration of this subtitle, and that otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which the item, service, or facility is needed; and

(ii) prior to having given written notification to the Administrator of General Services (if the expenditure would affect an activity that otherwise would be under the jurisdiction of the General Services Administration) of the intention of the Secretary to make the expenditure, and the reasons and justifications for the expenditure.

SEC. 351. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subtitle such sums as may be necessary for each of the fiscal years 1999 through 2003.

Subtitle C—National Programs

SEC. 361. NATIVE AMERICAN PROGRAMS.

(a) PURPOSE AND POLICY.—

(1) PURPOSE.—The purpose of this section is to support workforce investment activities and supplemental services for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—In this section:

(1) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms ''Indian'', ''Indian tribe'', and ''tribal organization'' have the meanings given such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(2) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms ''Native Hawaiian'' and ''Native Hawaiian organization'' have the meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(c) PROGRAMS AUTHORIZED.—The Secretary shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraph (2) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE INVESTMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) building a comprehensive facility to be utilized by American Samoans residing in Hawaii for the co-location of federally funded and State funded workforce investment activities;

(ii) comprehensive workforce investment activities for Indians or Native Hawaiians; or

(iii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment

of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c) shall submit to the Secretary a plan that describes a 2-year strategy for meeting the needs of Indian or Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purpose of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the activities to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the activities to be provided and the manner in which such activities are to be integrated with other appropriate activities; and

(5) describe, after the entity submitting the plan consults with the Secretary, the performance measures to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c) to participate in any activity offered by a State or local entity under this Act; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) ADMINISTRATIVE PROVISIONS.—

(1) ORGANIZATIONAL UNIT ESTABLISHED.—The Secretary shall designate a single organizational unit within the Department of Labor that shall have primary responsibility for the administration of the activities authorized under this section.

(2) REGULATIONS.—The Secretary shall consult with the entities described in subsection (c) in—

(A) establishing regulations to carry out this section, including performance measures for entities receiving assistance under such subsection, taking into account the economic circumstances of such entities; and

(B) developing a funding distribution plan that takes into consideration previous levels of funding (prior to the date of enactment of this Act) to such entities.

(3) WAIVERS.—

(A) IN GENERAL.—With respect to an entity described in subsection (c), the Secretary, notwithstanding any other provision of law, may, pursuant to a request submitted by such entity that meets the requirements established under paragraph (2), waive any of the statutory or regulatory requirements of this title that are inconsistent with the specific needs of the entities described in such subsection, except that the Secretary may not waive requirements relating to wage and labor standards, worker rights, participation and protection of participants, grievance procedures, and judicial review.

(B) REQUEST AND APPROVAL.—An entity described in subsection (c) that requests a waiv-

er under subparagraph (A) shall submit a plan to the Secretary to improve the program of workforce investment activities carried out by the entity, which plan shall meet the requirements established by the Secretary and shall be generally consistent with the requirements of section 379(i)(3).

(4) ADVISORY COUNCIL.—

(A) IN GENERAL.—The Secretary shall establish a Native American Employment and Training Council to facilitate the consultation described in paragraph (2).

(B) COMPOSITION.—The Council shall be composed of individuals, appointed by the Secretary, who are representatives of the entities described in subsection (c).

(C) DUTIES.—The Council shall advise the Secretary on all aspects of the operation and administration of the programs assisted under this section, including the selection of the individual appointed as the head of the unit established under paragraph (1).

(D) PERSONNEL MATTERS.—

(i) COMPENSATION OF MEMBERS.—Members of the Council shall serve without compensation.

(ii) TRAVEL EXPENSES.—The members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

(iii) ADMINISTRATIVE SUPPORT.—The Secretary shall provide the Council with such administrative support as may be necessary to perform the functions of the Council.

(E) CHAIRPERSON.—The Council shall select a chairperson from among its members.

(F) MEETINGS.—The Council shall meet not less than twice each year.

(G) APPLICATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Council.

(5) TECHNICAL ASSISTANCE.—The Secretary, acting through the unit established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c) that receive assistance under this section to enable such entities to improve the activities authorized under this section that are provided by such entities.

SEC. 362. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

(a) IN GENERAL.—Every 2 years, the Secretary shall, on a competitive basis, make grants to, or enter into contracts with, eligible entities to carry out the activities described in subsection (d).

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant or enter into a contract under this section, an entity shall have an understanding of the problems of eligible migrant and seasonal farmworkers (including dependents), a familiarity with the area to be served, and the ability to demonstrate a capacity to administer effectively a diversified program of workforce investment activities (including youth activities) and related assistance for eligible migrant and seasonal farmworkers.

(c) PROGRAM PLAN.—

(1) IN GENERAL.—To be eligible to receive a grant or enter into a contract under this section, an

entity described in subsection (b) shall submit to the Secretary a plan that describes a 2-year strategy for meeting the needs of eligible migrant and seasonal farmworkers in the area to be served by such entity.

(2) ADMINISTRATION.—Grants and contracts awarded under this section shall be centrally administered by the Department of Labor and competitively awarded by the Secretary using procedures consistent with standard Federal Government competitive procurement policies.

(3) COMPETITION.—

(A) IN GENERAL.—The competition for grants made and contracts entered into under this section shall be conducted every 2 years.

(B) EXCEPTION.—Notwithstanding subparagraph (A), if a recipient of such a grant or contract has performed satisfactorily under the terms of the grant agreement or contract, the Secretary may waive the requirement for such competition for such recipient upon receipt from the recipient of a satisfactory 2-year plan described in paragraph (1) for the succeeding 2-year grant or contract period.

(4) CONTENTS.—Such plan shall—

(A) identify the education and employment needs of the eligible migrant and seasonal farmworkers to be served and the manner in which the workforce investment activities (including youth activities) to be carried out will strengthen the ability of the eligible migrant and seasonal farmworkers to obtain or retain unsubsidized employment or stabilize their unsubsidized employment;

(B) describe the related assistance, including supportive services, to be provided and the manner in which such assistance and services are to be integrated and coordinated with other appropriate services; and

(C) describe, after consultation with the Secretary, the performance measures to be used to assess the performance of such entity in carrying out the activities assisted under this section.

(d) AUTHORIZED ACTIVITIES.—Funds made available under this section shall be used to carry out workforce investment activities (including youth activities) and provide related assistance for eligible migrant and seasonal farmworkers, which may include employment, training, educational assistance, literacy assistance, an English lan-

guage program, worker safety training, supportive services, dropout prevention activities, follow-up services for those individuals placed in employment, self-employment and related business enterprise development education as needed by eligible migrant and seasonal farmworkers and identified pursuant to the plan required by subsection (c), and technical assistance relating to capacity enhancement in such areas as management information technology.

(e) CONSULTATION WITH GOVERNORS AND LOCAL PARTNERSHIPS.—In making grants and entering into contracts under this section, the Secretary shall consult with the Governors and local partnerships of the States in which the eligible entities will carry out the activities described in subsection (d).

(f) REGULATIONS.—The Secretary shall consult with eligible migrant and seasonal farmworkers groups and States in establishing regulations to carry out this section, including performance measures for eligible entities that take into account the economic circumstances and demographics of eligible migrant and seasonal farmworkers.

(g) DEFINITIONS.—In this section:

(1) DISADVANTAGED.—The term ''disadvantaged'', used with respect to a farmworker, means a farmworker whose income, for 12 consecutive months out of the 24 months prior to application for

the program involved, does not exceed the higher of—

(A) the poverty line (as defined in section 334(a)(2)(B)) for an equivalent period; or

(B) 70 percent of the lower living standard income level, for an equivalent period.

(2) ELIGIBLE MIGRANT AND SEASONAL FARMWORKERS.—The term ''eligible migrant and seasonal farmworkers'' means individuals who are eligible migrant farmworkers or are eligible seasonal farmworkers.

(3) ELIGIBLE MIGRANT FARMWORKER.—The term ''eligible migrant farmworker'' means—

(A) an eligible seasonal farmworker described in paragraph (4)(A) whose agricultural labor requires travel to a job site such that the farmworker is unable to return to a permanent place of residence within the same day; and

(B) a dependent of the farmworker described in subparagraph (A).

(4) ELIGIBLE SEASONAL FARMWORKER.—The term ''eligible seasonal farmworker'' means—

(A) a disadvantaged person who, for 12 consecutive months out of the 24 months prior to application for the program involved, has

been primarily employed in agricultural labor that is characterized by chronic unemployment or underemployment; and

(B) a dependent of the person described in subparagraph (A).

SEC. 363. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The Secretary shall conduct, directly or through grants or contracts, programs to meet the needs for workforce investment activities of service-connected disabled veterans, Vietnam era veterans, and recently separated veterans.

(2) CONDUCT OF PROGRAMS.—Programs supported under this section may be conducted through grants and contracts with public agencies and private nonprofit organizations, including recipients of Federal assistance under other provisions of this title, that the Secretary determines have an understanding of the unemployment problems of veterans described in paragraph (1), familiarity with the area to be served, and the capability to administer effectively a program of workforce investment activities for such veterans.

(3) REQUIRED ACTIVITIES.—Programs supported under this section shall include—

(A) activities to enhance services provided to veterans by other providers of workforce investment activities funded by Federal, State, or local government;

(B) activities to provide workforce investment activities to such veterans that are not adequately provided by other public providers of workforce investment activities; and

(C) outreach and public information activities to develop and promote maximum job and job training opportunities for such veterans and to inform such veterans about employment, job training, on-the-job training and educational opportunities under this title, under title 38, United States Code, and under other provisions of law, which activities shall be coordinated with activities provided through the one-stop customer service centers.

(b) ADMINISTRATION OF PROGRAMS.—

(1) IN GENERAL.—The Secretary shall administer programs supported under this section through the Assistant Secretary for Veterans' Employment and Training.

(2) ADDITIONAL RESPONSIBILITIES.—In carrying out responsibilities under this section, the Assistant Secretary for Veterans' Employment and Training shall—

(A) be responsible for the awarding of grants and contracts and the distribution of funds under this section and for the establishment of appropriate fiscal controls, accountability, and program performance measures for recipients of grants and contracts under this section; and

(B) consult with the Secretary of Veterans Affairs and take steps to ensure that programs supported under this section are coordinated, to the maximum extent feasible, with related programs and activities conducted under title 38, United States Code, including programs and activities conducted under subchapter II of chapter 77 of such title, chapters 30, 31, 32, and 34 of such title, and sections 1712A, 1720A, 3687, and 4103A of such title.

SEC. 364. YOUTH OPPORTUNITY GRANTS.

(a) GRANTS.—

(1) IN GENERAL.—Using funds made available under section 302(b)(3)(A), the Secretary shall

make grants to eligible local partnerships to provide activities described in subsection (b) for youth to increase the long-term employment of eligible youth who live in empowerment zones, enterprise communities, and high poverty areas and who seek assistance.

(2) GRANT PERIOD.—The Secretary may make a grant under this section for a 1-year period, and may renew the grant for each of the 4 succeeding years.

(3) GRANT AWARDS.—The minimum amount that may be made available to a grant recipient for the first year of a grant made under this section shall be $10,000,000.

(b) USE OF FUNDS.—

(1) IN GENERAL.—A local partnership that receives a grant under this section shall use the funds made available through the grant to provide activities that meet the requirements of section 316, except as provided in paragraph (2), as well as youth development activities such as activities relating to leadership development, citizenship, and community service, and recreation activities.

(2) INTENSIVE PLACEMENT AND FOLLOWUP SERVICES.—In providing activities under this section, a local partnership shall provide—

(A) intensive placement services; and

(B) followup services for not less than 24 months after the completion of participation in the other activities described in this subsection, as appropriate.

(c) ELIGIBLE LOCAL PARTNERSHIPS.—To be eligible to receive a grant under this section, a local partnership—

(1) shall serve a community that—

(A) has a population of at least 50,000; and

(B) has been designated as an empowerment zone or an enterprise community under section 1391 of the Internal Revenue Code of 1986; or

(2) in a State without a zone or community described in paragraph (1)(B), shall serve a community that has been designated as a high poverty area by the Governor of the State.

(d) APPLICATION.—To be eligible to receive a grant under this section, a local partnership shall submit an application to the Secretary at such time, in such manner,

and containing such information as the Secretary may require, including—

(1) a description of the activities that the local partnership will provide under this section to youth in the community described in subsection (c);

(2) a description of the performance measures negotiated under subsection (e), and the manner in which the local partnerships will carry out the activities to meet the performance measures;

(3) a description of the manner in which the activities will be linked to activities described in section 316; and

(4) a description of the community support, including financial support through leveraging additional public and private resources, for the activities.

(e) PERFORMANCE MEASURES.—

(1) IN GENERAL.—The Secretary shall negotiate and reach agreement with the local partnership on performance measures that will be used to evaluate the performance of the local partnership in carrying out the activities described in subsection (b). Each local performance measure shall consist of an indicator of performance referred to in paragraph (2) or (3) of section 321(a), and a performance level referred to in paragraph (2).

(2) PERFORMANCE LEVELS.—The Secretary shall negotiate and reach agreement with the local partnership regarding the levels of performance expected to be achieved for the local partnership on the indicators of performance.

SEC. 365. INCENTIVE GRANTS.

(a) IN GENERAL.—The Secretary may make grants to States that exceed—

(1) the State performance measures established by the Secretary of Education under this Act; and

(2) the State performance measures established under this title.

(b) PRIORITY.—In awarding incentive grants under this section, the Secretary shall give priority to those States submitting a State unified plan as described in section 501 that is approved by the appropriate Secretaries as described in such section.

(c) USE OF FUNDS.—A State that receives an incentive grant under this section shall use the funds made available through the grant to carry out innovative programs as determined by the State.

SEC. 366. TECHNICAL ASSISTANCE.

(a) TRANSITION ASSISTANCE.—The Secretary shall provide technical assistance to assist States in making transitions from carrying out activities under provisions

described in section 391 to carrying out activities under this title.

(b) PERFORMANCE IMPROVEMENT.—

(1) GENERAL ASSISTANCE.—

(A) AUTHORITY.—The Secretary—

(i) shall provide technical assistance to States that do not meet a State performance measure described in section 321(a) for a program year; and

(ii) may provide technical assistance to other States, local areas, and grant recipients under sections 361 and 362 to promote the continuous improvement of the programs and activities authorized under this title.

(B) FORM OF ASSISTANCE.—In carrying out this paragraph on behalf of a State, or grant recipient under section 361 or 362, the Secretary, after consultation with the State or grant recipient, may award grants and enter into contracts and cooperative agreements.

(C) LIMITATION.—Grants or contracts awarded under this paragraph that are for amounts in excess of $50,000 shall only be awarded on a competitive basis.

(2) DISLOCATED WORKER TECHNICAL ASSISTANCE.—

(A) AUTHORITY.—Of the amounts available pursuant to section 302(a)(2), the Secretary shall reserve not more than 5 percent of such amounts to provide technical assistance to States that do not meet the State performance measures described in section 321(a) with respect to employment and training activities for dislocated workers. Using such reserved funds, the Secretary may provide such assistance to other States, local areas, business and labor organizations, and other entities involved in providing assistance to dislocated workers, to promote the continuous improvement of assistance provided to dislocated workers, under this title.

(B) TRAINING.—Amounts reserved under this paragraph may be used to provide for the training of staff, including specialists, who provide rapid response services. Such training shall include instruction in proven methods of promoting, establishing, and assisting labor-management committees. Such projects shall be administered through the dislocated worker office described in section 369(b).

SEC. 367. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH, AND MULTISTATE PROJECTS.

(a) STRATEGIC PLAN.—

(1) IN GENERAL.—After consultation with States, localities, and other interested parties, the Secretary shall, every 2 years, publish in the Federal Register, a plan that describes the demonstration and pilot (including dislocated worker demonstration and pilot), multiservice, research, and multistate project priorities of the Department of Labor concerning employment and training for the 5-year period following the submission of the plan. Copies of the plan shall be transmitted to the appropriate committees of Congress.

(2) LIMITATION.—With respect to a plan published under paragraph (1), the Secretary shall ensure that research projects (referred to in subsection (d)) are considered for incorporation into the plan only after projects referred to in subsections (b), (c), and (e) have been considered and incorporated into the plan, and are funded only as funds remain to permit the funding of such research projects.

(3) FACTORS.—The plan published under paragraph (1) shall contain strategies to address national employment and training problems and take into account factors such as—

(A) the availability of existing research (as of the date of the publication);

(B) the need to ensure results that have interstate validity;

(C) the benefits of economies of scale and the efficiency of proposed projects; and

(D) the likelihood that the results of the projects will be useful to policymakers and stakeholders in addressing employment and training problems.

(b) DEMONSTRATION AND PILOT PROJECTS.—

(1) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out demonstration and pilot projects for the purpose of developing and implementing techniques and approaches, and demonstrating the effectiveness of specialized methods, in addressing employment and training needs. Such projects shall include the provision of direct services to individuals to enhance employment opportunities and an evaluation component.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out demonstration and pilot projects under this subsection

shall be awarded only on a competitive basis, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of the funding for the project.

(B) ELIGIBLE ENTITIES.—Grants or contracts may be awarded under this subsection only to—

(i) entities with recognized expertise in—

(I) conducting national demonstration projects;

(II) utilizing state-of-the-art demonstration methods; and

(III) conducting evaluations of employment and training projects; or

(ii) State and local entities with expertise in operating or overseeing employment and training programs.

(C) TIME LIMITS.—The Secretary shall establish appropriate time limits for carrying out demonstration and pilot projects under this subsection.

(c) MULTISERVICE PROJECTS.—

(1) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out multiservice projects—

(A) that will test an array of approaches to the provision of employment and training services to a variety of targeted populations;

(B) in which the entity carrying out the project, in conjunction with employers, organized labor, and other groups such as the disability community, will design, develop, and test various training approaches in order to determine effective practices; and

(C) that will assist in the development and replication of effective service delivery strategies for targeted populations for the national employment and training system as a whole.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out multiservice projects under this subsection shall be awarded only on a competitive basis.

(B) TIME LIMITS.—A grant or contract shall not be awarded under this subsection to the same organization for more than 3 consecu-

tive years unless such grant or contract is competitively reevaluated within such period.

(d) RESEARCH.—

(1) IN GENERAL.—Under a plan published under subsection (a), the Secretary shall, through grants or contracts, carry out research projects that will contribute to the solution of employment and training problems in the United States.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out research projects under this subsection in amounts that exceed $50,000 shall be awarded only on a competitive basis, except that a noncompetitive award may be made in the case of a project that is funded jointly with other public or private sector entities that provide a substantial portion of the funding for the project.

(B) ELIGIBLE ENTITIES.—Grants or contracts shall be awarded under this subsection only to entities with nationally recognized expertise in the methods, techniques, and knowledge of the social sciences.

(C) TIME LIMITS.—The Secretary shall establish appropriate time limits for the duration

of research projects funded under this subsection.

(e) MULTISTATE PROJECTS.—

(1) IN GENERAL.—

(A) AUTHORITY.—Under a plan published under subsection (a), the Secretary may, through grants or contracts, carry out multistate projects that require demonstrated expertise that is available at the national level to effectively disseminate best practices and models for implementing employment and training services, address the specialized employment and training needs of particular service populations, or address industrywide skill shortages.

(B) DESIGN OF GRANTS.—Grants or contracts awarded under this subsection shall be designed to obtain information relating to the provision of services under different economic conditions or to various demographic groups in order to provide guidance at the national and State levels about how best to administer specific employment and training services.

(2) LIMITATIONS.—

(A) COMPETITIVE AWARDS.—Grants or contracts awarded for carrying out multistate

projects under this subsection shall be awarded only on a competitive basis.

(B) TIME LIMITS.—A grant or contract shall not be awarded under this subsection to the same organization for more than 3 consecutive years unless such grant or contract is competitively reevaluated within such period.

(f) DISLOCATED WORKER PROJECTS.—Of the amount made available pursuant to section 302(a)(2)(A) for any program year, the Secretary shall use not more than 5 percent of such amount to carry out demonstration and pilot projects, multiservice projects, and multistate projects, relating to the employment and training needs of dislocated workers. Of the requirements of this section, such projects shall be subject only to the provisions relating to review and evaluation of applications under subsection (g). Such projects may include demonstration and pilot projects relating to promoting self-employment, promoting job creation, averting dislocations, assisting dislocated farmers, assisting dislocated fishermen, and promoting public works. Such projects shall be administered through the dislocated worker office described in section 369(b).

(g) PEER REVIEW.—The Secretary shall utilize a peer review process to—

(1) review and evaluate all applications for grants and contracts in amounts that exceed $100,000 that are submitted under this section; and

(2) review and designate exemplary and promising programs under this section.

SEC. 368. EVALUATIONS.

(a) PROGRAMS AND ACTIVITIES CARRIED UNDER THIS TITLE.—For the purpose of improving the management and effectiveness of programs and activities carried out under this title, the Secretary shall provide for the continuing evaluation of the programs and activities. Such evaluations shall address—

(1) the general effectiveness of such programs and activities in relation to their cost;

(2) the effectiveness of the performance measures relating to such programs and activities;

(3) the effectiveness of the structure and mechanisms for delivery of services through such programs and activities;

(4) the impact of the programs and activities on the community and participants involved;

(5) the impact of such programs and activities on related programs and activities;

(6) the extent to which such programs and activities meet the needs of various demographic groups; and

(7) such other factors as may be appropriate.

(b) OTHER PROGRAMS AND ACTIVITIES.—The Secretary may conduct evaluations of other federally funded employment-related programs and activities, including programs and activities administered under—

(1) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(2) the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);

(3) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

(4) chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.); and

(5) the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

(c) TECHNIQUES.—Evaluations conducted under this section shall utilize appropriate methodology and research designs, which may include the use of control groups chosen by scientific random assignment methodologies. Such

an evaluation shall be conducted by a person not immediately involved in the administration of the program or activity being evaluated.

(d) REPORTS.—The entity carrying out an evaluation described in subsection (a), (b), or (c) shall prepare and submit to the Secretary a draft report and a final report containing the results of the evaluation.

(e) REPORTS TO CONGRESS.—Not later than 30 days after the completion of such a draft report, the Secretary shall transmit the draft report to the appropriate committees of Congress. Not later than 60 days after the completion of such a final report, the Secretary shall transmit the final report to the appropriate committees of Congress.

SEC. 369. NATIONAL EMERGENCY GRANTS.

(a) IN GENERAL.—The Secretary is authorized to award national emergency grants in a timely manner—

(1) to an entity described in subsection (c) to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations;

(2) to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster as

defined in paragraphs (1) and (2), respectively, of section 102 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122 (1) and (2)) (referred to in this section as the ''disaster area'') to provide disaster relief employment in the area; and

(3) to provide additional assistance to a State or local partnership for eligible dislocated workers in a case in which the State or local partnership has expended the funds provided under this section to carry out activities described in paragraphs (1) and (2) and can demonstrate the need for additional funds to provide appropriate services for such workers, in accordance with requirements prescribed by the Secretary.

(b) ADMINISTRATION.—The Secretary shall designate a dislocated worker office to coordinate the functions of the Secretary under this title relating to national emergency grants.

(c) EMPLOYMENT AND TRAINING ASSISTANCE REQUIREMENTS.—

(1) APPLICATION.—To be eligible to receive a grant under subsection (a)(1), an entity shall submit an application to the Secretary at such time, in such

manner, and containing such information as the Secretary may require.

(2) ELIGIBLE ENTITY.—In this subsection, the term ''entity'' means a State, a local partnership, an entity described in section 361(c), an employer or employer association, a labor organization, and an entity determined to be eligible by the Governor of the State involved.

(d) DISASTER RELIEF EMPLOYMENT ASSISTANCE REQUIREMENTS.—

(1) IN GENERAL.—Funds made available under subsection (a)(2)—

(A) shall be used to provide disaster relief employment on projects that provide food, clothing, shelter, and other humanitarian assistance for disaster victims, and projects regarding demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area;

(B) may be expended through public and private agencies and organizations engaged in such projects; and

(C) may be expended to provide the services authorized under section 315(c).

(2) ELIGIBILITY.—An individual shall be eligible to be offered disaster relief employment under subsection (a)(2) if such individual is a dislocated worker, is a long-term unemployed individual, or is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under subsection (a)(2) for more than 6 months for work related to recovery from a single natural disaster.

SEC. 370. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—

(1) NATIVE AMERICAN PROGRAMS; MIGRANT AND SEASONAL FARMWORKER PROGRAMS; VETERANS' EMPLOYMENT PROGRAMS.—Subject to subsection (b)(1), there are authorized to be appropriated to carry out sections 361 through 363 such sums as may be necessary for each of the fiscal years 1999 through 2003.

(2) INCENTIVE GRANTS; TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS.—Subject to subsection (b)(2), there are authorized to be appropriated to carry out sections 365 through 368, such sums as may be necessary for each of fiscal years 1999 through 2003.

(b) RESERVATIONS.—

(1) NATIVE AMERICAN PROGRAMS; MIGRANT AND SEASONAL FARMWORKER PROGRAMS; VETERANS' EMPLOYMENT PROGRAMS.—Of the amount appropriated under subsection (a)(1) for a fiscal year, the Secretary shall—

(A) reserve not less than $55,000,000 for carrying out section 361;

(B) reserve not less than $70,000,000 for carrying out section 362; and

(C) reserve not less than $7,300,000 for carrying out section 363.

(2) INCENTIVE GRANTS; TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS.—Of the amount appropriated under subsection (a)(2) for a fiscal year, the Secretary shall—

(A) reserve 36.8 percent for carrying out section 365;

(B) reserve 25 percent for carrying out section 366 (other than section 366(b)(2));

(C) reserve 24.2 percent of a carrying out section 367 (other than 367(f)); and

(D) reserve 14 percent for carrying out section 368.

Subtitle D—Administration

SEC. 371. REQUIREMENTS AND RESTRICTIONS.

(a) BENEFITS.—

(1) WAGES.—

(A) IN GENERAL.—Individuals in on-the-job training or individuals employed in programs and activities carried out under this title shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar skills. Such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or local minimum wage law.

(B) CONSTRUCTION.—The reference in subparagraph (A) to section 6(a)(1) of the Fair Labor Standards Act of 1938—

(i) shall be deemed to be a reference to section 6(c) of that Act (29 U.S.C. 206(c)) for individuals in the Commonwealth of Puerto Rico;

(ii) shall be deemed to be a reference to section 6(a)(3) (29 U.S.C. 206(a)(3)) of that Act for individuals in American Samoa; and

(iii) shall not be applicable for individuals in other territorial jurisdictions in which section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) does not apply.

(2) TREATMENT OF ALLOWANCES, EARNINGS, AND PAYMENTS.—Allowances, earnings, and payments to individuals participating in programs and activities carried out under this title shall not be considered to be income for the purposes of determining eligibility for, and the amount of income transfer and in-kind aid furnished under, any Federal or federally assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 et seq.).

(b) LABOR STANDARDS.—

(1) DISPLACEMENT.—

(A) PROHIBITION.—A participant in a program or activity authorized under this title (referred to in this subsection as a ''specified activity'') shall not displace (including a partial

displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).

(B) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A specified activity shall not impair an existing contract for services or collective bargaining agreement, and no such activity that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(2) OTHER PROHIBITIONS.—A participant in a specified activity shall not be employed in a job—

(A) when any other individual is on layoff from the same or any substantially equivalent job with the participating employer;

(B) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant; or

(C) that is created in a promotional line that will infringe in any way on the promotional

opportunities of currently employed individuals (as of the date of the participation).

(3) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in specified activities. To the extent that a State workers' compensation law applies, workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

(4) EMPLOYMENT CONDITIONS.—Individuals in on-the-job training or individuals employed in programs and activities carried out under this title, shall be provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work.

(5) OPPORTUNITY TO SUBMIT COMMENTS.—Consistent with sections 303(d)(2) and 309(c), interested members of the public shall be provided an opportunity to submit comments with respect to programs and activities proposed to be funded under subtitle A.

(c) GRIEVANCE PROCEDURE.—

(1) IN GENERAL.—Each State receiving an allotment under section 302 and each grant recipient under section 361 or 362 shall establish and maintain a procedure for grievances or complaints alleging violations of the requirements of this title from participants and other interested or affected parties. Such procedure shall include an opportunity for a hearing and be completed within 60 days after the date of the filing of the grievance or complaint.

(2) INVESTIGATION.—

(A) IN GENERAL.—The Secretary shall investigate an allegation of a violation described in paragraph (1) if—

(i) a decision relating to such violation has not been reached within 60 days after the date of the filing of the grievance or complaint and either party appeals the decision to the Secretary; or

(ii) a decision relating to such violation has been reached within 60 days after the date of the filing and the party to which such decision is adverse appeals the decision to the Secretary.

(B) ADDITIONAL REQUIREMENT.—The Secretary shall make a final determination relating to an appeal made under subparagraph (A) no later than 120 days after the date of such appeal.

(3) REMEDIES.—Remedies that may be imposed under this subsection for a violation of any requirement of this title shall be limited—

(A) to suspension or termination of payments under this title to a person that has violated any requirement of this title;

(B) to prohibition of placement of a participant with an employer that has violated any requirement of this title;

(C) where applicable, to reinstatement of an employee, payment of lost wages and benefits, and reestablishment of other relevant terms, conditions and privileges of employment; and

(D) where appropriate, to other equitable relief.

(4) CONSTRUCTION.—Nothing in paragraph (3) shall be construed to prohibit a grievant or complainant from pursuing a remedy authorized under

another Federal, State, or local law for a violation of this title.

(d) RELOCATION.—

(1) PROHIBITION ON USE OF FUNDS TO ENCOURAGE OR INDUCE RELOCATION.—No funds provided under this title shall be used, or proposed for use, to encourage or induce the relocation of a business or part of a business if such relocation would result in a loss of employment for any employee of such business at the original location and such original location is within the United States.

(2) PROHIBITION ON USE OF FUNDS FOR CUSTOMIZED OR SKILL TRAINING AND RELATED ACTIVITIES AFTER RELOCATION.—No funds provided under this title for an employment and training activity shall be used for customized or skill training, on-the-job training, or company-specific assessments of job applicants or employees, for any business or part of a business that has relocated, until the date that is 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

(3) REPAYMENT.—If the Secretary determines that a violation of paragraph (1) or (2) has occurred, the Secretary shall require the State that has violated such paragraph to repay to the United States an amount equal to the amount expended in violation of such paragraph.

(e) LIMITATION ON USE OF FUNDS.—No funds available under this title shall be used for employment generating activities, economic development activities, activities for the capitalization of businesses, investment in contract bidding resource centers, or similar activities. No funds available under subtitle A shall be used for foreign travel.

SEC. 372. PROMPT ALLOCATION OF FUNDS.

(a) ALLOTMENTS AND ALLOCATIONS BASED ON LATEST AVAILABLE DATA.—All allotments and allocations under section 302, 306, or 366 shall be based on the latest available data and estimates satisfactory to the Secretary. All data relating to disadvantaged adults, disadvantaged youth, and low-income individuals shall be based on the most recent satisfactory data from the Bureau of the Census.

(b) PUBLICATION IN FEDERAL REGISTER RELATING TO FORMULA FUNDS.—Whenever the Secretary allots funds required to be allotted under section 302 or 366, the Secretary shall publish in a timely fashion in the Fed-

eral Register the proposed amount to be distributed to each recipient of the funds.

(c) REQUIREMENT FOR FUNDS DISTRIBUTED BY FORMULA.—All funds required to be allotted or allocated under section 302, 306, or 366 shall be allotted or allocated within 45 days after the date of enactment of the Act appropriating the funds, except that, if such funds are appropriated in advance as authorized by section 379(g), such funds shall be allotted or allocated not later than the March 31 preceding the program year for which such funds are to be available for obligation.

(d) AVAILABILITY OF FUNDS.—Funds shall be made available under section 306 to the chief elected official for a local area not later than 30 days after the date the funds are made available to the Governor involved, under section 302, or 7 days after the date the local plan for the area is approved, whichever is later.

SEC. 373. MONITORING.

(a) IN GENERAL.—The Secretary is authorized to monitor all recipients of financial assistance under this title to determine whether the recipients are complying with the provisions of this title, including the regulations issued under this title.

(b) INVESTIGATIONS.—The Secretary may investigate any matter the Secretary determines to be necessary

to determine the compliance of the recipients with this title, including the regulations issued under this title. The investigations authorized by this subsection may include examining records (including making certified copies of the records), questioning employees, and entering any premises or onto any site in which any part of a program or activity of such a recipient is conducted or in which any of the records of the recipient are kept.

(c) ADDITIONAL REQUIREMENT.—For the purpose of any investigation or hearing conducted under this title by the Secretary, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49) (relating to the attendance of witnesses and the production of documents) apply to the Secretary, in the same manner and to the same extent as the provisions apply to the Federal Trade Commission.

SEC. 374. FISCAL CONTROLS; SANCTIONS.

(a) ESTABLISHMENT OF FISCAL CONTROLS BY STATES.—

(1) IN GENERAL.—Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds allocated to local areas under subtitle A. Such procedures shall ensure that all financial transactions carried out

under subtitle A are conducted and records maintained in accordance with generally accepted accounting principles applicable in each State.

(2) REGULATIONS.—The Secretary shall prescribe regulations establishing uniform cost principles that are substantially equivalent to such principles generally applicable to recipients of Federal grant funds, and are consistent with appropriate circulars of the Office of Management and Budget. At a minimum, such regulations shall provide that—

(A) to be allowable, costs incurred under this title shall—

(i) be necessary and reasonable for proper and efficient administration of the programs and activities carried out under this title;

(ii) except for the administrative funds described in section 314(c)(2), be allocable to the programs and activities carried out under this title; and

(iii) not be a general expense required to carry out the overall responsibilities of State or local governments; and

(B) procurement transactions between local partnerships and such governments shall be conducted only on a cost-reimbursable basis.

(3) PROCUREMENT STANDARDS.—Each Governor, in accordance with minimum requirements established by the Secretary (after consultation with the Governors) in regulations, shall prescribe and implement procurement standards to ensure fiscal accountability and prevent fraud and abuse in programs and activities carried out under this title.

(4) MONITORING.—The Governor shall conduct onsite monitoring of each local area within the State to ensure compliance with the procurement standards prescribed pursuant to paragraph (3).

(5) ACTION BY GOVERNOR.—If the Governor determines that a local area is not in compliance with the procurement standards prescribed pursuant to paragraph (3), the Governor shall—

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (b) in the event of failure to take the required corrective action.

(6) CERTIFICATION.—The Governor shall, every 3 years, certify to the Secretary that—

(A) the State has implemented the procurement standards prescribed under paragraph (3);

(B) the State has monitored local areas to ensure compliance with the procurement standards as required under paragraph (4); and

(C) the State has taken appropriate action to secure compliance pursuant to paragraph (5).

(7) ACTION BY THE SECRETARY.—If the Secretary determines that the Governor has not fulfilled the requirements of this subsection, the Secretary shall—

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (f) in the event of failure of the Governor to take the required appropriate action to secure compliance.

(b) SUBSTANTIAL VIOLATION.—

(1) ACTION BY GOVERNOR.—If, as a result of a financial or compliance audit or otherwise, the Governor determines that there is a substantial violation of a specific provision of this title, including regulations issued under this title, and corrective ac-

tion has not been taken, the Governor shall impose a reorganization plan, which may include—

(A) decertifying the local partnership involved in accordance with section 308(c)(3);

(B) prohibiting the use of providers who have been identified as eligible providers of workforce investment activities under chapter 3 of subtitle A;

(C) selecting an alternative entity to administer a program or activity for the local area involved;

(D) merging the local area into 1 or more other local areas; or

(E) making such other changes as the Secretary or Governor determines to be necessary to secure compliance.

(2) APPEAL.—The action taken by the Governor pursuant to paragraph (1) may be appealed to the Secretary, who shall make a final decision on the appeal not later than 60 days after the receipt of the appeal.

(3) ACTION BY SECRETARY.—If the Governor fails to take promptly the action required under paragraph (1), the Secretary shall take such action.

(c) ACCESS BY COMPTROLLER GENERAL.—For the purpose of evaluating and reviewing programs and activities established or provided for by this title, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs and activities that are in the possession, custody, or control of a State, a local partnership, any recipient of funds under this title, or any subgrantee or contractor of such a recipient.

(d) REPAYMENT OF CERTAIN AMOUNTS TO THE UNITED STATES.—

(1) IN GENERAL.—Every recipient of funds under this title shall repay to the United States amounts found not to have been expended in accordance with this title.

(2) OFFSET OF REPAYMENT.—If the Secretary determines that a State has expended funds made available under this title in a manner contrary to the requirements of this title, the Secretary may offset repayment of such expenditures against any other amount to which the State is or may be entitled, except as provided under subsection (e)(1).

(3) REPAYMENT FROM DEDUCTION BY STATE.—If the Secretary requires a State to repay funds as a result of a determination that a local

area of the State has expended funds contrary to the requirements of this title, the Governor of the State may use an amount deducted under paragraph (4) to repay the funds, except as provided under subsection (e)(1).

(4) DEDUCTION BY STATE.—The Governor may deduct an amount equal to the misexpenditure described in paragraph (3) from subsequent program year allocations to the local area from funds reserved for the administrative costs of the local programs involved, as appropriate.

(5) LIMITATIONS.—A deduction made by a State as described in paragraph (4) shall not be made until such time as the Governor has taken appropriate corrective action to ensure full compliance within such local area with regard to appropriate expenditures of funds under this title.

(e) REPAYMENT OF AMOUNTS.—

(1) IN GENERAL.—Each recipient of funds under this title shall be liable to repay the amounts described in subsection (d)(1), from funds other than funds received under this title, upon a determination by the Secretary that the misexpenditure of funds was due to willful disregard of the requirements of this title, gross negligence, failure to ob-

serve accepted standards of administration, or a pattern of misexpenditure as described in paragraphs (2) and (3) of subsection (d). No such determination shall be made under this subsection or subsection (d) until notice and opportunity for a fair hearing has been given to the recipient.

(2) FACTORS IN IMPOSING SANCTIONS.—In determining whether to impose any sanction authorized by this section against a recipient for violations by a subgrantee or contractor of such recipient under this title (including the regulations issued under this title), the Secretary shall first determine whether such recipient has adequately demonstrated that the recipient has—

(A) established and adhered to an appropriate system for the award and monitoring of grants and contracts with subgrantees and contractors that contains acceptable standards for ensuring accountability;

(B) entered into a written grant agreement or contract with such subgrantee or contractor that established clear goals and obligations in unambiguous terms;

(C) acted with due diligence to monitor the implementation of the grant agreement or con-

tract, including the carrying out of the appropriate monitoring activities (including audits) at reasonable intervals; and

(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this title, including regulations issued under this title, by such subgrantee or contractor.

(3) WAIVER.—If the Secretary determines that the recipient has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such recipient. The Secretary is authorized to impose any sanction consistent with the provisions of this title and any applicable Federal or State law directly against any subgrantee or contractor for violation of this title, including regulations issued under this title.

(f) IMMEDIATE TERMINATION OR SUSPENSION OF ASSISTANCE IN EMERGENCY SITUATIONS.—In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program or activity involved, the Secretary may immediately terminate or suspend financial assistance, in whole or in part, to the recipient if the recipient

is given prompt notice and the opportunity for a subsequent hearing within 30 days after such termination or suspension. The Secretary shall not delegate any of the functions or authority specified in this subsection, other than to an officer whose appointment is required to be made by and with the advice and consent of the Senate.

(g) DISCRIMINATION AGAINST PARTICIPANTS.—If the Secretary determines that any recipient of funds under this title has discharged or in any other manner discriminated in violation of section 378 against, a participant or any other individual in connection with the administration of the program or activity involved, or any individual because such individual has filed any complaint or instituted or caused to be instituted any proceeding under or related to this title, or has testified or is about to testify in any such proceeding or investigation under or related to this title, or otherwise unlawfully denied to any individual a benefit to which that individual is entitled under the provisions of this title, including regulations issued under this title, the Secretary shall, within 30 days after the date of the determination, take such action or order such corrective measures, as may be necessary, with respect to the recipient or the aggrieved individual.

(h) REMEDIES.—The remedies described in this section shall not be construed to be the exclusive remedies available for violations described in this section.

SEC. 375. REPORTS; RECORDKEEPING; INVESTIGATIONS.

(a) REPORTS.—

(1) IN GENERAL.—Recipients of funds under this title shall keep records that are sufficient to permit the preparation of reports required by this title and to permit the tracing of funds to a level of expenditure adequate to ensure that the funds have not been spent unlawfully.

(2) SUBMISSION TO THE SECRETARY.—Every such recipient shall maintain such records and submit such reports, in such form and containing such information, as the Secretary may require regarding the performance of programs and activities carried out under this title. Such records and reports shall be submitted to the Secretary but shall not be required to be submitted more than once each quarter unless specifically requested by Congress or a committee of Congress.

(3) MAINTENANCE OF STANDARDIZED RECORDS.—In order to allow for the preparation of the reports required under subsection (c), such recipients shall maintain standardized records for all

individual participants and provide to the Secretary a sufficient number of such records to provide for an adequate analysis of the records.

(4) AVAILABILITY TO THE PUBLIC.—

(A) IN GENERAL.—Except as provided in subparagraph (B), records maintained by such recipients pursuant to this subsection shall be made available to the public upon request.

(B) EXCEPTION.—Subparagraph (A) shall not apply to—

(i) information, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; and

(ii) trade secrets, or commercial or financial information, that is obtained from a person and privileged or confidential.

(C) FEES TO RECOVER COSTS.—Such recipients may charge fees sufficient to recover costs applicable to the processing of requests for records under subparagraph (A).

(b) INVESTIGATIONS OF USE OF FUNDS.—

(1) IN GENERAL.—

(A) SECRETARY.—In order to evaluate compliance with the provisions of this title, the Secretary shall conduct, in several States, in

each fiscal year, investigations of the use of funds received by recipients under this title.

(B) COMPTROLLER GENERAL OF THE UNITED STATES.—In order to ensure compliance with the provisions of this title, the Comptroller General of the United States may conduct investigations of the use of funds received under this title by any recipient.

(2) PROHIBITION.—In conducting any investigation under this title, the Secretary or the Comptroller General of the United States may not request the compilation of any information that the recipient is not otherwise required to compile and that is not readily available to such recipient.

(3) AUDITS.—

(A) IN GENERAL.—In carrying out any audit under this title (other than any initial audit survey or any audit investigating possible criminal or fraudulent conduct), either directly or through grant or contract, the Secretary, the Inspector General of the Department of Labor, or the Comptroller General of the United States shall furnish to the State, recipient, or other entity to be audited, advance notification of the overall objectives and purposes of the audit, and

any extensive recordkeeping or data requirements to be met, not later than 14 days (or as soon as practicable), prior to the commencement of the audit.

(B) NOTIFICATION REQUIREMENT.—If the scope, objectives, or purposes of the audit change substantially during the course of the audit, the entity being audited shall be notified of the change as soon as practicable.

(C) ADDITIONAL REQUIREMENT.—The reports on the results of such audits shall cite the law, regulation, policy, or other criteria applicable to any finding contained in the reports.

(D) RULE OF CONSTRUCTION.—Nothing contained in this title shall be construed so as to be inconsistent with the Inspector General Act of 1978 (5 U.S.C. App.) or government auditing standards issued by the Comptroller General of the United States.

(c) ACCESSIBILITY OF REPORTS.—Each State, each local partnership, and each recipient (other than a subrecipient, subgrantee, or contractor of a recipient) receiving funds under this title shall—

(1) make readily accessible such reports concerning its operations and expenditures as shall be prescribed by the Secretary;

(2) prescribe and maintain comparable management information systems, in accordance with guidelines that shall be prescribed by the Secretary, designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant, and financial data, on statewide, local area, and other appropriate bases, necessary for reporting, monitoring, and evaluating purposes, including data necessary to comply with section 378; and

(3) monitor the performance of providers in complying with the terms of grants, contracts, or other agreements made pursuant to this title.

(d) INFORMATION TO BE INCLUDED IN REPORTS.—

(1) IN GENERAL.—The reports required in subsection (c) shall include information regarding programs and activities carried out under this title pertaining to—

(A) the relevant demographic characteristics (including race, ethnicity, sex, and age) and other related information regarding participants;

(B) the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities;

(C) outcomes of the programs and activities for participants, including the occupations of participants, and placement for participants in nontraditional employment;

(D) specified costs of the programs and activities; and

(E) information necessary to prepare reports to comply with section 378.

(2) ADDITIONAL REQUIREMENT.—The Secretary shall ensure that all elements of the information required for the reports described in paragraph (1) are defined and reported uniformly.

(e) RETENTION OF RECORDS.—The Governor of a State that receives funds under this title shall ensure that requirements are established for retention of all records of the State pertinent to all grants awarded, and contracts and agreements entered into, under this title, including financial, statistical, property, and participant records and supporting documentation. For funds allotted to a State under this title for any program year, the State shall retain the records for 2 subsequent program years. The

State shall retain records for nonexpendable property that is used to carry out this title for a period of 3 years after final disposition of the property.

(f) QUARTERLY FINANCIAL REPORTS.—

(1) IN GENERAL.—Each local partnership in the State shall submit quarterly financial reports to the Governor with respect to programs and activities carried out under this title. Such reports shall include information identifying all program and activity costs by cost category in accordance with generally accepted accounting principles and by year of the appropriation involved.

(2) ADDITIONAL REQUIREMENT.—Each State shall submit to the Secretary, on a quarterly basis, a summary of the reports submitted to the Governor pursuant to paragraph (1).

(g) MAINTENANCE OF ADDITIONAL RECORDS.—Each State and local partnership shall maintain records with respect to programs and activities carried out under this title that identify—

(1) any income or profits earned, including such income or profits earned by subrecipients; and

(2) any costs incurred (such as stand-in costs) that are otherwise allowable except for funding limitations.

(h) COST CATEGORIES.—In requiring entities to maintain records of costs by category under this title, the Secretary shall require only that the costs be categorized as administrative or programmatic costs.

SEC. 376. ADMINISTRATIVE ADJUDICATION.

(a) IN GENERAL.—Whenever any applicant for financial assistance under this title is dissatisfied because the Secretary has made a determination not to award financial assistance in whole or in part to such applicant, the applicant may request a hearing before an administrative law judge of the Department of Labor. A similar hearing may also be requested by any recipient for whom a corrective action has been required or a sanction has been imposed by the Secretary under section 374. Except to the extent provided for in section 371(c) or 378, all other disputes arising under this title relating to the manner in which the recipient carries out a program or activity under this title shall be adjudicated under grievance procedures established by the recipient or under applicable law other than this title.

(b) APPEAL.—The decision of the administrative law judge shall constitute final action by the Secretary unless, within 20 days after receipt of the decision of the administrative law judge, a party dissatisfied with the decision or any part of the decision has filed exceptions with the Sec-

retary specifically identifying the procedure, fact, law, or policy to which exception is taken. Any exception not specifically urged shall be deemed to have been waived. After the 20-day period the decision of the administrative law judge shall become the final decision of the Secretary unless the Secretary, within 30 days after such filing, has notified the parties that the case involved has been accepted for review.

(c) TIME LIMIT.—Any case accepted for review by the Secretary under subsection (b) shall be decided within 180 days after such acceptance. If the case is not decided within the 180-day period, the decision of the administrative law judge shall become the final decision of the Secretary at the end of the 180-day period.

(d) ADDITIONAL REQUIREMENT.—The provisions of section 377 shall apply to any final action of the Secretary under this section.

SEC. 377. JUDICIAL REVIEW.

(a) REVIEW.—

(1) PETITION.—With respect to any final order by the Secretary under section 376 by which the Secretary awards, declines to award, or only conditionally awards, financial assistance under this title, or any final order of the Secretary under section 376 with respect to a corrective action or sanction im-

posed under section 374, any party to a proceeding which resulted in such final order may obtain review of such final order in the United States Court of Appeals having jurisdiction over the applicant or recipient of funds involved, by filing a review petition within 30 days after the date of issuance of such final order.

(2) ACTION ON PETITION.—The clerk of the court shall transmit a copy of the review petition to the Secretary who shall file the record on which the final order was entered as provided in section 2112 of title 28, United States Code. The filing of a review petition shall not stay the order of the Secretary, unless the court orders a stay. Petitions filed under this subsection shall be heard expeditiously, if possible within 10 days after the date of filing of a reply to the petition.

(3) STANDARD AND SCOPE OF REVIEW.—No objection to the order of the Secretary shall be considered by the court unless the objection was specifically urged, in a timely manner, before the Secretary. The review shall be limited to questions of law and the findings of fact of the Secretary shall be conclusive if supported by substantial evidence.

(b) JUDGMENT.—The court shall have jurisdiction to make and enter a decree affirming, modifying, or setting aside the order of the Secretary in whole or in part. The judgment of the court regarding the order shall be final, subject to certiorari review by the Supreme Court as provided in section 1254(1) of title 28, United States Code.

SEC. 378. NONDISCRIMINATION.

(a) PROHIBITED DISCRIMINATION.—

(1) PROHIBITION ON DISCRIMINATION IN FEDERAL PROGRAMS AND ACTIVITIES.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), on the basis of sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), programs and activities funded in whole or in part under this title shall be considered to be programs and activities receiving Federal financial assistance, and education programs and activities receiving Federal financial assistance.

(2) PROHIBITION OF DISCRIMINATION REGARDING PARTICIPATION, BENEFITS, AND EMPLOYMENT.—No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with, any such program or activity because of race, color, religion, sex, national origin, age, disability, or political affiliation or belief.

(3) PROHIBITION ON ASSISTANCE FOR FACILITIES FOR SECTARIAN INSTRUCTION OR RELIGIOUS WORSHIP.—Participants shall not be employed under this title to carry out the construction, operation, or maintenance of any part of any facility that is used or to be used for sectarian instruction or as a place for religious worship.

(4) PROHIBITION ON DISCRIMINATION ON BASIS OF PARTICIPANT STATUS.—No person may discriminate against an individual who is a participant in a program or activity that receives funds under this title, with respect to the terms and conditions affecting, or rights provided to, the individual, solely because of the status of the individual as a participant, in carrying out any endeavor that involves—

(A) participants in programs and activities that receive funding under this title; and

(B) persons who receive no assistance under this title.

(5) PROHIBITION ON DISCRIMINATION AGAINST CERTAIN NONCITIZENS.—Participation in programs and activities or receiving funds under this title shall be available to citizens and nationals of the United States, lawfully admitted permanent resident aliens, refugees, asylees, and parolees, other aliens lawfully present in the United States, and other individuals authorized by the Attorney General to work in the United States.

(b) ACTION OF SECRETARY.—Whenever the Secretary finds that a State or other recipient of funds under this title has failed to comply with a provision of law referred to in subsection (a)(1), or with paragraph (2), (3), (4), or (5) of subsection (a), including an applicable regulation prescribed to carry out such provision or paragraph, the Secretary shall notify such State or recipient and shall request that the State or recipient comply. If within a reasonable period of time, not to exceed 60 days, the State or recipient fails or refuses to comply, the Secretary may—

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(2) exercise the powers and functions provided to the head of a Federal department or agency under the Age Discrimination Act of 1975, title V of the Rehabilitation Act of 1973 (29 U.S.C. 791 et seq.), title IX of the Education Amendments of 1972, or title VI of the Civil Rights Act of 1964, as may be applicable; or

(3) take such other action as may be provided by law.

(c) ACTION OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever the Attorney General has reason to believe that a State or other recipient of funds under this title is engaged in a pattern or practice of discrimination in violation of a provision of law referred to in subsection (a)(1) or in violation of paragraph (2), (3), (4), or (5) of subsection (a), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

(d) JOB CORPS MEMBERS.—For purposes of this section, Job Corps members shall be considered as the ulti-

mate beneficiaries of an education program or activity receiving Federal financial assistance.

SEC. 379. ADMINISTRATIVE PROVISIONS.

(a) IN GENERAL.—The Secretary may, in accordance with chapter 5 of title 5, United States Code, prescribe rules and regulations to carry out this title to the extent necessary to implement, administer, and ensure compliance with the requirements of this title. Such rules and regulations may include provisions making adjustments authorized by section 6504 of title 31, United States Code. All such rules and regulations shall be published in the Federal Register at least 30 days prior to their effective dates. Copies of each such rule or regulation shall be transmitted to the appropriate committees of Congress on the date of such publication and shall contain, with respect to each material provision of such rule or regulation, a citation to the particular substantive section of law that is the basis for the provision.

(b) ACQUISITION OF CERTAIN PROPERTY AND SERVICES.—The Secretary is authorized, in carrying out this title, to accept, purchase, or lease in the name of the Department of Labor, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise, and to accept vol-

untary and uncompensated services notwithstanding the provisions of section 1342 of title 31, United States Code.

(c) AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS AND TO MAKE CERTAIN EXPENDITURES.—The Secretary may make such grants, enter into such contracts or agreements, establish such procedures, and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend such funds under this title, as may be necessary to carry out this title, including making expenditures for construction, repairs, and capital improvements, and including making necessary adjustments in payments on account of overpayments or underpayments.

(d) ANNUAL REPORT.—The Secretary shall prepare and submit to Congress an annual report regarding the programs and activities carried out under this title. The Secretary shall include in such report—

(1) a summary of the achievements, failures, and problems of the programs and activities in meeting the objectives of this title;

(2) a summary of major findings from research, evaluations, pilot projects, and experiments conducted under this title in the fiscal year prior to the submission of the report;

(3) recommendations for modifications in the programs and activities based on analysis of such findings; and

(4) such other recommendations for legislative or administrative action as the Secretary determines to be appropriate.

(e) UTILIZATION OF SERVICES AND FACILITIES.—The Secretary is authorized, in carrying out this title, under the same procedures as are applicable under subsection (c) or to the extent permitted by law other than this title, to accept and use the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized, in carrying out this title, to accept and use the services and facilities of the agencies of any State or political subdivision of a State, with the consent of the State or political subdivision.

(f) OBLIGATIONAL AUTHORITY.—Notwithstanding any other provision of this title, the Secretary shall have no authority to enter into contracts, grant agreements, or other financial assistance agreements under this title except to such extent and in such amounts as are provided in advance in appropriations Acts.

(g) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) AVAILABILITY.—Funds obligated for any program year for a program or activity carried out under this title may be expended by each State receiving such funds during that program year and the 2 succeeding program years. Funds received by local areas from States under this title during a program year may be expended during that program year and the succeeding program year. No amount of the funds described in this paragraph shall be deobligated on account of a rate of expenditure that is consistent with a State plan, an operating plan described in section 341, or a plan, grant agreement, contract, application, or other agreement described in subtitle C, as appropriate.

(h) ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT.—The Secretary shall ensure that each individual participating in any program or activity established under this title, or receiving any assistance or benefit under this title, has not violated section 3 of the Military Selective

Service Act (50 U.S.C. App. 453) by not presenting and submitting to registration as required pursuant to such section. The Director of the Selective Service System shall cooperate with the Secretary to enable the Secretary to carry out this subsection.

(i) WAIVERS.—

(1) SPECIAL RULE.—With respect to a State that has been granted a waiver under the provisions relating to training and employment services of the Department of Labor in title I of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1997 (Public Law 104–208; 110 Stat. 3009–234), the authority provided under such waiver shall continue in effect and apply, and include a waiver of the related provisions of subtitle A and this subtitle, for the duration of the initial waiver.

(2) GENERAL AUTHORITY.—Notwithstanding any other provision of law, the Secretary may waive for a State, or a local area in a State, pursuant to a request submitted by the Governor of the State (in consultation with appropriate local elected officials) that meets the requirements of paragraph (3)—

(A) any of the statutory or regulatory requirements of subtitle A or this subtitle (except

for requirements relating to wage and labor standards, worker rights, participation and protection of participants, grievance procedures and judicial review, nondiscrimination, allocation of funds to local areas, eligibility of providers or participants, and the establishment and functions of local areas); and

(B) any of the statutory or regulatory requirements of sections 8 through 10 of the Wagner-Peyser Act (29 U.S.C. 49g through 49i) (excluding requirements relating to the provision of services to unemployment insurance claimants (including veterans) but including reporting requirements relating to such provision of services, and excluding requirements relating to universal access to basic labor exchange services without cost to jobseekers).

(3) REQUESTS.—A Governor requesting a waiver under paragraph (2) shall submit a plan to the Secretary to improve the statewide workforce investment system that—

(A) identifies the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the

State, as appropriate, intends to achieve as a result of the waiver;

(B) describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

(C) describes the goals of the waiver and the expected programmatic outcomes if the request is granted;

(D) describes the individuals impacted by the waiver; and

(E) describes the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the organizations identified in section 308(b)(2).

(4) CONDITIONS.—Not later than 90 days after the date of the original submission of a request for a waiver under paragraph (2), the Secretary shall provide a waiver under this subsection if and only to the extent that—

(A) the Secretary determines that the requirements requested to be waived impede the ability of the State or local area, as appro-

priate, to implement the plan described in paragraph (3); and

(B) the State has executed a memorandum of understanding with the Secretary requiring such State to meet, or ensure that the local area meets, agreed-upon outcomes and to implement other appropriate measures to ensure accountability.

SEC. 380. STATE LEGISLATIVE AUTHORITY.

(a) AUTHORITY OF STATE LEGISLATURE.—Nothing in this title shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this title, of the activities assisted under this title. Any funds received by a State under this title shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under this title.

(b) INTERSTATE COMPACTS AND COOPERATIVE AGREEMENTS.—In the event that compliance with provisions of this title would be enhanced by compacts and cooperative agreements between States, the consent of Congress is given to States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

Subtitle E—Repeals and Conforming Amendments

SEC. 391. REPEALS.

(a) GENERAL IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95–250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.), except section 738 of such title (42 U.S.C. 11448).

(6) Subchapter I of chapter 421 of title 49, United States Code.

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(2) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.),

except subtitle B and section 738 of such title (42 U.S.C. 11431 et seq. and 11448).

SEC. 392. CONFORMING AMENDMENTS.

(a) PREPARATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Secretary shall prepare recommended legislation containing technical and conforming amendments to reflect the changes made by this subtitle.

(b) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to Congress the recommended legislation referred to under paragraph (1).

SEC. 393. EFFECTIVE DATES.

(a) IMMEDIATE REPEALS.—The repeals made by section 391(a) shall take effect on the date of the enactment of this Act.

(b) SUBSEQUENT REPEALS.—The repeals made by section 391(b) shall take effect on July 1, 1999.

TITLE IV—WORKFORCE INVESTMENT-RELATED ACTIVITIES

Subtitle A—Wagner-Peyser Act

SEC. 401. DEFINITIONS.

Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a) is amended—

(1) in paragraph (1)—

(A) by striking ''or officials''; and

(B) by striking ''Job Training Partnership Act'' and inserting ''Workforce Investment Partnership Act of 1997'';

(2) by striking paragraphs (2) and (4);

(3) by redesignating paragraphs (3) and (5) as paragraphs (5) and (6), respectively;

(4) by inserting after paragraph (1) the following:

''(2) the term 'local workforce investment area' means a local workforce investment area designated under section 307 of the Workforce Investment Partnership Act of 1997;

''(3) the term 'local workforce investment partnership' means a local workforce investment partnership established under section 308 of the Workforce Investment Partnership Act of 1997;

''(4) the term 'one-stop customer service system' means a one-stop customer service system established under section 315(b) of the Workforce Investment Partnership Act of 1997;''; and

(5) in paragraph (5) (as redesignated in paragraph (3)), by striking the semicolon and inserting ''; and''.

SEC. 402. FUNCTIONS.

(a) IN GENERAL.—Section 3(a) of the Wagner-Peyser Act (29 U.S.C. 49b(a)) is amended to read as follows:

"(a) The Secretary shall—

"(1) assist in the coordination and development of a nationwide system of public labor exchange services, provided as part of the one-stop customer service systems of the States;

"(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

"(3) ensure, for individuals otherwise eligible to receive unemployment compensation, the provision of reemployment services and other activities in which the individuals are required to participate to receive the compensation.".

(b) CONFORMING AMENDMENTS.—Section 508(b)(1) of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a(b)(1)) is amended—

(1) by striking "the third sentence of section 3(a)" and inserting "section 3(b)"; and

(2) by striking "49b(a)" and inserting "49b(b))".

SEC. 403. DESIGNATION OF STATE AGENCIES.

Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c) is amended—

(1) by striking ‘‘, through its legislature,’’ and inserting ‘‘, pursuant to State statute,’’;

(2) by inserting after ‘‘the provisions of this Act and’’ the following: ‘‘, in accordance with such State statute, the Governor shall’’; and

(3) by striking ‘‘United States Employment Service’’ and inserting ‘‘Secretary’’.

SEC. 404. APPROPRIATIONS.

Section 5(c) of the Wagner-Peyser Act (29 U.S.C. 49d(c)) is amended by striking paragraph (3).

SEC. 405. DISPOSITION OF ALLOTTED FUNDS.

Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f) is amended—

(1) in subsection (b)(2), by striking ‘‘private industry council’’ and inserting ‘‘local workforce investment partnership’’;

(2) in subsection (c)(2), by striking ‘‘any program under’’ and all that follows and inserting ‘‘any workforce investment activity carried out under the Workforce Investment Partnership Act of 1997.’’;

(3) in subsection (d)—

(A) by striking ‘‘United States Employment Service’’ and inserting ‘‘Secretary’’; and

(B) by striking ''Job Training Partnership Act'' and inserting ''Workforce Investment Partnership Act of 1997''; and

(4) by adding at the end the following:

''(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsection (a) shall be provided as part of the one-stop customer service system established by the State.''.

SEC. 406. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:

''(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 304 of the Workforce Investment Partnership Act of 1997, detailed plans for carrying out the provisions of this Act within such State.'';

(2) by striking subsections (b), (c), and (e);

(3) by redesignating subsection (d) as subsection (b); and

(4) by adding at the end the following:

''(c) The part of the State plan described in subsection (a) shall include the information described in para-

graphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

SEC. 407. REPEAL OF FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is hereby repealed.

SEC. 408. REGULATIONS.

Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking ''The Director, with the approval of the Secretary of Labor,'' and inserting ''The Secretary''.

SEC. 409. LABOR MARKET INFORMATION.

The Wagner-Peyser Act is amended—

(1) by redesignating section 15 (29 U.S.C. 49 note) as section 16; and

(2) by inserting after section 14 (29 U.S.C. 49l–1) the following:

''SEC. 15. LABOR MARKET INFORMATION.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a system of labor market information that includes—

''(A) statistical data from cooperative statistical survey and projection programs and

data from administrative reporting systems that, taken together, enumerate, estimate, and project the employment opportunities at the national, State, and local levels in a timely manner, including data on—

"(i) employment and unemployment status of the national, State, and local populations, as such data are developed by the Bureau of Labor Statistics and other sources;

"(ii) industrial distribution of occupations, as well as current and projected employment opportunities and skill trends by occupation and industry, with particular attention paid to State and local employment opportunities;

"(iii) data on the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

"(iv) employee information maintained in a longitudinal manner and collected (as of the date of enactment of the Workforce Investment Partnership Act of 1997) by States;

"(B) State and local employment information, and other appropriate statistical data related to labor market dynamics (compiled for States and localities with technical assistance provided by the Secretary), which shall—

"(i) be current and comprehensive, as of the date used;

"(ii) assist individuals to make informed choices relating to employment and training; and

"(iii) assist employers to locate, identify skill traits of, and train individuals who are seeking employment and training;

"(C) technical standards (which the Secretary shall make publicly available) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

"(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

"(E) procedures to support standardization and aggregation of data from administrative re-

porting systems described in subparagraph (A) of employment-related programs;

"(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as State and local policymaking;

"(G) wide dissemination of such data, information, and analysis, training for users of the data, information, and analysis, and voluntary technical standards for dissemination mechanisms; and

"(H) programs of—

"(i) research and demonstration; and

"(ii) technical assistance for States and localities.

"(2) INFORMATION TO BE CONFIDENTIAL.—

"(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

"(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

"(ii) make any publication or media transmittal of the data contained in the

submission described in clause (i) that permits information concerning individual subjects to be reasonably inferred by either direct or indirect means; or

"(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i);

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

"(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted

as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

"(C) CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

"(b) SYSTEM RESPONSIBILITIES.—

"(1) IN GENERAL.—The labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

"(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information for the system, shall carry out the following duties:

"(A) Assign responsibilities within the Department of Labor for elements of the system described in subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

"(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

"(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

"(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the system described in subsection (a), including the development of consistent definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B), of subsection (a)(1) and the development of the annual plan under subsection (c).

"(E) Establish procedures for the system to ensure that—

"(i) such data and information are timely;

"(ii) administrative records for the system are consistent in order to facilitate aggregation of such data and information;

"(iii) paperwork and reporting for the system are reduced to a minimum; and

"(iv) States and localities are fully involved in the maintenance and continuous improvement of the system at the State and local levels.

"(c) ANNUAL PLAN.—The Secretary, with the assistance of the States and the Bureau of Labor Statistics, and with the assistance of other appropriate Federal agencies, shall prepare an annual plan which shall be the mechanism for achieving cooperative management of the nationwide labor market information system described in subsection (a) and the statewide labor market information systems that comprise the nationwide system. The plan shall—

"(1)(A) describe the elements of the system described in subsection (a), including standards, definitions, formats, collection methodologies, and other

necessary system elements, for use in collecting data and information described in subparagraphs (A) and (B) of subsection (a)(1); and

"(B) include assurances that—

"(i) the data will be timely and detailed;

"(ii) administrative records will be standardized to facilitate the aggregation of the data from local areas to State and national levels and to support the creation of new statistical series from program records; and

"(iii) paperwork and reporting requirements for employers and individuals will be reduced;

"(2) include a report on the results of an annual consumer satisfaction review concerning the performance of the system, including the performance of the system in addressing the needs of Congress, States, localities, employers, jobseekers, and other consumers;

"(3) evaluate the performance of the system and recommend needed improvements, taking into consideration the results of the consumer satisfaction review, with particular attention paid to the improvements needed at the State and local levels;

"(4) describe annual priorities, and priorities over 5 years, for the system;

"(5) describe current (as of the date of the submission of the plan) spending and spending needs to carry out activities under this section, including the costs to States and localities of meeting the requirements of subsection (d)(2); and

"(6) describe the involvement of States in the development of the plan, through formal consultations conducted by the Secretary in cooperation with representatives of the Governors of every State, and with representatives of local partnerships, pursuant to a process established by the Secretary in cooperation with the States.

"(d) STATE RESPONSIBILITIES.—

"(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State—

"(A) shall designate a single State agency to be responsible for the management of the portions of the system described in subsection (a) that comprise a statewide labor market information system; and

"(B) shall establish a process for the oversight of such system.

"(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency shall—

"(A) consult with State and local employers, participants, and local partnerships about the labor market relevance of the data to be collected and disseminated through the statewide labor market information system;

"(B) consult with State educational agencies and local educational agencies concerning providing labor market information in order to meet the needs of secondary school and postsecondary school students who seek such information;

"(C) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

"(D) maintain and continuously improve the statewide labor market information system in accordance with this section;

"(E) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

"(F) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide labor market information system;

"(G) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

"(H) participate in the development of the annual plan described in subsection (c); and

"(I) utilize the quarterly records described in section 321(e)(1) and section 312 to assist the State and other States in measuring State progress on State performance measures.

"(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

"(f) DEFINITIONS.—In this section, the terms 'local area' and 'local partnership' have the meanings given the terms in section 2 of the Workforce Investment Partnership Act of 1997.".

SEC. 410. TECHNICAL AMENDMENTS.

Sections 3(b), 6(b)(1), and 7(d) of the Wagner Peyser Act (29 U.S.C. 49b(b), 49e(b)(1), and 49f(d)) are amended by striking "Secretary of Labor" and inserting "Secretary".

Subtitle B—Linkages With Other Programs

SEC. 421. TRADE ACT OF 1974.

Section 241 of the Trade Act of 1974 (19 U.S.C. 2313) is amended by adding at the end the following:

"(d) To be eligible to receive funds under this section, a State shall submit to the Secretary an application that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.".

SEC. 422. NATIONAL APPRENTICESHIP ACT.

The Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) is amended by inserting after section 3 the following:

"SEC. 3A. COORDINATION AND NONDUPLICATION.

''In carrying out this Act, the Secretary of Labor shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this Act that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

SEC. 423. VETERANS' EMPLOYMENT PROGRAMS.

Chapter 41 of title 38, United States Code, is amended by adding at the end the following:

"§ 4110B. Coordination and nonduplication

''In carrying out this chapter, the Secretary shall require that an appropriate administrative entity in each State enter into an agreement with the Secretary regarding the implementation of this Act that includes the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

SEC. 424. OLDER AMERICANS ACT OF 1965.

Section 502(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056(b)(1)) is amended—

(1) in subparagraph (O), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (P), by striking the period and inserting ''; and''; and

(3) by adding at the end the following subparagraph:

''(Q) will provide to the Secretary the description and information described in paragraphs (8) and (16) of section 304(b) of the Workforce Investment Partnership Act of 1997.''.

TITLE V—GENERAL PROVISIONS

SEC. 501. STATE UNIFIED PLANS.

(a) PURPOSE.—The purpose of this section is to permit and encourage the submission of State unified plans, to assure coordination of and to avoid duplication between the activities carried out through the one-stop customer service systems.

(b) DEFINITIONS.—In this section:

(1) APPROPRIATE SECRETARY.—The term ''appropriate Secretary'' means the head of the Federal agency with authority to carry out a system program.

(2) APPROPRIATE STATE AGENCY.—The term ''appropriate State agency''—

(A) used with respect to a system program authorized under title I or II, means an eligible agency; and

(B) used with respect to another system program, means a State agency with authority

to carry out the system program, as specified by the Governor of the State.

(3) SYSTEM PROGRAM.—The term ''system program'' means a program of activities, carried out through the one-stop customer service system, that are—

(A) activities authorized under title I or II;

(B) workforce investment activities authorized under subtitle A of title III;

(C) other activities authorized under title III;

(D) programs authorized under section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d));

(E) work programs authorized under section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o));

(F) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

(G) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(H) activities carried out by the Bureau of Apprenticeship and Training;

(I) programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);

(J) activities authorized under chapter 41 of title 38, United States Code;

(K) programs authorized under State unemployment compensation laws and the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

(L) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(M) programs authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.); or

(N) training activities carried out by the Department of Housing and Urban Development.

(c) STATE UNIFIED PLAN.—A State may develop and submit to the appropriate Secretaries a State unified plan for 2 or more of the system programs.

(d) CONTENTS.—

(1) PLANNING PROVISIONS.—

(A) IN GENERAL.—In a State that elects to develop a State unified plan, the plan shall contain planning provisions, which shall be developed in a manner that substantially reflects the planning requirements of the provisions of the Federal statutes authorizing the system programs.

(B) PLANNING REQUIREMENTS.—In subparagraph (A), the term ''planning requirements'', used with respect to a system program, means such requirements as the appropriate Secretary shall by regulation specify for the system program.

(2) INFORMATION PROVISIONS.—In addition to the planning provisions required to be included pursuant to paragraph (1), the plan shall include the following:

(A) A description of the process used for developing the State unified plan.

(B) A description of the process used to consult the chief elected officials in the State about the State unified plan.

(C) A description of the accountability system of the State for activities carried out through the one-stop customer service system.

(D) A description of how the one-stop customer service system will provide the services identified in the State unified plan through such system.

(E) An assurance that the funds appropriated under Federal law to carry out the activities identified in the State unified plan will be used to supplement and not supplant other Federal, State, and local public funds expended to carry out the activities for eligible individuals.

(e) DEVELOPMENT.—

(1) PLANNING PROVISIONS.—The provisions of the plan described in subsection (d)(1) shall be developed by the statewide partnership. The portion of the State unified plan relating to a system program may be modified, as appropriate, with the agreement of the Governor and the head of the appropriate State agency with authority to carry out the system program. The Governor and the head of the appropriate State agency shall have the final authority to determine the content of the portion of the State unified plan that relates to the system program.

(2) INFORMATION PROVISIONS.—The provisions of the plan described in subsection (d)(2) shall be

developed by the statewide partnership, which shall have the final authority to determine the content of the provisions.

(f) SUBMISSION.—After the heads of the appropriate State agencies approve the portions of the State unified plan that relate to their system programs, the State unified plan shall be submitted to the appropriate Secretaries by—

(1) the Governor; and

(2) an eligible agency, in the case of a plan containing a portion relating to the system program of the eligible agency.

(g) APPROVAL BY THE APPROPRIATE SECRETARIES.—

(1) JURISDICTION.—Each of the appropriate Secretaries shall have the authority to approve the portion of the State unified plan relating to the system program for which the Secretary has authority. On the approval of the Secretary, the portion of the plan relating to the system program shall be implemented by the State pursuant to the State unified plan.

(2) APPROVAL.—A portion of a State unified plan submitted to an appropriate Secretary under this section shall be considered to be approved by

the appropriate Secretary at the end of the 60-day period beginning on the day the appropriate Secretary receives the portion, unless the Secretary makes a written determination, during the 60-day period, that the portion does not substantially reflect the planning requirements of the appropriate Federal statutes authorizing the system programs.

SEC. 502. TRANSITION PROVISIONS.

(a) IN GENERAL.—The Secretary of Education or the Secretary of Labor, as appropriate, shall take such steps as such Secretary determines to be appropriate to provide for the orderly transition to the authority of this Act from any authority under provisions of law to be repealed under subtitle E of title I, subtitle B of title II, or subtitle E of title III, or any related authority.

(b) EXTENDED TRANSITION PERIOD.—

(1) IN GENERAL.—If, on or before July 1, 1999, a State has enacted a State statute that provides for the establishment or conduct of 3 or more of the programs, projects, or activities described in subparagraphs (A) through (E) of paragraph (2), the State shall not be required to comply with provisions of this Act that conflict the provisions of with such State statute relating to such programs, projects, or activities for the period ending 3 years

after the effective date specified in section 503(a). After such 3-year period, the Secretary of Education or the Secretary of Labor, as appropriate, shall allow a State to continue operating under such State statute if the State is meeting the State performance measures of the State.

(2) PROGRAMS, PROJECTS, AND ACTIVITIES DESCRIBED.—The programs, projects, and activities described in this paragraph are the following:

(A) Establishment of statewide partnerships or substate partnerships, including local and regional partnerships.

(B) Reorganization or consolidation of State agencies with responsibility for workforce investment activities.

(C) Reorganization or consolidation of workforce investment activities.

(D) Restructuring of local delivery systems for workforce investment activities.

(E) Development or restructuring of State accountability or oversight systems for workforce investment systems to focus on performance.

SEC. 503. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act takes effect on July 1, 1999.

(b) EARLY IMPLEMENTATION.—At the option of a State, the Governor of the State and the chief official of the eligible agencies in the State may use funds made available under a provision of law described in section 502(a), or any related authority to implement this Act at any time prior to July 1, 1999.

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