Calendar No. 318

105TH CONGRESS
2D SESSION

S. 1579

[Report No. 105–166]

A BILL

To amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations for such Act, and for other purposes.

MARCH 2, 1998

Reported with amendments

AUTHENTICATED
U.S. GOVERNMENT
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To amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations for such Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1998

Mr. DEWINE (for himself, Mr. JEFFORDS, Mr. KENNEDY, Mr. WELLSTONE, Mr. HARKIN, Mr. FRIST, Ms. COLLINS, Mr. DODD, Mr. REED, Mr. CHAFEE, and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

MARCH 2, 1998

Reported by Mr. JEFFORDS, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Rehabilitation Act of 1973 to extend the authorizations of appropriations for such Act, 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.

This Act may be cited as the ''Rehabilitation Act Amendments of 1998''.

SEC. 2. TITLE.

The title of the Rehabilitation Act of 1973 is amended by striking ''to establish special responsibilities'' and all that follows and inserting the following: ''to create linkage between State vocational rehabilitation programs and workforce investment activities carried out under the Workforce Investment Partnership Act of 1998, to establish special responsibilities for the Secretary of Education for coordination of all activities with respect to individuals with disabilities within and across programs administered by the Federal Government, and for other purposes.''.

SEC. 3. GENERAL PROVISIONS.

The Rehabilitation Act of 1973 is amended by striking the matter preceding title I and inserting the following:

''SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This Act may be cited as the 'Rehabilitation Act of 1973'.

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

''Sec. 1. Short title; table of contents.
''Sec. 2. Findings; purpose; policy.
''Sec. 3. Rehabilitation Services Administration.
''Sec. 4. Advance funding.
''Sec. 5. Joint funding.

"Sec. 7. Definitions.
"Sec. 8. Allotment percentage.
"Sec. 10. Nonduplication.
"Sec. 11. Application of other laws.
"Sec. 12. Administration of the Act.
"Sec. 13. Reports.
"Sec. 14. Evaluation.
"Sec. 15. Information clearinghouse.
"Sec. 16. Transfer of funds.
"Sec. 17. State administration.
"Sec. 18. Review of applications.
"Sec. 19. Carryover.
"Sec. 20. Client assistance information.
"Sec. 21. Traditionally underserved populations.

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"PART A—GENERAL PROVISIONS

"Sec. 100. Declaration of policy; authorization of appropriations.
"Sec. 101. State plans.
"Sec. 102. Eligibility and individualized rehabilitation employment plan.
"Sec. 103. Vocational rehabilitation services.
"Sec. 104. Non-Federal share for establishment of program.
"Sec. 105. State Rehabilitation Council.
"Sec. 106. Evaluation standards and performance indicators.
"Sec. 107. Monitoring and review.
"Sec. 108. Expenditure of certain amounts.
"Sec. 109. Training of employers with respect to Americans with Disabilities Act of 1990.

"PART B—BASIC VOCATIONAL REHABILITATION SERVICES

"Sec. 110. State allotments.
"Sec. 111. Payments to States.
"Sec. 112. Client assistance program.

"PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

"Sec. 121. Vocational rehabilitation services grants.

"PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

"Sec. 131. Data sharing.

"TITLE II—RESEARCH AND TRAINING

"Sec. 200. Declaration of purpose.
"Sec. 201. Authorization of appropriations.
"Sec. 202. National Institute on Disability and Rehabilitation Research.
"Sec. 203. Interagency Committee.
"Sec. 204. Research and other covered activities.
"Sec. 205. Rehabilitation Research Advisory Council.

"TITLE III—PROFESSIONAL DEVELOPMENT AND SPECIAL PROJECTS AND DEMONSTRATIONS

"Sec. 301. Declaration of purpose and competitive basis of grants and contracts.
"Sec. 302. Training.
"Sec. 303. Special demonstration program.
"Sec. 304. Migrant and seasonal farmworkers.
"Sec. 305. Recreational programs.
"Sec. 306. Measuring of project outcomes and performance.

"TITLE IV—NATIONAL COUNCIL ON DISABILITY

"Sec. 400. Establishment of National Council on Disability.
"Sec. 401. Duties of National Council.
"Sec. 402. Compensation of National Council members.
"Sec. 403. Staff of National Council.
"Sec. 404. Administrative powers of National Council.
"Sec. 405. Authorization of Appropriations.

"TITLE V—RIGHTS AND ADVOCACY

"Sec. 501. Employment of individuals with disabilities.
"Sec. 502. Architectural and Transportation Barriers Compliance Board.
"Sec. 503. Employment under Federal contracts.
"Sec. 504. Nondiscrimination under Federal grants and programs.
"Sec. 505. Remedies and attorneys' fees.
"Sec. 506. Secretarial responsibilities.
"Sec. 507. Interagency Disability Coordinating Council.
"Sec. 508. Electronic and information technology regulations.
"Sec. 509. Protection and advocacy of individual rights.

"TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

"Sec. 601. Short title.

"PART A—PROJECTS IN TELECOMMUTING AND SELF-EMPLOYMENT FOR INDIVIDUALS ~~WITH~~ *WITH* DISABILITIES

"Sec. 611. Findings, policies, and purposes.
"Sec. 612. Projects in telecommuting for individuals with disabilities.
"Sec. 613. Projects in self-employment for individuals with disabilities.
"Sec. 614. Discretionary authority for dual-purpose applications.
"Sec. 615. Authorization of appropriations.

"PART B—PROJECTS WITH INDUSTRY

"Sec. 621. Projects with industry.
"Sec. 622. Authorization of appropriations.

"PART C—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH *THE MOST* SIGNIFICANT DISABILITIES

"Sec. 631. Purpose.
"Sec. 632. Allotments.
"Sec. 633. Availability of services.
"Sec. 634. Eligibility.
"Sec. 635. State plan.
"Sec. 636. Restriction.
"Sec. 637. Savings provision.

"Sec. 638. Authorization of appropriations.

"TITLE VII—INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING

"CHAPTER 1—INDIVIDUALS WITH SIGNIFICANT DISABILITIES

"PART A—GENERAL PROVISIONS

"Sec. 701. Purpose.
"Sec. 702. Definitions.
"Sec. 703. Eligibility for receipt of services.
"Sec. 704. State plan.
"Sec. 705. Statewide Independent Living Council.
"Sec. 706. Responsibilities of the Commissioner.

"PART B—INDEPENDENT LIVING SERVICES

"Sec. 711. Allotments.
"Sec. 712. Payments to States from allotments.
"Sec. 713. Authorized uses of funds.
"Sec. 714. Authorization of appropriations.

"PART C—CENTERS FOR INDEPENDENT LIVING

"Sec. 721. Program authorization.
"Sec. 722. Grants to centers for independent living in States in which Federal funding exceeds State funding.
"Sec. 723. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
"Sec. 724. Centers operated by State agencies.
"Sec. 725. Standards and assurances for centers for independent living.
"Sec. 726. Definitions.
"Sec. 727. Authorization of appropriations.

"CHAPTER 2—INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ~~ARE~~ *ARE* BLIND

"Sec. 751. Definition.
"Sec. 752. Program of grants.
"Sec. 753. Authorization of appropriations.

"FINDINGS; PURPOSE; POLICY

"SEC. 2. (a) FINDINGS.—Congress finds that—

"(1) millions of Americans have one or more physical or mental disabilities and the number of Americans with such disabilities is increasing;

"(2) individuals with disabilities constitute one of the most disadvantaged groups in society;

"(3) disability is a natural part of the human experience and in no way diminishes the right of individuals to—

"(A) live independently;

"(B) enjoy self-determination;

"(C) make choices;

"(D) contribute to society;

"(E) pursue meaningful careers; and

"(F) enjoy full inclusion and integration in the economic, political, social, cultural, and educational mainstream of American society;

"(4) increased employment of individuals with disabilities can be achieved through implementation of statewide activities carried out under the Workforce Investment Partnership Act of 1998 that provide meaningful and effective participation for individuals with disabilities in workforce investment activities and activities carried out under the vocational rehabilitation program established under title I, and through the provision of independent living services, support services, and meaningful opportunities for employment in integrated work settings through the provision of reasonable accommodations;

"(5) individuals with disabilities continually encounter various forms of discrimination in such criti-

cal areas as employment, housing, public accommodations, education, transportation, communication, recreation, institutionalization, health services, voting, and public services; and

''(6) the goals of the Nation properly include the goal of providing individuals with disabilities with the tools necessary to—

''(A) make informed choices and decisions; and

''(B) achieve equality of opportunity, full inclusion and integration in society, employment, independent living, and economic and social self-sufficiency, for such individuals.

''(b) PURPOSE.—The purposes of this Act are—

''(1) to empower individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society, through—

''(A) statewide activities carried out in accordance with the Workforce Investment Partnership Act of 1998 that include, as integral components, comprehensive and coordinated state-of-the-art programs of vocational rehabilitation;

"(B) independent living centers and services;

"(C) research;

"(D) training;

"(E) demonstration projects; and

"(F) the guarantee of equal opportunity; and

"(2) to ensure that the Federal Government plays a leadership role in promoting the employment of individuals with disabilities, especially individuals with significant disabilities, and in assisting States and providers of services in fulfilling the aspirations of such individuals with disabilities for meaningful and gainful employment and independent living.

"(c) POLICY.—It is the policy of the United States that all programs, projects, and activities receiving assistance under this Act shall be carried out in a manner consistent with the principles of—

"(1) respect for individual dignity, personal responsibility, self-determination, and pursuit of meaningful careers, based on informed choice, of individuals with disabilities;

"(2) respect for the privacy, rights, and equal access (including the use of accessible formats), of the individuals;

"(3) inclusion, integration, and full participation of the individuals;

"(4) support for the involvement of an individual's representative if an individual with a disability requests, desires, or needs such support; and

"(5) support for individual and systemic advocacy and community involvement.

"REHABILITATION SERVICES ADMINISTRATION

"SEC. 3. (a) There is established in the Office of the Secretary a Rehabilitation Services Administration which shall be headed by a Commissioner (hereinafter in this Act referred to as the 'Commissioner') appointed by the President by and with the advice and consent of the Senate. Except for titles IV and V and part A of title VI and as otherwise specifically provided in this Act, such Administration shall be the principal agency, and the Commissioner shall be the principal officer, of such Department for carrying out this Act. The Commissioner shall be an individual with substantial experience in rehabilitation and in rehabilitation program management. In the performance of the functions of the office, the Commissioner shall be directly responsible to the Secretary or to the Under Secretary or an appropriate Assistant Secretary of such Department, as designated by the Secretary. The functions of the Commissioner shall not be delegated to any officer not directly responsible, both with respect to pro-

gram operation and administration, to the Commissioner. Any reference in this Act to duties to be carried out by the Commissioner shall be considered to be a reference to duties to be carried out by the Secretary acting through the Commissioner. In carrying out any of the functions of the office under this Act, the Commissioner shall be guided by general policies of the National Council on Disability established under title IV of this Act.

''(b) The Secretary shall take whatever action is necessary to ~~insure~~ *ensure* that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

''(c) The Secretary shall take such action as necessary to ensure that—

''(1) the staffing of the Rehabilitation Services Administration shall be in sufficient numbers to meet program needs and at levels which will attract and maintain the most qualified personnel; and

''(2) such staff includes individuals who have training and experience in the provision of rehabilitation services and that staff competencies meet professional standards.

"ADVANCE FUNDING

"SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"(b) In order to effect a transition to the advance funding method of timing appropriation action, the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

"JOINT FUNDING

"SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Services Administration, it may waive any grant

or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

"SEC. 7. DEFINITIONS.

"For the purposes of this Act:

"(1) ADMINISTRATIVE COSTS.—The term 'administrative costs' means expenditures incurred by the designated State unit in the performance of administrative functions under the vocational rehabilitation program carried out under title I, including expenses related to program planning, development, monitoring, and evaluation, including—

"(A) expenses for—

"(i) quality assurance;

"(ii) budgeting, accounting, financial management, information systems, and related data processing;

"(iii) provision of information about the program to the public;

"(iv) technical assistance and related support services to other State agencies, private nonprofit organizations, and businesses and industries, except for technical

assistance and support services described in section 103(b)(5);

"(v) the State Rehabilitation Council and other entities that advise the designated State unit with regard to the provision of vocational rehabilitation services;

"(vi) removal of architectural barriers in State vocational rehabilitation agency offices and State operated rehabilitation facilities;

"(vii) operation and maintenance of designated State unit facilities, equipment, and grounds;

"(viii) supplies; and

"(ix)(I) administration of the comprehensive system of personnel development described in section 101(a)(7), including personnel administration, and administration of affirmative action plans;

"(II) training and staff development; and

"(III) administrative salaries, including clerical and other support staff salaries, in support of the administrative functions;

"(B) travel costs related to carrying out the program, other than travel costs related to the provision of services;

"(C) costs incurred in conducting reviews of rehabilitation counselor or coordinator determinations; and

"(D) legal expenses required in the administration of the program.

"(2) ASSESSMENT FOR DETERMINING ELIGIBILITY AND VOCATIONAL REHABILITATION NEEDS.—The term 'assessment for determining eligibility and vocational rehabilitation needs' means, as appropriate in each case—

"(A)(i) a review of existing data—

"(I) to determine whether an individual is eligible for vocational rehabilitation services; and

"(II) to assign priority for an order of selection described in section 101(a)(5)(A) in the States that use an order of selection pursuant to section 101(a)(5)(A); and

"(ii) to the extent necessary, the provision of appropriate assessment activities to obtain necessary additional data to make such determination and assignment;

"(B) to the extent additional data is necessary to make a determination of the employment outcomes, and the objectives, nature, and scope of vocational rehabilitation services, to be included in the individualized rehabilitation employment plan of an eligible individual, a comprehensive assessment to determine the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, including the need for supported employment, of the eligible individual, which comprehensive assessment—

"(i) is limited to information that is necessary to identify the rehabilitation needs of the individual and to develop the individualized rehabilitation employment plan of the eligible individual;

"(ii) uses, as a primary source of such information, to the maximum extent possible and appropriate and in accordance with confidentiality requirements—

"(I) existing information obtained for the purposes of determining the eligibility of the individual and assigning priority for an order of selec-

tion described in section 101(a)(5)(A) for the individual; and

"(II) such information as can be provided by the individual and, where appropriate, by the family of the individual;

"(iii) may include, to the degree needed to make such a determination, an assessment of the personality, interests, interpersonal skills, intelligence and related functional capacities, educational achievements, work experience, vocational aptitudes, personal and social adjustments, and employment opportunities of the individual, and the medical, psychiatric, psychological, and other pertinent vocational, educational, cultural, social, recreational, and environmental factors, that affect the employment and rehabilitation needs of the individual; and

"(iv) may include, to the degree needed, an appraisal of the patterns of work behavior of the individual and services needed for the individual to acquire occupational skills, and to develop work atti-

tudes, work habits, work tolerance, and social and behavior patterns necessary for successful job performance, including the utilization of work in real job situations to assess and develop the capacities of the individual to perform adequately in a work environment;

''(C) referral, for the provision of rehabilitation technology services to the individual, to assess and develop the capacities of the individual to perform in a work environment; and

''(D) an exploration of the individual's abilities, capabilities, and capacity to perform in work situations, through the use of trial work experiences, including experiences in which the individual is provided appropriate supports and training.

''(3) ASSISTIVE TECHNOLOGY DEVICE.—The term 'assistive technology device' has the meaning given such term in section 3(2) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(2)), except that the reference in such section to the term 'individuals with disabilities' shall be deemed to mean more than

one individual with a disability as defined in paragraph (20)(A).

"(4) ASSISTIVE TECHNOLOGY SERVICE.—The term 'assistive technology service' has the meaning given such term in section 3(3) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(3)), except that the reference in such section—

"(A) to the term 'individual with a disability' shall be deemed to mean an individual with a disability, as defined in paragraph (20)(A); and

"(B) to the term 'individuals with disabilities' shall be deemed to mean more than one such individual.

"(5) COMMUNITY REHABILITATION PROGRAM.—The term 'community rehabilitation program' means a program that provides directly or facilitates the provision of vocational rehabilitation services to individuals with disabilities, and that provides, singly or in combination, for an individual with a disability to enable the individual to maximize opportunities for employment, including career advancement—

"(A) medical, psychiatric, psychological, social, and vocational services that are provided under one management;

"(B) testing, fitting, or training in the use of prosthetic and orthotic devices;

"(C) recreational therapy;

"(D) physical and occupational therapy;

"(E) speech, language, and hearing therapy;

"(F) psychiatric, psychological, and social services, including positive behavior management;

"(G) assessment for determining eligibility and vocational rehabilitation needs;

"(H) rehabilitation technology;

"(I) job development, placement, and retention services;

"(J) evaluation or control of specific disabilities;

"(K) orientation and mobility services for individuals who are blind;

"(L) extended employment;

"(M) psychosocial rehabilitation services;

"(N) supported employment services and extended services;

"(O) services to family members when necessary to the vocational rehabilitation of the individual;

"(P) personal assistance services; or

"(Q) services similar to the services described in one of subparagraphs (A) through (P).

"(6) CRIMINAL ACT.—The term 'criminal act' means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government, which poses a substantial threat of personal injury, notwithstanding that by reason of age, insanity, or intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

"(7) DESIGNATED STATE AGENCY.—The term 'designated State agency' means an agency designated under section 101(a)(2)(A).

"(8) DESIGNATED STATE UNIT.—The term 'designated State unit' means—

"(A) any State agency unit required under section 101(a)(2)(B)(ii); or

"(B) in cases in which no such unit is so required, the State agency described in section 101(a)(2)(B)(i).

"(9) DISABILITY.—The term 'disability' means—

"(A) except as otherwise provided in subparagraph (B), a physical or mental impairment that constitutes or results in a substantial impediment to employment; or

"(B) for purposes of sections 2, 14, and 15, and titles II, IV, V, and VII, a physical or mental impairment that substantially limits one or more major life activities.

"(10) DRUG AND ILLEGAL USE OF DRUGS.—

"(A) DRUG.—The term 'drug' means a controlled substance, as defined in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812).

"(B) ILLEGAL USE OF DRUGS.—The term 'illegal use of drugs' means the use of drugs, the possession or distribution of which is unlawful under the Controlled Substances Act. Such term does not include the use of a drug taken under supervision by a licensed health care professional, or other uses authorized by the Con-

trolled Substances Act or other provisions of Federal law.

"(11) EMPLOYMENT OUTCOME.—The term 'employment outcome' means, with respect to an individual—

"(A) entering or retaining full-time or, if appropriate, part-time competitive employment in the integrated labor market;

"(B) satisfying the vocational outcome of supported employment; or

"(C) satisfying any other vocational outcome the Secretary may determine to be appropriate (including satisfying the vocational outcome of self-employment or business ownership),

in a manner consistent with this Act.

"(12) ESTABLISHMENT OF A COMMUNITY REHABILITATION PROGRAM.—The term 'establishment of a community rehabilitation program' includes the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to community rehabilitation program purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Secretary may determine, in accordance with regulations the Sec-

retary shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of facilities for community rehabilitation programs), and may include such additional equipment and staffing as the Commissioner considers appropriate.

"(13) EXTENDED SERVICES.—The term 'extended services' means ongoing support services and other appropriate services, needed to support and maintain an individual with a most significant disability in supported employment, that—

"(A) are provided singly or in combination and are organized and made available in such a way as to assist an eligible individual in maintaining supported employment;

"(B) are based on a determination of the needs of an eligible individual, as specified in an individualized rehabilitation employment plan; and

"(C) are provided by a State agency, a nonprofit private organization, employer, or any other appropriate resource, after an individual has made the transition from support provided by the designated State unit.

"(14) FEDERAL SHARE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term 'Federal share' means 78.7 percent.

"(B) RELATIONSHIP TO EXPENDITURES BY A POLITICAL SUBDIVISION.—For the purpose of determining the non-Federal share with respect to a State, expenditures by a political subdivision thereof or by a local agency shall be regarded as expenditures by such State, subject to such limitations and conditions as the Secretary shall by regulation prescribe.

"(15) GOVERNOR.—The term 'Governor' means a chief executive officer of a State or another appropriate officer of the State.

"~~(15)~~ *(16)* IMPARTIAL HEARING OFFICER.—

"(A) IN GENERAL.—The term 'impartial hearing officer' means an individual—

"(i) who is not an employee of a public agency (other than an administrative law judge, hearing examiner, or employee of an institution of higher education);

"(ii) who is not a member of the State Rehabilitation Council described in section 105;

"(iii) who has not been involved previously in the vocational rehabilitation of the applicant or client;

"(iv) who has knowledge of the delivery of vocational rehabilitation services, the State plan under section 101, and the Federal and State rules governing the provision of such services and training with respect to the performance of official duties; and

"(v) who has no personal or financial interest that would be in conflict with the objectivity of the individual.

"(B) CONSTRUCTION.—An individual shall not be considered to be an employee of a public agency for purposes of subparagraph (A)(i) solely because the individual is paid by the agency to serve as a hearing officer.

"~~(16)~~ *(17)* INDEPENDENT LIVING CORE SERVICES.—The term 'independent living core services' means—

"(A) information and referral services;

"(B) independent living skills training;

"(C) peer counseling (including cross-disability peer counseling); and

"(D) individual and systems advocacy.

"~~(17)~~ *(18)* INDEPENDENT LIVING SERVICES.—The term 'independent living services' includes—

"(A) independent living core services; and

"(B)(i) counseling services, including psychological, psychotherapeutic, and related services;

"(ii) services related to securing housing or shelter, including services related to community group living, and supportive of the purposes of this Act and of the titles of this Act, and adaptive housing services (including appropriate accommodations to and modifications of any space used to serve, or occupied by, individuals with disabilities);

"(iii) rehabilitation technology;

"(iv) mobility training;

"(v) services and training for individuals with cognitive and sensory disabilities, including life skills training, and interpreter and reader services;

"(vi) personal assistance services, including attendant care and the training of personnel providing such services;

"(vii) surveys, directories, and other activities to identify appropriate housing, recreation opportunities, and accessible transportation, and other support services;

"(viii) consumer information programs on rehabilitation and independent living services available under this Act, especially for minorities and other individuals with disabilities who have traditionally been unserved or underserved by programs under this Act;

"(ix) education and training necessary for living in a community and participating in community activities;

"(x) supported living;

"(xi) transportation, including referral and assistance for such transportation and training in the use of public transportation vehicles and systems;

"(xii) physical rehabilitation;

"(xiii) therapeutic treatment;

"(xiv) provision of needed prostheses and other appliances and devices;

"(xv) individual and group social and recreational services;

"(xvi) training to develop skills specifically designed for youths who are individuals with disabilities to promote self-awareness and esteem, develop advocacy and self-empowerment skills, and explore career options;

"(xvii) services for children;

"(xviii) services under other Federal, State, or local programs designed to provide resources, training, counseling, or other assistance, of substantial benefit in enhancing the independence, productivity, and quality of life of individuals with disabilities;

"(xix) appropriate preventive services to decrease the need of individuals assisted under this Act for similar services in the future;

"(xx) community awareness programs to enhance the understanding and integration into society of individuals with disabilities; and

"(xxi) such other services as may be necessary and not inconsistent with the provisions of this Act.

"~~(18)~~ *(19)* INDIAN; AMERICAN INDIAN; INDIAN ~~AMERICAN.—The terms 'Indian', 'American Indian',~~ *AMERICAN; INDIAN TRIBE.*—

"(A) IN GENERAL.—The terms 'Indian', 'American Indian', and 'Indian American' mean an individual who is a member of an Indian tribe.

~~"(19) INDIAN TRIBE.—The term 'Indian tribe'~~

"(B) INDIAN TRIBE.—The term 'Indian tribe' means any Federal or State Indian tribe, band, rancheria, pueblo, colony, or community, including any Alaskan native village or regional village corporation (as defined in or established pursuant to the Alaska Native Claims Settlement Act).

"(20) INDIVIDUAL WITH A DISABILITY.—

"(A) IN GENERAL.—Except as otherwise provided in subparagraph (B), the term 'individual with a disability' means any individual who—

"(i) has a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment; and

"(ii) can benefit in terms of an employment outcome from vocational rehabilitation services provided pursuant to title I, III, or VI.

"(B) CERTAIN PROGRAMS; LIMITATIONS ON MAJOR LIFE ACTIVITIES.—Subject to subparagraphs (C), (D), (E), and (F), the term 'individual with a disability' means, for purposes of sections 2, 14, and 15, and titles II, IV, V, and VII of this Act, any person who—

"(i) has a physical or mental impairment which substantially limits one or more of such person's major life activities;

"(ii) has a record of such an impairment; or

"(iii) is regarded as having such an impairment.

"(C) RIGHTS AND ADVOCACY PROVISIONS.—

"(i) IN GENERAL; EXCLUSION OF INDIVIDUALS ENGAGING IN DRUG USE.—For purposes of title V, the term 'individual with a disability' does not include an individual who is currently engaging in the illegal use of drugs, when a covered entity acts on the basis of such use.

"(ii) EXCEPTION FOR INDIVIDUALS NO LONGER ENGAGING IN DRUG USE.—Nothing in clause (i) shall be construed to

exclude as an individual with a disability an individual who—

"(I) has successfully completed a supervised drug rehabilitation program and is no longer engaging in the illegal use of drugs, or has otherwise been rehabilitated successfully and is no longer engaging in such use;

"(II) is participating in a supervised rehabilitation program and is no longer engaging in such use; or

"(III) is erroneously regarded as engaging in such use, but is not engaging in such use;

except that it shall not be a violation of this Act for a covered entity to adopt or administer reasonable policies or procedures, including but not limited to drug testing, designed to ensure that an individual described in subclause (I) or (II) is no longer engaging in the illegal use of drugs.

"(iii) EXCLUSION FOR CERTAIN SERVICES.—Notwithstanding clause (i), for purposes of programs and activities providing health services and services provided under

titles I, II, and III, an individual shall not be excluded from the benefits of such programs or activities on the basis of his or her current illegal use of drugs if he or she is otherwise entitled to such services.

"(iv) DISCIPLINARY ACTION.—For purposes of programs and activities providing educational services, local educational agencies may take disciplinary action pertaining to the use or possession of illegal drugs or alcohol against any student who is an individual with a disability and who currently is engaging in the illegal use of drugs or in the use of alcohol to the same extent that such disciplinary action is taken against students who are not individuals with disabilities. Furthermore, the due process procedures at section 104.36 of title 34, Code of Federal Regulations (or any corresponding similar regulation or ruling) shall not apply to such disciplinary actions.

"(v) EMPLOYMENT; EXCLUSION OF ALCOHOLICS.—For purposes of sections 503 and 504 as such sections relate to em-

ployment, the term 'individual with a disability' does not include any individual who is an alcoholic whose current use of alcohol prevents such individual from performing the duties of the job in question or whose employment, by reason of such current alcohol abuse, would constitute a direct threat to property or the safety of others.

"(D) EMPLOYMENT; EXCLUSION OF INDIVIDUALS WITH CERTAIN DISEASES OR INFECTIONS.—For the purposes of sections 503 and 504, as such sections relate to employment, such term does not include an individual who has a currently contagious disease or infection and who, by reason of such disease or infection, would constitute a direct threat to the health or safety of other individuals or who, by reason of the currently contagious disease or infection, is unable to perform the duties of the job.

"(E) RIGHTS PROVISIONS; EXCLUSION OF INDIVIDUALS ON BASIS OF HOMOSEXUALITY OR BISEXUALITY.—For the purposes of sections 501, 503, and 504—

"(i) for purposes of the application of subparagraph (B) to such sections, the

term 'impairment' does not include homosexuality or bisexuality; and

"(ii) therefore the term 'individual with a disability' does not include an individual on the basis of homosexuality or bisexuality.

"(F) RIGHTS PROVISIONS; EXCLUSION OF INDIVIDUALS ON BASIS OF CERTAIN DISORDERS.—For the purposes of sections 501, 503, and 504, the term 'individual with a disability' does not include an individual on the basis of—

"(i) transvestism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments, or other sexual behavior disorders;

"(ii) compulsive gambling, kleptomania, or pyromania; or

"(iii) psychoactive substance use disorders resulting from current illegal use of drugs.

"(G) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

"(21) INDIVIDUAL WITH A SIGNIFICANT DISABILITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) or (C), the term 'individual with a significant disability' means an individual with a disability—

"(i) who has a severe physical or mental impairment which seriously limits one or more functional capacities (such as mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills) in terms of an employment outcome;

"(ii) whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time; and

"(iii) who has one or more physical or mental disabilities resulting from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular

dystrophy, musculo-skeletal disorders, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia, and other spinal cord conditions, sickle cell anemia, specific learning disability, end-stage renal disease, or another disability or combination of disabilities determined on the basis of an assessment for determining eligibility and vocational rehabilitation needs described in subparagraphs (A) and (B) of paragraph (2) to cause comparable substantial functional limitation.

"(B) INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING.—For purposes of title VII, the term 'individual with a significant disability' means an individual with a severe physical or mental impairment whose ability to function independently in the family or community or whose ability to obtain, maintain, or advance in employment is substantially limited and for whom the delivery of independent living services will improve the ability to function, continue functioning, or move towards functioning independently in the family

or community or to continue in employment, respectively.

"(C) RESEARCH AND TRAINING.—For purposes of title II, the term 'individual with a significant disability' includes an individual described in subparagraph (A) or (B).

"(D) INDIVIDUALS WITH SIGNIFICANT DISABILITIES.—The term 'individuals with significant disabilities' means more than one individual with a significant disability.

"(E) INDIVIDUAL WITH A MOST SIGNIFICANT DISABILITY.—

"(i) IN GENERAL.—The term 'individual with a most significant disability', used with respect to an individual in a State, means an individual with a significant disability who meets criteria established by the State under section 101(a)(5)(C).

"(ii) INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES.—The term 'individuals with the most significant disabilities' means more than one individual with a most significant disability.

"(22) INDIVIDUAL'S REPRESENTATIVE; APPLICANT'S REPRESENTATIVE.—

"(A) INDIVIDUAL'S REPRESENTATIVE.—The term 'individual's representative' used with respect to an eligible individual or other individual with a disability, means—

"(i) any representative chosen by the eligible individual or other individual with a disability, including a parent, guardian, other family member, or advocate; or

"(ii) if a representative or legal guardian has been appointed by a court to represent the eligible individual or other individual with a disability, the court-appointed representative or legal guardian.

"(B) APPLICANT'S REPRESENTATIVE.—The term 'applicant's representative' means—

"(i) any representative described in subparagraph (A)(i) chosen by the applicant; or

"(ii) if a representative or legal guardian has been appointed by a court to represent the applicant, the court-appointed representative or legal guardian.

"(23) INSTITUTION OF HIGHER EDUCATION.—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)).

"(24) LOCAL AGENCY.—The term 'local agency' means an agency of a unit of general local government or of an Indian tribe (or combination of such units or tribes) which has an agreement with the designated State agency to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from arranging to utilize another local public or nonprofit agency to provide vocational rehabilitation services if such an arrangement is made part of the agreement specified in this paragraph.

"(25) LOCAL WORKFORCE INVESTMENT PARTNERSHIP.—The term 'local workforce investment partnership' means a local workforce investment partnership established under section 308 of the Workforce Investment Partnership Act of 1998.

"(26) NONPROFIT.—The term 'nonprofit', when used with respect to a community rehabilitation program, means a community rehabilitation program carried out by a corporation or association, no part

of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986.

"(27) ONGOING SUPPORT SERVICES.—The term 'ongoing support services' means services—

"(A) provided to individuals with the most significant disabilities;

"(B) provided, at a minimum, twice monthly—

"(i) to make an assessment, regarding the employment situation, at the worksite of each such individual in supported employment, or, under special circumstances, especially at the request of the client, off site; and

"(ii) based on the assessment, to provide for the coordination or provision of specific intensive services, at or away from the worksite, that are needed to maintain employment stability; and

"(C) consisting of—

"(i) a particularized assessment supplementary to the comprehensive assessment described in paragraph (2)(B);

"(ii) the provision of skilled job trainers who accompany the individual for intensive job skill training at the work site;

"(iii) job development, job retention, and placement services;

"(iv) social skills training;

"(v) regular observation or supervision of the individual;

"(vi) followup services such as regular contact with the employers, the individuals, the individuals' representatives, and other appropriate individuals, in order to reinforce and stabilize the job placement;

"(vii) facilitation of natural supports at the worksite;

"(viii) any other service identified in section 103; or

"(ix) a service similar to another service described in this subparagraph.

"(28) PERSONAL ASSISTANCE SERVICES.—The term 'personal assistance services' means a range of services, provided by one or more persons, designed

to assist an individual with a disability to perform daily living activities on or off the job that the individual would typically perform if the individual did not have a disability. Such services shall be designed to increase the individual's control in life and ability to perform everyday activities on or off the job.

"(29) PUBLIC OR NONPROFIT.—The term 'public or nonprofit', used with respect to an agency or organization, includes an Indian tribe.

"(30) REHABILITATION TECHNOLOGY.—The term 'rehabilitation technology' means the systematic application of technologies, engineering methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with disabilities in areas which include education, rehabilitation, employment, transportation, independent living, and recreation. The term includes rehabilitation engineering, assistive technology devices, and assistive technology services.

"(31) REQUIRES VOCATIONAL REHABILITATION SERVICES.—The term 'requires vocational rehabilitation services', used with respect to an individual with a disability as defined in paragraph (20)(A), means that the individual is unable to prepare for, secure, retain, or regain employment consistent with the

strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual without vocational rehabilitation services, because the individual—

"(A) has never been employed;

"(B) has lost employment;

"(C) is underemployed;

"(D) is at immediate risk of losing employment; or

"(E) receives benefits on the basis of disability or blindness pursuant to title II or XVI of the Social Security Act (42 U.S.C. 401 et seq. or 1381 et seq.), in a case in which the individual intends to achieve an employment outcome consistent with the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual.

"(32) SECRETARY.—The term 'Secretary', except when the context otherwise requires, means the Secretary of Education.

"(33) STATE.—The term 'State' includes, in addition to each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands,

Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(34) STATEWIDE WORKFORCE INVESTMENT PARTNERSHIP.—The term 'statewide workforce investment partnership' means a partnership established under section 303 of the Workforce Investment Partnership Act of 1998.

"(35) STATEWIDE WORKFORCE INVESTMENT SYSTEM.—The term 'statewide workforce investment system' means a system described in section 301 of the Workforce Investment Partnership Act of 1998.

"(36) SUPPORTED EMPLOYMENT.—

"(A) IN GENERAL.—The term 'supported employment' means competitive work in integrated work settings, or employment in integrated work settings in which individuals are working toward competitive work, consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individuals, for individuals with the most significant disabilities—

"(i)(I) for whom competitive employment has not traditionally occurred; or

"(II) for whom competitive employment has been interrupted or intermittent as a result of a significant disability; and

"(ii) who, because of the nature and severity of their disability, need intensive supported employment services for the period, and any extension, described in paragraph (37)(C) and extended services after the transition described in paragraph (13)(C) in order to perform such work.

"(B) CERTAIN TRANSITIONAL EMPLOYMENT.—Such term includes transitional employment for persons who are individuals with the most significant disabilities due to mental illness.

"(37) SUPPORTED EMPLOYMENT SERVICES.—The term 'supported employment services' means ongoing support services and other appropriate services needed to support and maintain an individual with a most significant disability in supported employment, that—

"(A) are provided singly or in combination and are organized and made available in such a way as to assist an eligible individual to achieve competitive employment;

"(B) are based on a determination of the needs of an eligible individual, as specified in an individualized rehabilitation employment plan; and

"(C) are provided by the designated State unit for a period of time not to extend beyond 18 months, unless under special circumstances the eligible individual and the rehabilitation counselor or coordinator jointly agree to extend the time in order to achieve the rehabilitation objectives identified in the individualized rehabilitation employment plan.

"(38) TRANSITION SERVICES.—The term 'transition services' means a coordinated set of activities for a student, designed within an outcome-oriented process, that promotes movement from school to post school activities, including postsecondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community participation. The coordinated set of activities shall be based upon the individual student's needs, taking into account the student's preferences and interests, and shall include instruction, community experiences, the development of employ-

ment and other post school adult living objectives, and, when appropriate, acquisition of daily living skills and functional vocational evaluation.

"(39) UNDEREMPLOYED.—The term 'underemployed', used with respect to an individual with a disability, as defined in paragraph (20)(A), means a situation in which the individual is employed in a job that is not consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual.

"(40) VOCATIONAL REHABILITATION SERVICES.—The term 'vocational rehabilitation services' means those services identified in section 103 which are provided to individuals with disabilities under this Act.

"(41) WORKFORCE INVESTMENT ACTIVITIES.—The term 'workforce investment activities' has the meaning given the term in section 2 of the Workforce Investment Partnership Act of 1998 carried out under that Act.

"ALLOTMENT PERCENTAGE

"SEC. 8. (a)(1) For purposes of section 110, the allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that—

"(A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum; and

"(B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands shall be 75 per centum.

"(2) The allotment percentages shall be promulgated by the Secretary between October 1 and December 31 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the October 1 next succeeding such promulgation.

"(3) The term 'United States' means (but only for purposes of this subsection) the fifty States and the District of Columbia.

"(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

"NONDUPLICATION

"SEC. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approved in accordance with section 101, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any other provision of this Act, except that this section shall not be construed to limit or reduce fees for services rendered by community rehabilitation programs.

"APPLICATION OF OTHER LAWS

"SEC. 11. The provisions of the Act of December 5, 1974 (Public Law 93–510) and of title V of the Act of October 15, 1977 (Public Law 95–134) shall not apply to the administration of the provisions of this Act or to the administration of any program or activity under this Act.

"ADMINISTRATION OF THE ACT

"SEC. 12. (a) In carrying out the purposes of this Act, the Commissioner may—

"(1) provide consultative services and technical assistance to public or nonprofit private agencies and organizations, including assistance to enable such agencies and organizations to facilitate meaningful and effective participation by individuals with disabilities in workforce investment activities;

"(2) provide short-term training and technical instruction, including training for the personnel of community rehabilitation programs, centers for independent living, and other providers of services (including job coaches);

"(3) conduct special projects and demonstrations;

"(4) collect, prepare, publish, and disseminate special educational or informational materials, including reports of the projects for which funds are provided under this Act; and

"(5) provide monitoring and conduct evaluations.

"(b)(1) In carrying out the duties under this Act, the Commissioner may utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or organization, in accordance with agreements between the Commissioner and the head there-

of, and may pay therefor, in advance or by way of reimbursement, as may be provided in the agreement.

"(2) In carrying out the provisions of this Act, the Commissioner shall appoint such task forces as may be necessary to collect and disseminate information in order to improve the ability of the Commissioner to carry out the provisions of this Act.

"(c) The Commissioner may promulgate such regulations as are considered appropriate to carry out the Commissioner's duties under this Act.

"(d) The Secretary shall promulgate regulations regarding the requirements for the implementation of an order of selection for vocational rehabilitation services under section 101(a)(5)(A) if such services cannot be provided to all eligible individuals with disabilities who apply for such services.

"(e) Not later than 180 days after the date of enactment of the Rehabilitation Act Amendments of 1998, the Secretary shall receive public comment and promulgate regulations to implement the amendments made by the Rehabilitation Act Amendments of 1998.

"(f) In promulgating regulations to carry out this Act, the Secretary shall promulgate only regulations that are necessary to administer and ensure compliance with the specific requirements of this Act.

"(g) There are authorized to be appropriated to carry out this section such sums as may be necessary.

"REPORTS

"SEC. 13. (a) Not later than one hundred and eighty days after the close of each fiscal year, the Commissioner shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act, including the activities and staffing of the information clearinghouse under section 15.

"(b) The Commissioner shall collect information to determine whether the purposes of this Act are being met and to assess the performance of programs carried out under this Act. The Commissioner shall take whatever action is necessary to assure that the identity of each individual for which information is supplied under this section is kept confidential, except as otherwise required by law (including regulation).

"(c) In preparing the report, the Commissioner shall annually collect and include in the report information based on the information submitted by States in accordance with section 101(a)(10). The Commissioner shall, to the maximum extent appropriate, include in the report all information that is required to be submitted in the reports described in section 321(d) of the Workforce Investment Partnership Act of 1998 and that pertains to the employment of individuals with disabilities.

"EVALUATION

"SEC. 14. (a) For the purpose of improving program management and effectiveness, the Secretary, in consultation with the Commissioner, shall evaluate all the programs authorized by this Act, their general effectiveness in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, using appropriate methodology and evaluative research designs. The Secretary shall establish and use standards for the evaluations required by this subsection. Such an evaluation shall be conducted by a person not immediately involved in the administration of the program evaluated.

"(b) In carrying out evaluations under this section, the Secretary shall obtain the opinions of program and project participants about the strengths and weaknesses of the programs and projects.

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

"(d) Such information as the Secretary may determine to be necessary for purposes of the evaluations conducted under this section shall be made available upon re-

quest of the Secretary, by the departments and agencies of the executive branch.

"(e)(1) To assess the linkages between vocational rehabilitation services and economic and noneconomic outcomes, the Secretary shall continue to conduct a longitudinal study of a national sample of applicants for the services.

"(2) The study shall address factors related to attrition and completion of the program through which the services are provided and factors within and outside the program affecting results. Appropriate comparisons shall be used to contrast the experiences of similar persons who do not obtain the services.

"(3) The study shall be planned to cover the period beginning on the application of individuals with disabilities for the services, through the eligibility determination and provision of services for the individuals, and a further period of not less than 2 years after the termination of services.

"(f)(1) The Commissioner shall identify and disseminate information on exemplary practices concerning vocational rehabilitation.

"(2) To facilitate compliance with paragraph (1), the Commissioner shall conduct studies and analyses that identify exemplary practices concerning vocational reha-

bilitation, including studies in areas relating to providing informed choice in the rehabilitation process, promoting consumer satisfaction, promoting job placement and retention, providing supported employment, providing services to particular disability populations, financing personal assistance services, providing assistive technology devices and assistive technology services, entering into cooperative agreements, establishing standards and certification for community rehabilitation programs, converting from non-integrated to integrated employment, and providing caseload management.

''(g) There are authorized to be appropriated to carry out this section such sums as may be necessary.

''INFORMATION CLEARINGHOUSE

''SEC. 15. (a) The Secretary shall establish a central clearinghouse for information and resource availability for individuals with disabilities which shall provide information and data regarding—

''(1) the location, provision, and availability of services and programs for individuals with disabilities, including such information and data provided by statewide partnerships established under section 303 of the Workforce Investment Partnership Act of 1998 regarding such services and programs authorized under such Act;

"(2) research and recent medical and scientific developments bearing on disabilities (and their prevention, amelioration, causes, and cures); and

"(3) the current numbers of individuals with disabilities and their needs.

The clearinghouse shall also provide any other relevant information and data which the Secretary considers appropriate.

"(b) The Commissioner may assist the Secretary to develop within the Department of Education a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide information regarding the information and data referred to in subsection (a) of this section to the Congress, public and private agencies and organizations, individuals with disabilities and their families, professionals in fields serving such individuals, and the general public.

"(c) The office established to carry out the provisions of this section shall be known as the 'Office of Information and Resources for Individuals with Disabilities'.

"(d) There are authorized to be appropriated to carry out this section such sums as may be necessary.

"TRANSFER OF FUNDS

"SEC. 16. (a) Except as provided in subsection (b) of this section, no funds appropriated under this Act for any research program or activity may be used for any pur-

pose other than that for which the funds were specifically authorized.

"(b) No more than 1 percent of funds appropriated for discretionary grants, contracts, or cooperative agreements authorized by this Act may be used for the purpose of providing non-Federal panels of experts to review applications for such grants, contracts, or cooperative agreements.

"STATE ADMINISTRATION

"SEC. 17. The application of any State rule or policy relating to the administration or operation of programs funded by this Act (including any rule or policy based on State interpretation of any Federal law, regulation, or guideline) shall be identified as a State imposed requirement.

"REVIEW OF APPLICATIONS

"SEC. 18. Applications for grants in excess of $100,000 in the aggregate authorized to be funded under this Act, other than grants primarily for the purpose of conducting dissemination or conferences, shall be reviewed by panels of experts which shall include a majority of non-Federal members. Non-Federal members may be provided travel, per diem, and consultant fees not to exceed the daily equivalent of the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code.

"SEC. 19. CARRYOVER.

"(a) IN GENERAL.—Except as provided in subsection (b), and notwithstanding any other provision of law—

"(1) any funds appropriated for a fiscal year to carry out any grant program under part B of title I, section 509 (except as provided in section 509(b)), part C of title VI, part B or C of chapter 1 of title VII, or chapter 2 of title VII (except as provided in section 752(b)), including any funds reallotted under any such grant program, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year; or

"(2) any amounts of program income, including reimbursement payments under the Social Security Act (42 U.S.C. 301 et seq.), received by recipients under any grant program specified in paragraph (1) that are not obligated and expended by recipients prior to the beginning of the fiscal year succeeding the fiscal year in which such amounts were received, shall remain available for obligation and expenditure by such recipients during such succeeding fiscal year.

"(b) NON-FEDERAL SHARE.—Such funds shall remain available for obligation and expenditure by a recipient as provided in subsection (a) only to the extent that the recipient complied with any Federal share require-

ments applicable to the program for the fiscal year for which the funds were appropriated.

"SEC. 20. CLIENT ASSISTANCE INFORMATION.

"All programs, including community rehabilitation programs, and projects, that provide services to individuals with disabilities under this Act shall advise such individuals who are applicants for or recipients of the services, or the applicants' representatives or individuals' representatives, of the availability and purposes of the client assistance program under section 112, including information on means of seeking assistance under such program.

"SEC. 21. TRADITIONALLY UNDERSERVED POPULATIONS.

"(a) FINDINGS.—With respect to the programs authorized in titles II through VII, the Congress finds as follows:

"(1) RACIAL PROFILE.—The racial profile of America is rapidly changing. While the rate of increase for white Americans is 3.2 percent, the rate of increase for racial and ethnic minorities is much higher: 38.6 percent for Latinos, 14.6 percent for African-Americans, and 40.1 percent for Asian-Americans and other ethnic groups. By the year 2000, the Nation will have 260,000,000 people, one of every three of whom will be either African-American, Latino, or Asian-American.

"(2) RATE OF DISABILITY.—Ethnic and racial minorities tend to have disabling conditions at a disproportionately high rate. The rate of work-related disability for American Indians is about one and one-half times that of the general population. African-Americans are also one and one-half times more likely to be disabled than whites and twice as likely to be significantly disabled.

"(3) INEQUITABLE TREATMENT.—Patterns of inequitable treatment of minorities have been documented in all major junctures of the vocational rehabilitation process. As compared to white Americans, a larger percentage of African-American applicants to the vocational rehabilitation system is denied acceptance. Of applicants accepted for service, a larger percentage of African-American cases is closed without being rehabilitated. Minorities are provided less training than their white counterparts. Consistently, less money is spent on minorities than on their white counterparts.

"(4) RECRUITMENT.—Recruitment efforts within vocational rehabilitation at the level of ~~pre-service~~ *preservice* training, continuing education, and in-service training must focus on bringing larger numbers of minorities into the profession in order to pro-

vide appropriate practitioner knowledge, role models, and sufficient manpower to address the clearly changing demography of vocational rehabilitation.

"(b) OUTREACH TO MINORITIES.—

"(1) IN GENERAL.—For each fiscal year, the Commissioner and the Director of the National Institute on Disability and Rehabilitation Research (referred to in this subsection as the 'Director') shall reserve 1 percent of the funds appropriated for the fiscal year for programs authorized under titles II, III, VI, and VII to carry out this subsection. The Commissioner and the Director shall use the reserved funds to carry out 1 or more of the activities described in paragraph (2) through a grant, contract, or cooperative agreement.

"(2) ACTIVITIES.—The activities carried out by the Commissioner and the Director shall include 1 or more of the following:

"(A) Making awards to minority entities and Indian tribes to carry out activities under the programs authorized under titles II, III, VI, and VII.

"(B) Making awards to minority entities and Indian tribes to conduct research, training, technical assistance, or a related activity, to im-

prove services provided under this Act, especially services provided to individuals from minority backgrounds.

"(C) Making awards to entities described in paragraph (3) to provide outreach and technical assistance to minority entities and Indian tribes to promote their participation in activities funded under this Act, including assistance to enhance their capacity to carry out such activities.

"(3) ELIGIBILITY.—To be eligible to receive ~~a~~ *an* award under paragraph (2)(C), an entity shall be a State or a public or private nonprofit agency or organization, such as an institution of higher education or an Indian tribe.

"(4) REPORT.—In each fiscal year, the Commissioner and the Director shall prepare and submit to Congress a report that describes the activities funded under this subsection for the preceding fiscal year.

"(5) DEFINITIONS.—In this subsection:

"(A) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term ~~"~~'historically Black college or university~~"~~' means a part B institu-

tion, as defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

"(B) MINORITY ENTITY.—The term "'minority entity' means an entity that is a ~~Historically Black College or University~~ *historically Black college or university*, a Hispanic-serving institution of higher education, an American Indian ~~Tribal College or University~~ *tribal college or university*, or another institution of higher education whose minority student enrollment is at least 50 percent.

"(c) DEMONSTRATION.—In awarding grants, or entering into contracts or cooperative agreements under titles I, II, III, VI, and VII, and section 509, the Commissioner and the Director, in appropriate cases, shall require applicants to demonstrate how the applicants will address, in whole or in part, the needs of individuals with disabilities from minority backgrounds.".

SEC. 4. VOCATIONAL REHABILITATION SERVICES.

Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) is amended to read as follows:

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"PART A—GENERAL PROVISIONS

"SEC. 100. DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS.

"(a) FINDINGS; PURPOSE; POLICY.—

"(1) FINDINGS.—Congress finds that—

"(A) work—

"(i) is a valued activity, both for individuals and society; and

"(ii) fulfills the need of an individual to be productive, promotes independence, enhances self-esteem, and allows for participation in the mainstream of life in the United States;

"(B) as a group, individuals with disabilities experience staggering levels of unemployment and poverty;

"(C) individuals with disabilities, including individuals with the most significant disabilities, have demonstrated their ability to achieve gainful employment in integrated settings if appropriate services and supports are provided;

"(D) reasons for significant numbers of individuals with disabilities not working, or work-

ing at levels not commensurate with their abilities and capabilities, include—

"(i) discrimination;

"(ii) lack of accessible and available transportation;

"(iii) fear of losing health coverage under the medicare and medicaid programs carried out under titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq. and 1396 et seq.) or fear of losing private health insurance; and

"(iv) lack of education, training, and supports to meet job qualification standards necessary to secure, retain, regain, or advance in employment;

"(E) enforcement of title V and of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) holds the promise of ending discrimination for individuals with disabilities;

"(F) the provision of workforce investment activities and vocational rehabilitation services can enable individuals with disabilities, including individuals with the most significant disabilities, to pursue meaningful careers by securing

gainful employment commensurate with their abilities and capabilities; and

"(G) linkages between the vocational rehabilitation programs established under this title and other components of the statewide workforce investment system are critical to ensure effective and meaningful participation by individuals with disabilities in workforce investment activities.

"(2) PURPOSE.—The purpose of this title is to assist States in operating statewide comprehensive, coordinated, effective, efficient, and accountable programs of vocational rehabilitation, each of which is—

"(A) an integral part of a statewide workforce investment system; and

"(B) designed to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities, consistent with their strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, so that such individuals may prepare for and engage in gainful employment.

"(3) POLICY.—It is the policy of the United States that such a program shall be carried out in a manner consistent with the following principles:

"(A) Individuals with disabilities, including individuals with the most significant disabilities, are generally presumed to be capable of engaging in gainful employment and the provision of individualized vocational rehabilitation services can improve their ability to become gainfully employed.

"(B) Individuals with disabilities must be provided the opportunities to obtain gainful employment in integrated settings.

"(C) Individuals who are applicants for such programs or eligible to participate in such programs must be active and full partners, in collaboration with qualified vocational rehabilitation professionals, in the vocational rehabilitation process, making meaningful and informed choices—

"(i) during assessments for determining eligibility and vocational rehabilitation needs; and

"(ii) in the selection of employment outcomes for the individuals, services need-

ed to achieve the outcomes, entities providing such services, and the methods used to secure such services.

"(D) Families and other natural supports can play important roles in the success of a vocational rehabilitation program, if the individual with a disability involved requests, desires, or needs such supports.

"(E) Vocational rehabilitation counselors that are trained and prepared in accordance with State policies and procedures as described in section 101(a)(7)(A)(iii) (referred to individually in this title as a 'qualified vocational rehabilitation counselor'), other qualified rehabilitation personnel, and other qualified personnel facilitate the accomplishment of the employment outcomes and objectives of an individual.

"(F) Individuals with disabilities and the individuals' representatives are full partners in a vocational rehabilitation program and must be involved on a regular basis and in a meaningful manner with respect to policy development and implementation.

"(G) Accountability measures must facilitate the accomplishment of the goals and objec-

tives of the program, including providing vocational rehabilitation services to, among others, individuals with the most significant disabilities.

"(b) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of making grants to States under part B to assist States in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there are authorized to be appropriated such sums as may be necessary for fiscal years 1998 through 2004, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this paragraph for the immediately preceding fiscal year, increased by the percentage change in the Consumer Price Index determined under subsection (c) for the immediately preceding fiscal year.

"(2) REFERENCE.—The reference in paragraph (1) to grants to States under part B shall not be considered to refer to grants under section 112.

"(c) CONSUMER PRICE INDEX.—

"(1) PERCENTAGE CHANGE.—No later than November 15 of each fiscal year (beginning with fiscal year 1979), the Secretary of Labor shall publish in the Federal Register the percentage change in the

Consumer Price Index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

"(2) APPLICATION.—

"(A) INCREASE.—If in any fiscal year the percentage change published under paragraph (1) indicates an increase in the Consumer Price Index, then the amount to be appropriated under subsection (b)(1) for the subsequent fiscal year shall be at least the amount appropriated under subsection (b)(1) for the fiscal year in which the publication is made under paragraph (1) increased by such percentage change.

"(B) NO INCREASE OR DECREASE.—If in any fiscal year the percentage change published under paragraph (1) does not indicate an increase in the Consumer Price Index, then the amount to be appropriated under subsection (b)(1) for the subsequent fiscal year shall be at least the amount appropriated under subsection (b)(1) for the fiscal year in which the publication is made under paragraph (1).

"(3) DEFINITION.—For purposes of this section, the term 'Consumer Price Index' means the

Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

"(d) EXTENSION.—

"(1) IN GENERAL.—

"(A) AUTHORIZATION OR DURATION OF PROGRAM.—Unless the Congress in the regular session which ends prior to the beginning of the terminal fiscal year—

"(i) of the authorization of appropriations for the program authorized by the State grant program under part B of this title; or

"(ii) of the duration of the program authorized by the State grant program under part B of this title;

has passed legislation which would have the effect of extending the authorization or duration (as the case may be) of such program, such authorization or duration is automatically extended for 1 additional year for the program authorized by this title.

"(B) CALCULATION.—The amount authorized to be appropriated for the additional fiscal year described in subparagraph (A) shall be an

amount equal to the amount appropriated for such program for fiscal year 2004, increased by the percentage change in the Consumer Price Index determined under subsection (c) for the immediately preceding fiscal year, if the percentage change indicates an increase.

"(2) CONSTRUCTION.—

"(A) PASSAGE OF LEGISLATION.—For the purposes of paragraph (1)(A), Congress shall not be deemed to have passed legislation unless such legislation becomes law.

"(B) ACTS OR DETERMINATIONS OF COMMISSIONER.—In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations which are necessary for the continuation of the program authorized by this title, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which the extension described in that part of paragraph (1) that follows clause (ii) of paragraph (1)(A) is in effect.

"SEC. 101. STATE PLANS.

"(a) PLAN REQUIREMENTS.—

"(1) IN GENERAL.—

"(A) SUBMISSION.—To be eligible to participate in programs under this title, a State shall submit to the Commissioner a State plan for vocational rehabilitation services that meets the requirements of this section, on the same date that the State submits a State plan under section 304 of the Workforce Investment Partnership Act of 1998.

"(B) NONDUPLICATION.—The State shall not be required to submit, in the State plan for vocational rehabilitation services, policies, procedures, or descriptions required under this title that have been previously submitted to the Commissioner and that demonstrate that such State meets the requirements of this title, including any policies, procedures, or descriptions submitted under this title as in effect on the day before the effective date of the Rehabilitation Act Amendments of 1998.

"(C) DURATION.—The State plan shall remain in effect subject to the submission of such modifications as the State determines to be necessary or as the Commissioner may require based on a change in State policy, a change in

Federal law (including regulations), an interpretation of this Act by a Federal court or the highest court of the State, or a finding by the Commissioner of State noncompliance with the requirements of this Act, until the State submits and receives approval of a new State plan.

"(2) DESIGNATED STATE AGENCY; DESIGNATED STATE UNIT.—

"(A) DESIGNATED STATE AGENCY.—The State plan shall designate a State agency as the sole State agency to administer the plan, or to supervise the administration of the plan by a local agency, except that—

"(i) where, under State law, the State agency for individuals who are blind or another agency that provides assistance or services to adults who are blind is authorized to provide vocational rehabilitation services to individuals who are blind, that agency may be designated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for individuals who are blind (or to supervise the administration of such part by a local agency) and a sepa-

rate State agency may be designated as the sole State agency to administer or supervise the administration of the rest of the State plan;

"(ii) the Commissioner, on the request of a State, may authorize the designated State agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit the agencies to carry out a joint program to provide services to individuals with disabilities, and may waive compliance, with respect to vocational rehabilitation services furnished under the joint program, with the requirement of paragraph (4) that the plan be in effect in all political subdivisions of the State; and

"(iii) in the case of American Samoa, the appropriate State agency shall be the Governor of American Samoa.

"(B) DESIGNATED STATE UNIT.—The State agency designated under subparagraph (A) shall be—

"(i) a State agency primarily concerned with vocational rehabilitation, or vo-

cational and other rehabilitation, of individuals with disabilities; or

"(ii) if not such an agency, the State agency (or each State agency if 2 are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit that—

"(I) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities, and is responsible for the vocational rehabilitation program of the designated State agency;

"(II) has a full-time director;

"(III) has a staff employed on the rehabilitation work of the organizational unit all or substantially all of whom are employed full time on such work; and

"(IV) is located at an organizational level and has an organizational status within the designated State agency comparable to that of other major organizational units of the designated State agency.

"(C) RESPONSIBILITY FOR SERVICES FOR THE BLIND.—If the State has designated only 1 State agency pursuant to subparagraph (A), the State may assign responsibility for the part of the plan under which vocational rehabilitation services are provided for individuals who are blind to an organizational unit of the designated State agency and assign responsibility for the rest of the plan to another organizational unit of the designated State agency, with the provisions of subparagraph (B) applying separately to each of the designated State units.

"(3) NON-FEDERAL SHARE.—The State plan shall provide for financial participation by the State, or if the State so elects, by the State and local agencies, to provide the amount of the non-Federal share of the cost of carrying out part B.

"(4) STATEWIDENESS.—The State plan shall provide that the plan shall be in effect in all political subdivisions of the State, except that in the case of any activity that, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of individuals with disabilities or groups of individuals with disabilities, the Commissioner may waive com-

pliance with the requirement that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by the Commissioner. The Commissioner may waive compliance with the requirement only if the non-Federal share of the cost of the vocational rehabilitation services is provided from funds made available by a local agency (including, to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual).

"(5) ORDER OF SELECTION FOR VOCATIONAL REHABILITATION SERVICES.—In the event that vocational rehabilitation services cannot be provided to all eligible individuals with disabilities in the State who apply for the services, the State plan shall—

"(A) show the order to be followed in selecting eligible individuals to be provided vocational rehabilitation services;

"(B) provide the justification for the order of selection;

"(C) include an assurance that, in accordance with criteria established by the State for the order of selection, individuals with the most significant disabilities will be selected first for

the provision of vocational rehabilitation services; and

"(D) provide that eligible individuals, who do not meet the order of selection criteria, shall have access to services provided through the information and referral system implemented under paragraph (20).

"(6) METHODS FOR ADMINISTRATION.—

"(A) IN GENERAL.—The State plan shall provide for such methods of administration as are found by the Commissioner to be necessary for the proper and efficient administration of the plan.

"(B) EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES.—The State plan shall provide that the designated State agency, and entities carrying out community rehabilitation programs in the State, who are in receipt of assistance under this title shall take affirmative action to employ and advance in employment qualified individuals with disabilities covered under, and on the same terms and conditions as set forth in, section 503.

"(C) PERSONNEL AND PROGRAM STANDARDS FOR COMMUNITY REHABILITATION PRO-

GRAMS.—The State plan shall provide that the designated State unit shall establish, maintain, and implement minimum standards for community rehabilitation programs providing services to individuals under this title, including—

"(i) standards—

"(I) governing community rehabilitation programs and qualified personnel utilized for the provision of vocational rehabilitation services through such programs; and

"(II) providing, to the extent that providers of vocational rehabilitation services utilize personnel who do not meet the highest requirements in the State applicable to a particular profession or discipline, that the providers shall take steps to ensure the retraining or hiring of personnel so that such personnel meet appropriate professional standards in the State; and

"(ii) minimum standards to ensure the availability of personnel, to the maximum extent feasible, trained to commu-

nicate in the native language or mode of communication of an individual receiving services through such programs.

"(D) FACILITIES.—The State plan shall provide that facilities used in connection with the delivery of services assisted under the State plan shall comply with the Act entitled 'An Act to insure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped', approved on August 12, 1968 (commonly known as the 'Architectural Barriers Act of 1968'), with section 504, and with the Americans with Disabilities Act of 1990.

"(7) COMPREHENSIVE SYSTEM OF PERSONNEL DEVELOPMENT.—The State plan shall include—

"(A) a description, consistent with the purposes of this Act, of a comprehensive system of personnel development for personnel *employed by the designated State unit and* involved in carrying out this title, which, at a minimum, shall consist of—

"(i) a description of the procedures and activities the designated State agency will implement and undertake to address

the current and projected needs for personnel, and training needs of such personnel, in the designated State unit to ensure that the personnel are adequately trained and prepared;

''(ii) a plan to coordinate and facilitate efforts between the designated State unit and institutions of higher education and professional associations to recruit, prepare, and retain qualified personnel, including personnel from culturally or linguistically diverse backgrounds, and personnel that include individuals with disabilities;

''(iii) a description of policies and procedures on the establishment and maintenance of reasonable standards to ensure that personnel, including professionals and paraprofessionals, are adequately trained and prepared, including—

''(I) standards that are consistent with any national or State approved or recognized certification, licensing, registration, or other comparable requirements that apply to the

area in which such personnel are providing vocational rehabilitation services; and

"(II) to the extent that such standards are not based on the highest requirements in the State applicable to a particular profession or discipline, the steps the State will take to ensure the retraining or hiring of personnel within the designated State unit so that such personnel meet appropriate professional standards in the State;

"(iv) a description of a system for evaluating the performance of vocational rehabilitation counselors, coordinators, and other personnel used in the State, including a description of how the system facilitates the accomplishment of the purpose and policy of this title, including the policy of serving individuals with the most significant disabilities;

"(v) a description of standards to ensure the availability of personnel within the designated State unit who are, to the max-

imum extent feasible, trained to communicate in the native language or mode of communication of an applicant or eligible individual; and

''(vi) a detailed description, including a budget, of how the funds reserved under subparagraph (B) will be expended to carry out the comprehensive system for personnel development, including the provision of in-service training for personnel of the designated State unit;

''(B) assurances that—

''(i) at a minimum, the State will reserve from the allotment made to the State under section 110 an amount to carry out the comprehensive system of personnel development, including the provision of in-service training for personnel of the designated State unit;

''(ii) for fiscal year 1999, the amount reserved will be equal to the amount of the funds the State received for fiscal year 1998 to provide in-service training under section 302, or for any State that did not receive those funds for fiscal year 1998, an

amount determined by the Commissioner; and

"(iii) for each subsequent year, the amount reserved under this subparagraph will be equal to the amount reserved under this subparagraph for the previous fiscal year, increased by the percentage change in the Consumer Price Index published under section 100(c) in such previous fiscal year, if the percentage change indicates an increase; and

"(C) an assurance that the standards adopted by a State in accordance with subparagraph (A)(iii) shall not permit discrimination on the basis of disability with regard to training and hiring.

"(8) COMPARABLE SERVICES AND BENEFITS.—

"(A) DETERMINATION OF AVAILABILITY.—

"(i) IN GENERAL.—The State plan shall include an assurance that, prior to providing any vocational rehabilitation service to an eligible individual, except those services specified in paragraph (5)(D) and in paragraphs (1) through (4) and (14) of section 103(a), the designated

State unit will determine whether comparable services and benefits are available under any other program (other than a program carried out under this title) unless such a determination would interrupt or delay—

"(I) the progress of the individual toward achieving the employment outcome identified in the individualized rehabilitation employment plan of the individual in accordance with section 102(b); or

"(II) the provision of such service to any individual at extreme medical risk.

"(ii) AWARDS AND SCHOLARSHIPS.—For purposes of clause (i), comparable benefits do not include awards and scholarships based on merit.

"(B) INTERAGENCY AGREEMENT.—The State plan shall include an assurance that the ~~Chief Executive Officer of the State or the designee of such officer~~ *Governor of the State or the designee of the Governor* will ensure that an interagency agreement or other mechanism for

interagency coordination takes effect between any appropriate public entity, including a component of the statewide workforce investment system, and the designated State unit, in order to ensure the provision of vocational rehabilitation services described in subparagraph (A) (other than those services specified in paragraph (5)(D), and in paragraphs (1) through (4) and (14) of section 103(a)), that are included in the individualized rehabilitation employment plan of an eligible individual, including the provision of such vocational rehabilitation services during the pendency of any dispute described in clause (iii). Such agreement or mechanism shall include the following:

"(i) AGENCY FINANCIAL RESPONSIBILITY.—An identification of, or a description of a method for defining, the financial responsibility of such public entity for providing such services, and a provision stating that the financial responsibility of such public entity for providing such services, including the financial responsibility of the State agency responsible for administering the medicaid program under title

XIX of the Social Security Act (42 U.S.C. 1396 et seq.), other public agencies, and public institutions of higher education, shall precede the financial responsibility of the designated State unit especially with regard to the provision of auxiliary aids and services to the maximum extent allowed by law.

''(ii) CONDITIONS, TERMS, AND PROCEDURES OF REIMBURSEMENT.—Information specifying the conditions, terms, and procedures under which a designated State unit shall pursue and obtain reimbursement by other public agencies for providing such services.

''(iii) INTERAGENCY DISPUTES.—Information specifying procedures for resolving interagency disputes under the agreement or other mechanism (including procedures under which the designated State unit may initiate proceedings to secure reimbursement from other agencies or otherwise implement the provisions of the agreement or mechanism).

"(iv) COORDINATION OF SERVICES PROCEDURES.—Information specifying policies and procedures for agencies to determine and identify the interagency coordination responsibilities of each agency to promote the coordination and timely delivery of vocational rehabilitation services (except those services specified in paragraph (5)(D) and in paragraphs (1) through (4) and (14) of section 103(a)).

"(C) RESPONSIBILITIES OF OTHER AGENCIES.—

"(i) RESPONSIBILITIES UNDER OTHER LAW.—Notwithstanding subparagraph (B), if any public agency other than a designated State unit is obligated under Federal or State law, or assigned responsibility under State policy or under this paragraph, to provide or pay for any services that are also considered to be vocational rehabilitation services (other than those specified in paragraph (5)(D) and in paragraphs (1) through (4) and (14) of section 103(a)), such public agency shall fulfill

that obligation or responsibility, either directly or by contract or other arrangement.

"(ii) REIMBURSEMENT.—In a case in which a public agency other than the designated State unit fails to fulfill the financial responsibility of the agency described in this paragraph to provide services described in clause (i), the designated State unit may claim reimbursement from such public agency for such services. Such public agency shall reimburse the designated State unit pursuant to the terms of the interagency agreement or other mechanism in effect under this paragraph according to the procedures established pursuant to subparagraph (B)(ii).

"(D) METHODS.—The ~~Chief Executive Officer~~ *Governor* of a State may meet the requirements of subparagraph (B) through—

"(i) a State statute or regulation;

"(ii) a signed agreement between the respective agency officials that clearly identifies the responsibilities of each agency relating to the provision of services; or

"(iii) another appropriate method, as determined by the designated State unit.

"(9) INDIVIDUALIZED REHABILITATION EMPLOYMENT PLAN.—

"(A) DEVELOPMENT AND IMPLEMENTATION.—The State plan shall include an assurance that an individualized rehabilitation employment plan meeting the requirements of section 102(b) will be developed and implemented in a timely manner for an individual subsequent to the determination of the eligibility of the individual for services under this title, except that in a State operating under an order of selection described in paragraph (5), the plan will be developed and implemented only for individuals meeting the order of selection criteria of the State.

"(B) PROVISION OF SERVICES.—The State plan shall include an assurance that such services will be provided in accordance with the provisions of the individualized rehabilitation employment plan.

"(10) REPORTING REQUIREMENTS.—

"(A) IN GENERAL.—The State plan shall include an assurance that the designated State

agency will submit reports in the form and level of detail and at the time required by the Commissioner regarding applicants for, and eligible individuals receiving, services under this title.

"(B) ANNUAL REPORTING.—In specifying the information to be submitted in the reports, the Commissioner shall require annual reporting on the eligible individuals receiving the services, on those specific data elements described in section 321(d)(2) of the Workforce Investment Partnership Act of 1998 that are determined by the Secretary to be relevant in assessing the performance of designated State units in carrying out the vocational rehabilitation program established under this title.

"(C) ADDITIONAL DATA.—In specifying the information required to be submitted in the reports, the Commissioner shall require additional data with regard to applicants and eligible individuals related to—

"(i) the number of applicants and the number of individuals determined to be eligible or ineligible for the program carried out under this title, including—

"(I) the number of individuals determined to be ineligible because they did not require vocational rehabilitation services, as provided in section 102(a); and

"(II) the number of individuals determined, on the basis of clear and convincing evidence, to be too severely disabled to benefit in terms of an employment outcome from vocational rehabilitation services;

"(ii) the number of individuals who received vocational rehabilitation services through the program, including—

"(I) the number who received services under paragraph (5)(D), but not assistance under an individualized rehabilitation employment plan; and

"(II) the number who received assistance under an individualized rehabilitation employment plan consistent with section 102(b);

"(iii) the number of individuals receiving public assistance and the amount of the public assistance on the date of appli-

cation and on the last date of participation in the program carried out under this title;

"(iv) the number of individuals with disabilities who ended their participation in the program and the number who achieved employment outcomes after receiving vocational rehabilitation services; and

"(v) the number of individuals who ended their participation in the program and who were employed 6 months and 12 months after securing or regaining employment, or, in the case of individuals whose employment outcome was to retain or advance in employment, who were employed 6 months and 12 months after achieving their employment outcome, including—

"(I) the number of such individuals who earned the minimum wage rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or another wage level set by the Commissioner, during such employment;

"(II) the number of such individuals who received employment benefits

from an employer during such employment; and

"(III) the number of such individuals whose public assistance was terminated or reduced after such participation.

"(D) COSTS AND RESULTS.—The Commissioner shall also require that the designated State agency include in the reports information on—

"(i) the costs under this title of conducting administration, providing assessment services, counseling and guidance, and other direct services provided by designated State agency staff, providing services purchased under individualized rehabilitation employment plans, supporting small business enterprises, establishing, developing, and improving community rehabilitation programs, and providing other services to groups; and

"(ii) the results of annual evaluation by the State of program effectiveness under paragraph (15)(E).

"(E) ADDITIONAL INFORMATION.—The Commissioner shall require that each designated State unit include in the reports additional information related to the applicants and eligible individuals, obtained either through a complete count or sampling, including—

"(i) information on—

"(I) age, gender, race, ethnicity, education, type of impairment, severity of disability, and whether the individuals are students described in clause (i) or (ii)(II) of paragraph (11)(D);

"(II) dates of application, determination of eligibility or ineligibility, initiation of the individualized rehabilitation employment plan, and termination of participation in the program;

"(III) earnings at the time of application for the program and termination of participation in the program;

"(IV) work status and occupation;

"(V) types of services, including assistive technology services and assistive technology devices, provided under the program;

"(VI) types of public or private programs or agencies that furnished services under the program; and

"(VII) the reasons for individuals terminating participation in the program without achieving an employment outcome; and

"(ii) information necessary to determine the success of the State in meeting—

"(I) the State performance measures established under section 321(b) of the Workforce Investment Partnership Act of 1998 to the extent the measures are applicable to individuals with disabilities; and

"(II) the standards and indicators established pursuant to section 106.

"(F) COMPLETENESS AND CONFIDENTIALITY.—The State plan shall include an assurance that the information submitted in the reports

will include a complete count, except as provided in subparagraph (E), of the applicants and eligible individuals, in a manner permitting the greatest possible cross-classification of data and that the identity of each individual for which information is supplied under this paragraph will be kept confidential.

"(11) COOPERATION, COLLABORATION, AND COORDINATION.—

"(A) COOPERATIVE AGREEMENTS WITH OTHER COMPONENTS OF STATEWIDE WORKFORCE INVESTMENT SYSTEMS.—The State plan shall provide that the designated State unit or designated State agency shall enter into a cooperative agreement with other entities that are components of the statewide workforce investment system of the State, regarding the system, which agreement may provide for—

"(i) provision of intercomponent staff training and technical assistance with regard to—

"(I) the availability and benefits of, and eligibility standards for, vocational rehabilitation services; and

"(II) the promotion of equal, effective, and meaningful participation by individuals with disabilities in workforce investment activities in the State through the promotion of program accessibility, the use of nondiscriminatory policies and procedures, and the provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

"(ii) use of information and financial management systems that link all components of the statewide workforce investment system, that link the components to other electronic networks, including nonvisual electronic networks, and that relate to such subjects as labor market information, and information on job vacancies, career planning, and workforce investment activities;

"(iii) use of customer service features such as common intake and referral procedures, customer databases, resource information, and human services hotlines;

"(iv) establishment of cooperative efforts with employers to—

"(I) facilitate job placement; and

"(II) carry out any other activities that the designated State unit and the employers determine to be appropriate;

"(v) identification of staff roles, responsibilities, and available resources, and specification of the financial responsibility of each component of the statewide workforce investment system with regard to paying for necessary services (consistent with State law and Federal requirements); and

"(vi) specification of procedures for resolving disputes among such components.

"(B) REPLICATION OF COOPERATIVE AGREEMENTS.—The State plan shall provide for the replication of such cooperative agreements at the local level between individual offices of the designated State unit and local entities carrying out activities through the statewide workforce investment system.

"(C) INTERAGENCY COOPERATION WITH OTHER AGENCIES.—The State plan shall include descriptions of interagency cooperation with, and utilization of the services and facilities of, the Federal, State, and local agencies and programs that are not carrying out activities through the statewide workforce investment system.

"(D) COORDINATION WITH EDUCATION OFFICIALS.—The State plan shall contain plans, policies, and procedures for coordination between the designated State agency and education officials that are designed to facilitate the transition of students who are individuals with disabilities described in section 7(20)(B) from the receipt of educational services in school to the receipt of vocational rehabilitation services under this title, including information on a formal interagency agreement with the State educational agency that, at a minimum, provides for—

"(i) consultation and technical assistance to assist educational agencies in planning for the transition of students who are individuals with disabilities described in

section 7(20)(B) from school to post-school activities, including vocational rehabilitation services;

''(ii)(I) transition planning by personnel of the designated State agency and educational agency personnel for students with disabilities described in clause (i) that facilitates the development and completion of their individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (as added by section 101 of Public Law 105–17); and

''(II) transition planning and services for students who are eligible to receive services under this title and who will be exiting school in the school year in which the planning and services are provided;

''(iii) the roles and responsibilities, including financial responsibilities, of each agency, including provisions for determining State lead agencies and qualified personnel responsible for the transition services described in clause (ii)(II); and

''(iv) procedures for outreach to and identification of students with disabilities

described in clause (ii)(II) who need the transition services.

"(E) COORDINATION WITH STATEWIDE INDEPENDENT LIVING COUNCILS AND INDEPENDENT LIVING CENTERS.—The State plan shall include an assurance that the designated State unit, the Statewide Independent Living Council established under section 705, and the independent living centers described in part C of title VII within the State have developed working relationships and coordinate their activities.

"(F) COOPERATIVE AGREEMENT WITH RECIPIENTS OF GRANTS FOR SERVICES TO AMERICAN INDIANS.—In applicable cases, the State plan shall include an assurance that the State has entered into a formal cooperative agreement with each grant recipient in the State that receives funds under part C. The agreement shall describe strategies for collaboration and coordination in providing vocational rehabilitation services to American Indians who are individuals with disabilities, including—

"(i) strategies for interagency referral and information sharing that will assist in

eligibility determinations and the development of individualized rehabilitation employment plans;

"(ii) procedures for ensuring that American Indians who are individuals with disabilities and are living near a reservation or tribal service area are provided vocational rehabilitation services; and

"(iii) provisions for sharing resources in cooperative studies and assessments, joint training activities, and other collaborative activities designed to improve the provision of services to American Indians who are individuals with disabilities.

"(12) RESIDENCY.—The State plan shall include an assurance that the State will not impose a residence requirement that excludes from services provided under the plan any individual who is present in the State.

"(13) SERVICES TO AMERICAN INDIANS.—The State plan shall include an assurance that, except as otherwise provided in part C, the designated State agency will provide vocational rehabilitation services to American Indians who are individuals with disabilities residing in the State to the same extent as

the designated State agency provides such services to other significant populations of individuals with disabilities residing in the State.

"(14) ANNUAL REVIEW OF INDIVIDUALS IN EXTENDED EMPLOYMENT OR OTHER EMPLOYMENT UNDER SPECIAL CERTIFICATE PROVISIONS OF THE FAIR LABOR STANDARDS ACT OF 1938.—The State plan shall provide for—

"(A) an annual review and reevaluation of the status of each individual with a disability served under this title who has achieved an employment outcome either in an extended employment setting in a community rehabilitation program or any other employment under section 14(c) of the Fair Labor Standards Act (29 U.S.C. 214(c)) for 2 years after the achievement of the outcome (and annually thereafter if requested by the individual or, if appropriate, the individual's representative), to determine the interests, priorities, and needs of the individual with respect to competitive employment or training for competitive employment;

"(B) input into the review and reevaluation, and a signed ~~acknowledgement~~ *acknowledgment* that such review and reevaluation have

been conducted, by the individual with a disability, or, if appropriate, the individual's representative; and

"(C) maximum efforts, including the identification and provision of vocational rehabilitation services, reasonable accommodations, and other necessary support services, to assist the individuals described in subparagraph (A) in engaging in competitive employment.

"(15) ANNUAL STATE GOALS AND REPORTS OF PROGRESS.—

"(A) ASSESSMENTS AND ESTIMATES.—The State plan shall—

"(i) include the results of a comprehensive, statewide assessment, jointly conducted by the designated State unit and the State Rehabilitation Council (if the State has such a Council) every 3 years, describing the rehabilitation needs of individuals with disabilities residing within the State, particularly the vocational rehabilitation services needs of—

"(I) individuals with the most significant disabilities, including their

need for supported employment services;

"(II) individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved by the vocational rehabilitation program carried out under this title; and

"(III) individuals with disabilities served through other components of the statewide workforce investment system (other than the vocational rehabilitation program), as identified by such individuals and personnel assisting such individuals through the components;

"(ii) include an assessment of the need to establish, develop, or improve community rehabilitation programs within the State; and

"(iii) provide that the State shall submit to the Commissioner a report containing information regarding updates to the assessments, for any year in which the State updates the assessments.

"(B) ANNUAL ESTIMATES.—The State plan shall include, and shall provide that the State shall annually submit a report to the Commissioner that includes, State estimates of—

"(i) the number of individuals in the State who are eligible for services under this title;

"(ii) the number of such individuals who will receive services provided with funds provided under part B and under part C of title VI, including, if the designated State agency uses an order of selection in accordance with paragraph (5), estimates of the number of individuals to be served under each priority category within the order; and

"(iii) the costs of the services described in clause (i), including, if the designated State agency uses an order of selection in accordance with paragraph (5), the service costs for each priority category within the order.

"(C) GOALS AND PRIORITIES.—

"(i) IN GENERAL.—The State plan shall identify the goals and priorities of the State in carrying out the program. The goals and priorities shall be jointly developed, agreed to, and reviewed annually by the designated State unit and the State Rehabilitation Council, if the State has such a Council. Any revisions to the goals and priorities shall be jointly agreed to by the designated State unit and the State Rehabilitation Council, if the State has such a Council. The State plan shall provide that the State shall submit to the Commissioner a report containing information regarding revisions in the goals and priorities, for any year in which the State revises the goals and priorities.

"(ii) BASIS.—The State goals and priorities shall be based on an analysis of—

"(I) the comprehensive assessment described in subparagraph (A), including any updates to the assessment;

"(II) the performance of the State on the standards and indicators established under section 106; and

"(III) other available information on the operation and the effectiveness of the vocational rehabilitation program carried out in the State, including any reports received from the State Rehabilitation Council, under section 105(c) and the findings and recommendations from monitoring activities conducted under section 107.

"(iii) SERVICE AND OUTCOME GOALS FOR CATEGORIES IN ORDER OF SELECTION.—If the designated State agency uses an order of selection in accordance with paragraph (5), the State shall also identify in the State plan service and outcome goals and the time within which these goals may be achieved for individuals in each priority category within the order.

"(D) STRATEGIES.—The State plan shall contain a description of the strategies the State will use to address the needs identified in the assessment conducted under subparagraph (A)

and achieve the goals and priorities identified in subparagraph (C), including—

"(i) the methods to be used to expand and improve services to individuals with disabilities, including how a broad range of assistive technology services and assistive technology devices will be provided to such individuals at each stage of the rehabilitation process and how such services and devices will be provided to such individuals on a statewide basis;

"(ii) outreach procedures to identify and serve individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved by the vocational rehabilitation program;

"(iii) where necessary, the plan of the State for establishing, developing, or improving community rehabilitation programs;

"(iv) strategies to improve the performance of the State with respect to the evaluation standards and performance indi-

cators established pursuant to section 106; and

"(v) strategies for assisting entities carrying out other components of the statewide workforce investment system (other than the vocational rehabilitation program) in assisting individuals with disabilities.

"(E) EVALUATION AND REPORTS OF PROGRESS.—The State plan shall—

"(i) include the results of an evaluation of the effectiveness of the vocational rehabilitation program, and a joint report by the designated State unit and the State Rehabilitation Council, if the State has such a Council, to the Commissioner on the progress made in improving the effectiveness from the previous year, which evaluation and report shall include—

"(I) an evaluation of the extent to which the goals identified in subparagraph (C) were achieved;

"(II) a description of strategies that contributed to achieving the goals;

"(III) to the extent to which the goals were not achieved, a description of the factors that impeded that achievement; and

"(IV) an assessment of the performance of the State on the standards and indicators established pursuant to section 106; and

"(ii) provide that the designated State unit and the State Rehabilitation Council, if the State has such a Council, shall jointly submit to the Commissioner an annual report that contains the information described in clause (i).

"(16) PUBLIC COMMENT.—The State plan shall—

"(A) provide that the designated State agency, prior to the adoption of any policies or procedures governing the provision of vocational rehabilitation services under the State plan (including making any amendment to such policies and procedures), shall conduct public meetings throughout the State, after providing adequate notice of the meetings, to provide the public, including individuals with disabilities, an oppor-

tunity to comment on the policies or procedures, and actively consult with the Director of the client assistance program carried out under section 112, and, as appropriate, Indian tribes, tribal organizations, and Native Hawaiian organizations on the policies or procedures; and

''(B) provide that the designated State agency (or each designated State agency if 2 agencies are designated) and any sole agency administering the plan in a political subdivision of the State, shall take into account, in connection with matters of general policy arising in the administration of the plan, the views of—

''(i) individuals and groups of individuals who are recipients of vocational rehabilitation services, or in appropriate cases, the individuals' representatives;

''(ii) personnel working in programs that provide vocational rehabilitation services to individuals with disabilities;

''(iii) providers of vocational rehabilitation services to individuals with disabilities;

''(iv) the director of the client assistance program; and

"(v) the State Rehabilitation Council, if the State has such a Council.

"(17) PROHIBITION ON USE OF FUNDS FOR CONSTRUCTION OF FACILITIES.—The State plan shall contain an assurance that the State will not use any funds made available under this title for the construction of facilities.

"(18) INNOVATION AND EXPANSION ACTIVITIES.—The State plan shall—

"(A) include an assurance that the State will reserve and use a portion of the funds allotted to the State under section 110—

"(i) for the development and implementation of innovative approaches to expand and improve the provision of vocational rehabilitation services to individuals with disabilities under this title, particularly individuals with the most significant disabilities, consistent with the findings of the statewide assessment and goals and priorities of the State as described in paragraph (15); and

"(ii) to support the funding of—

"(I) the State Rehabilitation Council, if the State has such a Coun-

cil, consistent with the plan prepared under section 105(d)(1); and

"(II) the Statewide Independent Living Council, consistent with the plan prepared under section 705(e)(1);

"(B) include a description of how the reserved funds will be utilized; and

"(C) provide that the State shall submit to the Commissioner an annual report containing a description of how the reserved funds will be utilized.

"(19) CHOICE.—The State plan shall include an assurance that applicants and eligible individuals or, as appropriate, the applicants' representatives or individuals' representatives, will be provided information and support services to assist the applicants and individuals in exercising informed choice throughout the rehabilitation process, consistent with the provisions of section 102(d).

"(20) INFORMATION AND REFERRAL SERVICES.—

"(A) IN GENERAL.—The State plan shall include an assurance that the designated State agency will implement an information and re-

ferral system adequate to ensure that individuals with disabilities will be provided accurate vocational rehabilitation information, using appropriate modes of communication, to assist such individuals in preparing for, securing, retaining, or regaining employment, and will be appropriately referred to Federal and State programs (other than the vocational rehabilitation program carried out under this title), including other components of the statewide workforce investment system in the State.

"(B) SERVICES.—In providing activities through the system established under subparagraph (A), the State may include services consisting of the provision of individualized counseling and guidance, individualized vocational exploration, supervised job placement referrals, and assistance in securing reasonable accommodations for eligible individuals who do not meet the order of selection criteria used by the State, to the extent that such services are not purchased by the designated State unit.

"(21) STATE INDEPENDENT CONSUMER-CONTROLLED COMMISSION; STATE REHABILITATION COUNCIL.—

"(A) COMMISSION OR COUNCIL.—The State plan shall provide that either—

"(i) the designated State agency is an independent commission that—

"(I) is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State;

"(II) is consumer-controlled by persons who—

"(aa) are individuals with physical or mental impairments that substantially limit major life activities; and

"(bb) represent individuals with a broad range of disabilities, unless the designated State unit under the direction of the commission is the State agency for individuals who are blind;

"(III) includes family members, advocates, or other representatives, of individuals with mental impairments; and

"(IV) undertakes the functions set forth in section 105(c)(4); or

"(ii) the State has established a State Rehabilitation Council that meets the criteria set forth in section 105 and the designated State unit—

"(I) in accordance with paragraph (15), jointly develops, agrees to, and reviews annually State goals and priorities, and jointly submits annual reports of progress with the Council;

"(II) regularly consults with the Council regarding the development, implementation, and revision of State policies and procedures of general applicability pertaining to the provision of vocational rehabilitation services;

"(III) includes in the State plan and in any revision to the State plan, a summary of input provided by the Council, including recommendations from the annual report of the Council described in section 105(c)(5), the review and analysis of consumer satisfaction described in section 105(c)(4),

and other reports prepared by the Council, and the response of the designated State unit to such input and recommendations, including explanations for rejecting any input or recommendation; and

"(IV) transmits to the Council—

"(aa) all plans, reports, and other information required under this title to be submitted to the Secretary;

"(bb) all policies, and information on all practices and procedures, of general applicability provided to or used by rehabilitation personnel in carrying out this title; and

"(cc) copies of due process hearing decisions issued under this title, which shall be transmitted in such a manner as to ensure that the identity of the participants in the hearings is kept confidential.

"(B) MORE THAN 1 DESIGNATED STATE AGENCY.—In the case of a State that, under section 101(a)(2), designates a State agency to administer the part of the State plan under which vocational rehabilitation services are provided for individuals who are blind (or to supervise the administration of such part by a local agency) and designates a separate State agency to administer the rest of the State plan, the State shall either establish a State Rehabilitation Council for each of the 2 agencies that does not meet the requirements in subparagraph (A)(i), or establish 1 State Rehabilitation Council for both agencies if neither agency meets the requirements of subparagraph (A)(i).

"(22) SUPPORTED EMPLOYMENT STATE PLAN SUPPLEMENT.—The State plan shall include an assurance that the State has an acceptable plan for carrying out part C of title VI, including the use of funds under that part to supplement funds made available under part B of this title to pay for the cost of services leading to supported employment.

"(23) ELECTRONIC AND INFORMATION TECHNOLOGY REGULATIONS.—The State plan shall include an assurance that the State, and any recipient

or subrecipient of funds made available to the State under this title—

"(A) will comply with the requirements of section 508, including the regulations established under that section; and

"(B) will designate an employee to coordinate efforts to comply with section 508 and will adopt grievance procedures that incorporate due process standards and provide for the prompt and equitable resolution of complaints concerning such requirements.

"(24) ANNUAL UPDATES.—The plan shall include an assurance that the State will submit to the Commissioner reports containing annual updates of the information required under paragraph (7) (relating to a comprehensive system of personnel development) and any other updates of the information required under this section that are requested by the Commissioner, and annual reports as provided in paragraphs (15) (relating to assessments, estimates, goals and priorities, and reports of progress) and (18) (relating to innovation and expansion), at such time and in such manner as the Secretary may determine to be appropriate.

"(b) APPROVAL; DISAPPROVAL OF THE STATE PLAN.—

"(1) APPROVAL.—The Commissioner shall approve any plan that the Commissioner finds fulfills the conditions specified in this section, and shall disapprove any plan that does not fulfill such conditions.

"(2) DISAPPROVAL.—Prior to disapproval of the State plan, the Commissioner shall notify the State of the intention to disapprove the plan and shall afford the State reasonable notice and opportunity for a hearing.

"SEC. 102. ELIGIBILITY AND INDIVIDUALIZED REHABILITATION EMPLOYMENT PLAN.

"(a) ELIGIBILITY.—

"(1) CRITERION FOR ELIGIBILITY.—An individual is eligible for assistance under this title if the individual—

"(A) is an individual with a disability under section 7(20)(A); and

"(B) requires vocational rehabilitation services to prepare for, secure, retain, or regain employment.

"(2) PRESUMPTION OF BENEFIT.—

"(A) DEMONSTRATION.—For purposes of this section, an individual shall be presumed to be an individual that can benefit in terms of an employment outcome from vocational rehabilitation services under section 7(20)(A), unless the designated State unit involved can demonstrate by clear and convincing evidence that such individual is incapable of benefiting in terms of an employment outcome from vocational rehabilitation services due to the severity of the disability of the individual.

"(B) METHODS.—In making the demonstration required under subparagraph (A), the designated State unit shall explore the individual's abilities, capabilities, and capacity to perform in work situations, through the use of trial work experiences, as described in section 7(2)(D), with appropriate supports provided through the designated State unit, except under limited circumstances when an individual can not take advantage of such experiences. Such experiences shall be of sufficient variety and over a sufficient period of time to determine the eligibility of the individual or to determine the existence of clear and convincing evidence that

the individual is incapable of benefiting in terms of an employment outcome from vocational rehabilitation services due to the severity of the disability of the individual.

"(3) PRESUMPTION OF ELIGIBILITY.—For purposes of this section, an individual who has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act (42 U.S.C. 401 et seq. and 1381 et seq.) shall be—

"(A) considered to be an individual with a significant disability under section 7(21)(A); and

"(B) presumed to be eligible for vocational rehabilitation services under this title (provided that the individual intends to achieve an employment outcome consistent with the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual) unless the designated State unit involved can demonstrate by clear and convincing evidence that such individual is incapable of benefiting in terms of an employment outcome from vocational rehabilitation services due to the severity of the disability of the individual in accordance with paragraph (2).

"(4) USE OF EXISTING INFORMATION.—

"(A) IN GENERAL.—To the maximum extent appropriate and consistent with the requirements of this part, for purposes of determining the eligibility of an individual for vocational rehabilitation services under this title and developing the individualized rehabilitation employment plan described in subsection (b) for the individual, the designated State unit shall use information that is existing and current (as of the date of the determination of eligibility or of the development of the individualized rehabilitation employment plan), including information available from other programs and providers, particularly information used by education officials and the Social Security Administration, information provided by the individual and the family of the individual, and information obtained under the assessment for determining eligibility and vocational rehabilitation needs.

"(B) DETERMINATIONS BY OFFICIALS OF OTHER AGENCIES.—Determinations made by officials of other agencies, particularly education officials described in section 101(a)(11)(D), regarding whether an individual

satisfies 1 or more factors relating to whether an individual is an individual with a disability under section 7(20)(A) or an individual with a significant disability under section 7(21)(A) shall be used, to the extent appropriate and consistent with the requirements of this part, in assisting the designated State unit in making such determinations.

"(C) BASIS.—The determination of eligibility for vocational rehabilitation services shall be based on—

"(i) the review of existing data described in section 7(2)(A)(i); and

"(ii) to the extent that such data is unavailable or insufficient for determining eligibility, the provision of assessment activities described in section 7(2)(A)(ii).

"(5) DETERMINATION OF INELIGIBILITY.—If an individual who applies for services under this title is determined, based on the review of existing data and, to the extent necessary, the assessment activities described in section 7(2)(A)(ii), not to be eligible for the services, or if an eligible individual receiving services under an individualized rehabilitation em-

ployment plan is determined to be no longer eligible for the services—

"(A) the ineligibility determination involved shall be made only after providing an opportunity for full consultation with the individual or, as appropriate, the individual's representative;

"(B) the individual or, as appropriate, the individual's representative, shall be informed in writing (supplemented as necessary by other appropriate modes of communication consistent with the informed choice of the individual) of the ineligibility determination, including—

"(i) the reasons for the determination; and

"(ii) a description of the means by which the individual may express, and seek a remedy for, any dissatisfaction with the determination, including the procedures for review by an impartial hearing officer under subsection (c);

"(C) the individual shall be provided with a description of services available from the client assistance program under section 112 and

information on how to contact that program; and

"(D) any ineligibility determination that is based on a finding that the individual is incapable of benefiting in terms of an employment outcome shall be reviewed—

"(i) within 12 months; and

"(ii) annually thereafter, if such a review is requested by the individual or, if appropriate, by the individual's representative.

"(6) TIMEFRAME FOR MAKING AN ELIGIBILITY DETERMINATION.—The designated State unit shall determine whether an individual is eligible for vocational rehabilitation services under this title within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless—

"(A) exceptional and unforeseen circumstances beyond the control of the designated State unit preclude making an eligibility determination within 60 days and the designated State unit and the individual agree to a specific extension of time; or

"(B) the designated State unit is exploring an individual's abilities, capabilities, and capacity to perform in work situations under paragraph (2)(B).

"(b) DEVELOPMENT OF AN INDIVIDUALIZED REHABILITATION EMPLOYMENT PLAN.—

"(1) OPTIONS FOR DEVELOPING AN INDIVIDUALIZED REHABILITATION EMPLOYMENT PLAN.—If an individual is determined to be eligible for vocational rehabilitation services as described in subsection (a), the designated State unit shall complete the assessment for determining eligibility and vocational rehabilitation needs, as appropriate, and shall provide the eligible individual or the individual's representative, in writing and in an appropriate mode of communication, with information on the individual's options for developing an individualized rehabilitation employment plan, including—

"(A) information on the availability of assistance, to the extent determined to be appropriate by the eligible individual, from a qualified vocational rehabilitation counselor in developing all or part of the individualized rehabilitation employment plan for the individual, and the availability of technical assistance in devel-

oping all or part of the individualized rehabilitation employment plan for the individual;

"(B) a description of the full range of components that shall be included in an individualized rehabilitation employment plan;

"(C) as appropriate—

"(i) an explanation of agency guidelines and criteria associated with financial commitments concerning an individualized rehabilitation employment plan;

"(ii) additional information the eligible individual requests or the designated State unit determines to be necessary; and

"(iii) information on the availability of assistance in completing designated State agency forms required in developing an individualized rehabilitation employment plan; and

"(D)(i) a description of the rights and remedies available to such an individual including, if appropriate, recourse to the processes set forth in subsection (c); and

"(ii) a description of the availability of a client assistance program established pursuant

to section 112 and information about how to contact the client assistance program.

"(2) MANDATORY PROCEDURES.—

"(A) WRITTEN DOCUMENT.—An individualized rehabilitation employment plan shall be a written document prepared on forms provided by the designated State unit.

"(B) INFORMED CHOICE.—An individualized rehabilitation employment plan shall be developed and implemented in a manner that affords eligible individuals the opportunity to exercise informed choice in selecting an employment outcome, the specific vocational rehabilitation services to be provided under the plan, the entity that will provide the vocational rehabilitation services, and the methods used to procure the services, consistent with subsection (d).

"(C) SIGNATORIES.—An individualized rehabilitation employment plan shall be—

"(i) agreed to, and signed by, such eligible individual or, as appropriate, the individual's representative; and

"(ii) approved and signed by a qualified vocational rehabilitation counselor employed by the designated State unit.

"(D) COPY.—A copy of the individualized rehabilitation employment plan for an eligible individual shall be provided to the individual or, as appropriate, to the individual's representative, in writing and, if appropriate, in the native language or mode of communication of the individual or, as appropriate, of the individual's representative.

"(E) REVIEW AND AMENDMENT.—The individualized rehabilitation employment plan shall be—

"(i) reviewed at least annually by—

"(I) a qualified vocational rehabilitation counselor; and

"(II) the eligible individual or, as appropriate, the individual's representative; and

"(ii) amended, as necessary, by the individual or, as appropriate, the individual's representative, in collaboration with a representative of the designated State agency or a qualified vocational rehabilitation counselor, if there are substantive changes in the employment outcome, the vocational rehabilitation services to be provided, or

the service providers of the services (which amendments shall not take effect until agreed to and signed by the eligible individual or, as appropriate, the individual's representative, and by a qualified vocational rehabilitation counselor).

"(3) MANDATORY COMPONENTS OF AN INDIVIDUALIZED REHABILITATION EMPLOYMENT PLAN.—Regardless of the approach selected by an eligible individual to develop an individualized rehabilitation employment plan, an individualized rehabilitation employment plan shall, at a minimum, contain mandatory components consisting of—

"(A) a description of the specific employment outcome that is chosen by the eligible individual, consistent with the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the eligible individual, and, to the maximum extent appropriate, results in employment in an integrated setting;

"(B)(i) a description of the specific vocational rehabilitation services that are—

"(I) needed to achieve the employment outcome, including, as appropriate,

the provision of assistive technology devices and assistive technology services, and personal assistance services, including training in the management of such services; and

"(II) provided in the most integrated setting that is appropriate for the service involved and is consistent with the informed choice of the eligible individual; and

"(ii) timelines for the achievement of the employment outcome and for the initiation of the services;

"(C) a description of the entity chosen by the eligible individual or, as appropriate, the individual's representative, that will provide the vocational rehabilitation services, and the methods used to procure such services;

"(D) a description of criteria to evaluate progress toward achievement of the employment outcome;

"(E) the terms and conditions of the individualized rehabilitation employment plan, including, as appropriate, information describing—

"(i) the responsibilities of the designated State unit;

"(ii) the responsibilities of the eligible individual, including—

"(I) the responsibilities the eligible individual will assume in relation to the employment outcome of the individual;

"(II) if applicable, the participation of the eligible individual in paying for the costs of the plan; and

"(III) the responsibility of the eligible individual with regard to applying for and securing comparable benefits as described in section 101(a)(8); *and*

"(iii) the responsibilities of other entities as the result of arrangements made pursuant to comparable services or benefits requirements as described in section 101(a)(8);

"(F) for an eligible individual with the most significant disabilities for whom an employment outcome in a supported employment

setting has been determined to be appropriate, information identifying—

"(i) the extended services needed by the eligible individual; and

"(ii) the source of extended services or, to the extent that the source of the extended services cannot be identified at the time of the development of the individualized rehabilitation employment plan, a description of the basis for concluding that there is a reasonable expectation that such source will become available; and

"(G) as determined to be necessary, a statement of projected need for post-employment services.

"(c) PROCEDURES.—

"(1) IN GENERAL.—Each State shall establish procedures for mediation of, and procedures for review through an impartial due process hearing of, determinations made by personnel of the designated State unit that affect the provision of vocational rehabilitation services to applicants or eligible individuals.

"(2) NOTIFICATION.—

"(A) RIGHTS AND ASSISTANCE.—The procedures shall provide that an applicant or an eligible individual or, as appropriate, the applicant's representative or individual's representative shall be notified of—

"(i) the right to obtain review of determinations described in paragraph (1) in an impartial due process hearing under paragraph (5);

"(ii) the right to pursue mediation with respect to the determinations under paragraph (4); and

"(iii) the availability of assistance from the client assistance program under section 112.

"(B) TIMING.—Such notification shall be provided in writing—

"(i) at the time an individual applies for vocational rehabilitation services provided under this title;

"(ii) at the time the individualized rehabilitation employment plan for the individual is developed; and

"(iii) upon reduction, suspension, or cessation of vocational rehabilitation services for the individual.

"(3) EVIDENCE AND REPRESENTATION.—The procedures required under this subsection shall, at a minimum—

"(A) provide an opportunity for an applicant or an eligible individual, or, as appropriate, the applicant's representative or individual's representative, to submit at the mediation session or hearing evidence and information to support the position of the applicant or eligible individual; and

"(B) include provisions to allow an applicant or an eligible individual to be represented in the mediation session or hearing by a person selected by the applicant or eligible individual.

"(4) MEDIATION.—

"(A) PROCEDURES.—Each State shall ensure that procedures are established and implemented under this subsection to allow parties described in paragraph (1) to disputes involving any determination described in paragraph (1) to resolve such disputes through a mediation process that, at a minimum, shall be available

whenever a hearing is requested under this subsection.

"(B) REQUIREMENTS.—Such procedures shall ensure that the mediation process—

"(i) is voluntary on the part of the parties;

"(ii) is not used to deny or delay the right of an individual to a hearing under this subsection, or to deny any other right afforded under this title; and

"(iii) is conducted by a qualified and impartial mediator who is trained in effective mediation techniques.

"(C) LIST OF MEDIATORS.—The State shall maintain a list of individuals who are qualified mediators and knowledgeable in laws (including regulations) relating to the provision of vocational rehabilitation services under this title, from which the mediators described in subparagraph (B) shall be selected.

"(D) COST.—The State shall bear the cost of the mediation process.

"(E) SCHEDULING.—Each session in the mediation process shall be scheduled in a timely

manner and shall be held in a location that is convenient to the parties to the dispute.

"(F) AGREEMENT.—An agreement reached by the parties to the dispute in the mediation process shall be set forth in a written mediation agreement.

"(G) CONFIDENTIALITY.—Discussions that occur during the mediation process shall be confidential and may not be used as evidence in any subsequent due process hearing or civil proceeding. The parties to the mediation process may be required to sign a confidentiality pledge prior to the commencement of such process.

"(H) CONSTRUCTION.—Nothing in this subsection shall be construed to preclude the parties to such a dispute from informally resolving the dispute prior to proceedings under this paragraph or paragraph (5), if the informal process used is not used to deny or delay the right of the applicant or eligible individual to a hearing under this subsection or to deny any other right afforded under this title.

"(5) HEARINGS.—

"(A) OFFICER.—A due process hearing described in paragraph (2) shall be conducted by

an impartial hearing officer who shall issue a decision based on the provisions of the approved State plan, this Act (including regulations implementing this Act), and State regulations and policies that are consistent with the Federal requirements specified in this title. The officer shall provide the decision in writing to the applicant or eligible individual, or, as appropriate, the applicant's representative or individual's representative, and to the designated State unit.

"(B) LIST.—The designated State unit shall maintain a list of qualified impartial hearing officers who are knowledgeable in laws (including regulations) relating to the provision of vocational rehabilitation services under this title from which the officer described in subparagraph (A) shall be selected. For the purposes of maintaining such list, impartial hearing officers shall be identified jointly by—

"(i) the designated State unit; and

"(ii) members of the Council or commission, as appropriate, described in section 101(a)(21).

"(C) SELECTION.—Such an impartial hearing officer shall be selected to hear a particular case relating to a determination—

"(i) on a random basis; or

"(ii) by agreement between—

"(I) the Director of the designated State unit and the individual with a disability; or

"(II) in appropriate cases, the Director and the individual's representative.

"(D) PROCEDURES FOR SEEKING REVIEW.—A State may establish procedures to enable a party involved in a hearing under this paragraph to seek an impartial review of the decision of the hearing officer under subparagraph (A) by—

"(i) the chief official of the designated State agency if the State has established both a designated State agency and a designated State unit under section 101(a)(2); or

"(ii) an official from the office of the Governor or the chief official of another

State office or agency that has supervisory authority over the designated State agency.

"(E) REVIEW REQUEST.—If the State establishes impartial review procedures under subparagraph (D), either party may request the review of the decision of the hearing officer within 20 days after the decision.

"(F) REVIEWING OFFICIAL.—The reviewing official described in subparagraph (D) shall—

"(i) in conducting the review, provide an opportunity for the submission of additional evidence and information relevant to a final decision concerning the matter under review;

"(ii) not overturn or modify the decision of the hearing officer, or part of the decision, that supports the position of the applicant or eligible individual unless the reviewing official concludes, based on clear and convincing evidence, that the decision of the impartial hearing officer is clearly erroneous on the basis of being contrary to the approved State plan, this Act (including regulations implementing this Act) or

any State regulation or policy that is consistent with the Federal requirements specified in this title; and

"(iii) make a final decision with respect to the matter in a timely manner and provide such decision in writing to the applicant or eligible individual, or, as appropriate, the applicant's representative or individual's representative, and to the designated State unit, including a full report of the findings and the grounds for such decision.

"(G) FINALITY OF HEARING DECISION.—A decision made after a hearing under subparagraph (A) shall be final, except that a party may request an impartial review if the State has established procedures for such review under subparagraph (D) and a party involved in a hearing may bring a civil action under subparagraph (J).

"(H) FINALITY OF REVIEW.—A decision made under subparagraph (F) shall be final unless such a party brings a civil action under subparagraph (J).

"(I) IMPLEMENTATION.—If a party brings a civil action under subparagraph (J) to challenge a final decision of a hearing officer under subparagraph (A) or to challenge a final decision of a State reviewing official under subparagraph (F), the final decision involved shall be implemented pending review by the court.

"(J) CIVIL ACTION.—

"(i) IN GENERAL.—Any party aggrieved by a final decision described in subparagraph (I), may bring a civil action for review of such decision. The action may be brought in any State court of competent jurisdiction or in a district court of the United States of competent jurisdiction without regard to the amount in controversy.

"(ii) PROCEDURE.—In any action brought under this subparagraph, the court—

"(I) shall receive the records relating to the hearing under subparagraph (A) and the records relating to the State review under subparagraphs (D) through (F), if applicable;

"(II) shall hear additional evidence at the request of a party to the action; and

"(III) basing the decision of the court on the preponderance of the evidence, shall grant such relief as the court determines to be appropriate.

"(6) HEARING BOARD.—

"(A) IN GENERAL.—A fair hearing board, established by a State before January 1, 1985, and authorized under State law to review determinations or decisions under this Act, is authorized to carry out the responsibilities of the impartial hearing officer under this subsection.

"(B) APPLICATION.—The provisions of paragraphs (1), (2), and (3) that relate to due process hearings do not apply, and paragraph (5) (other than subparagraph (J)) does not apply, to any State to which subparagraph (A) applies.

"(7) IMPACT ON PROVISION OF SERVICES.—Unless the individual with a disability so requests, or, in an appropriate case, the individual's representative, so requests, pending a decision by a mediator, hearing officer, or reviewing officer under this sub-

section, the designated State unit shall not institute a suspension, reduction, or termination of services being provided for the individual, including evaluation and assessment services and plan development, unless such services have been obtained through misrepresentation, fraud, collusion, or criminal conduct on the part of the individual, or the individual's representative.

"(8) INFORMATION COLLECTION AND REPORT.—

"(A) IN GENERAL.—The Director of the designated State unit shall collect information described in subparagraph (B) and prepare and submit to the Commissioner a report containing such information. The Commissioner shall prepare a summary of the information furnished under this paragraph and include the summary in the annual report submitted under section 13. The Commissioner shall also collect copies of the final decisions of impartial hearing officers conducting hearings under this subsection and State officials conducting reviews under this subsection.

"(B) INFORMATION.—The information required to be collected under this subsection includes—

"(i) a copy of the standards used by State reviewing officials for reviewing decisions made by impartial hearing officers under this subsection;

"(ii) information on the number of hearings and reviews sought from the impartial hearing officers and the State reviewing officials, including the type of complaints and the issues involved;

"(iii) information on the number of hearing decisions made under this subsection that were not reviewed by the State reviewing officials; and

"(iv) information on the number of the hearing decisions that were reviewed by the State reviewing officials, and, based on such reviews, the number of hearing decisions that were—

"(I) sustained in favor of an applicant or eligible individual;

"(II) sustained in favor of the designated State unit;

"(III) reversed in whole or in part in favor of the applicant or eligible individual; and

"(IV) reversed in whole or in part in favor of the designated State unit.

"(C) CONFIDENTIALITY.—The confidentiality of records of applicants and eligible individuals maintained by the designated State unit shall not preclude the access of the Commissioner to those records for the purposes described in subparagraph (A).

"(d) POLICIES AND PROCEDURES.—Each designated State agency, in consultation with the State Rehabilitation Council, if the State has such a council, shall, consistent with section 100(a)(3)(C), develop and implement written policies and procedures that enable each individual who is an applicant for or eligible to receive vocational rehabilitation services under this title to exercise informed choice throughout the vocational rehabilitation process carried out under this title, including policies and procedures that require the designated State agency—

"(1) to inform each such applicant and eligible individual (including students with disabilities described in section 101(a)(11)(D)(ii)(II) who are

making the transition from programs under the responsibility of an educational agency to programs under the responsibility of the designated State unit), through appropriate modes of communication, about the availability of, and opportunities to exercise, informed choice, including the availability of support services for individuals with cognitive or other disabilities who require assistance in exercising informed choice, throughout the vocational rehabilitation process;

''(2) to assist applicants and eligible individuals in exercising informed choice in decisions related to the provision of assessment services under this title;

''(3) to develop and implement flexible procurement policies and methods that facilitate the provision of services, and that afford eligible individuals meaningful choices among the methods used to procure services, under this title;

''(4) to provide or assist eligible individuals in acquiring information that enables those individuals to exercise informed choice under this title in the selection of—

''(A) the employment outcome;

"(B) the specific vocational rehabilitation services needed to achieve the employment outcome;

"(C) the entity that will provide the services;

"(D) the employment setting and the settings in which the services will be provided; and

"(E) the methods available for procuring the services; and

"(5) to ensure that the availability and scope of informed choice provided under this section is consistent with the obligations of the designated State agency under this title.

"SEC. 103. VOCATIONAL REHABILITATION SERVICES.

"(a) VOCATIONAL REHABILITATION SERVICES FOR INDIVIDUALS.—Vocational rehabilitation services provided under this title are any services described in an individualized rehabilitation employment plan necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of the individual, including—

"(1) an assessment for determining eligibility and vocational rehabilitation needs by qualified per-

sonnel, including, if appropriate, an assessment by personnel skilled in rehabilitation technology;

''(2) counseling and guidance, including information and support services to assist an individual in exercising informed choice consistent with the provisions of section 102(d);

''(3) referral and other services to secure needed services from other agencies through agreements developed under section 101(b)(11), if such services are not available under this title;

''(4) job-related services, including job search and placement assistance, job retention services, followup services, and follow-along services;

''(5) vocational and other training services, including the provision of personal and vocational adjustment services, books, tools, and other training materials, except that no training services provided at an institution of higher education shall be paid for with funds under this title unless maximum efforts have been made by the designated State unit and the individual to secure grant assistance, in whole or in part, from other sources to pay for such training;

''(6) to the extent that financial support is not readily available from a source (such as through

health insurance of the individual or through comparable services and benefits consistent with section 101(a)(8)(A)), other than the designated State unit, diagnosis and treatment of physical and mental impairments, including—

"(A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition that constitutes a substantial impediment to employment, but is of such a nature that such correction or modification may reasonably be expected to eliminate or reduce such impediment to employment within a reasonable length of time;

"(B) necessary hospitalization in connection with surgery or treatment;

"(C) prosthetic and orthotic devices;

"(D) eyeglasses and visual services as prescribed by qualified personnel who meet State licensure laws and who are selected by the individual;

"(E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals with end-stage renal disease; and

"(F) diagnosis and treatment for mental and emotional disorders by qualified personnel who meet State licensure laws;

"(7) maintenance for additional costs incurred while participating in an assessment for determining eligibility and vocational rehabilitation needs or while receiving services under an individualized rehabilitation employment plan;

"(8) transportation, including adequate training in the use of public transportation vehicles and systems, that is provided in connection with the provision of any other service described in this section and needed by the individual to achieve an employment outcome;

"(9) on-the-job or other related personal assistance services provided while an individual is receiving other services described in this section;

"(10) interpreter services provided by qualified personnel for individuals who are deaf or hard of hearing, and reader services for individuals who are determined to be blind, after an examination by qualified personnel who meet State licensure laws;

"(11) rehabilitation teaching services, and orientation and mobility services, for individuals who are blind;

"(12) occupational licenses, tools, equipment, and initial stocks and supplies;

"(13) technical assistance and other consultation services to conduct market analyses, develop business plans, and otherwise provide resources, to the extent such resources are authorized to be provided under the statewide workforce investment system, to eligible individuals who are pursuing self-employment or establishing a small business operation as an employment outcome;

"(14) rehabilitation technology, including telecommunications, sensory, and other technological aids and devices;

"(15) transition services for students with disabilities described in section 101(a)(11)(D)(ii)(II), that facilitate the achievement of the employment outcome identified in the individualized rehabilitation employment plan;

"(16) supported employment services;

"(17) services to the family of an individual with a disability necessary to assist the individual to achieve an employment outcome; and

"(18) specific post-employment services necessary to assist an individual with a disability to, retain, regain, or advance in employment.

"(b) VOCATIONAL REHABILITATION SERVICES FOR GROUPS OF INDIVIDUALS.—Vocational rehabilitation services provided for the benefit of groups of individuals with disabilities may also include the following:

"(1) In the case of any type of small business operated by individuals with significant disabilities the operation of which can be improved by management services and supervision provided by the designated State agency, the provision of such services and supervision, along or together with the acquisition by the designated State agency of vending facilities or other equipment and initial stocks and supplies.

"(2) The establishment, development, or improvement of community rehabilitation programs, that promise to contribute substantially to the rehabilitation of a group of individuals but that are not related directly to the individualized rehabilitation employment plan of any 1 individual with a disability. Such programs shall be used to provide services that promote integration and competitive employment.

"(3) The use of telecommunications systems (including telephone, television, satellite, radio, and other similar systems) that have the potential for

substantially improving delivery methods of activities described in this section and developing appropriate programming to meet the particular needs of individuals with disabilities.

''(4)(A) Special services to provide nonvisual access to information for individuals who are blind, including the use of telecommunications, Braille, sound recordings, or other appropriate media.

''(B) Captioned television, films, or video cassettes for individuals who are deaf or hard of hearing.

''(C) Tactile materials for individuals who are deaf-blind.

''(D) Other special services that provide information through tactile, vibratory, auditory, and visual media.

''(5) Technical assistance and support services to businesses that are not subject to title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.) and that are seeking to employ individuals with disabilities.

''(6) Consultative and technical assistance services to assist educational agencies in planning for the transition of students with disabilities described

in section 101(a)(11)(D)(i) from school to post-school activities, including employment.

"SEC. 104. NON-FEDERAL SHARE FOR ESTABLISHMENT OF PROGRAM.

"For the purpose of determining the amount of payments to States for carrying out part B of this title (or to an Indian tribe under part C), the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Commissioner, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of establishment of a community rehabilitation program, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to establishment of such a program."

"SEC. 105. STATE REHABILITATION COUNCIL.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Except as provided in section 101(a)(21)(A)(i), to be eligible to receive financial assistance under this title a State shall establish a State Rehabilitation Council (referred to in this section as the 'Council') in accordance with this section.

"(2) SEPARATE AGENCY FOR INDIVIDUALS WHO ARE BLIND.—A State that designates a State agency to administer the part of the State plan under which vocational rehabilitation services are provided for individuals who are blind under section 101(a)(2)(A)(i) may establish a separate Council in accordance with this section to perform the duties of such a Council with respect to such State agency.

"(b) COMPOSITION AND APPOINTMENT.—

"(1) COMPOSITION.—

"(A) IN GENERAL.—Except in the case of a separate Council established under subsection (a)(2), the Council shall be composed of—

"(i) at least one representative of the Statewide Independent Living Council established under section 705, which representative may be the chairperson or other designee of the Council;

"(ii) at least one representative of a parent training and information center established pursuant to section 682(a) of the Individuals with Disabilities Education Act (as added by section 101 of the Individuals with Disabilities Education Act Amendments of 1997; Public Law 105–17);

"(iii) at least one representative of the client assistance program established under section 112;

"(iv) at least one vocational rehabilitation counselor, with knowledge of and experience with vocational rehabilitation programs, who shall serve as an ex officio, nonvoting member of the Council if the counselor is an employee of the designated State agency;

"(v) at least one representative of community rehabilitation program service providers;

"(vi) four representatives of business, industry, and labor;

"(vii) representatives of disability advocacy groups representing a cross section of—

"(I) individuals with physical, cognitive, sensory, and mental disabilities; and

"(II) individuals' representatives of individuals with disabilities who have difficulty in representing them-

selves or are unable due to their disabilities to represent themselves;

"(viii) current or former applicants for, or recipients of, vocational rehabilitation services;

"(ix) in a State in which one or more projects are carried out under section 121, at least one representative of the directors of the projects;

"(x) at least one representative of the State educational agency responsible for the public education of students with disabilities who are eligible to receive services under this title and part B of the Individuals with Disabilities Education Act; and

"(xi) at least one representative of the statewide workforce investment partnership.

"(B) SEPARATE COUNCIL.—In the case of a separate Council established under subsection (a)(2), the Council shall be composed of—

"(i) at least one representative described in subparagraph (A)(i);

"(ii) at least one representative described in subparagraph (A)(ii);

"(iii) at least one representative described in subparagraph (A)(iii);

"(iv) at least one vocational rehabilitation counselor described in subparagraph (A)(iv), who shall serve as described in such subparagraph;

"(v) at least one representative described in subparagraph (A)(v);

"(vi) four representatives described in subparagraph (A)(vi);

"(vii) at least one representative of a disability advocacy group representing individuals who are blind;

"(viii) at least one individual's representative, of an individual who—

"(I) is an individual who is blind and has multiple disabilities; and

"(II) has difficulty in representing himself or herself or is unable due to disabilities to represent himself or herself;

"(ix) applicants or recipients described in subparagraph (A)(viii);

"(x) in a State described in subparagraph (A)(ix), at least one representative described in such subparagraph;

"(xi) at least one representative described in subparagraph (A)(x); and

"(xii) at least one representative described in subparagraph (A)(xi).

"(C) EXCEPTION.—In the case of a separate Council established under subsection (a)(2), any Council that is required by State law, as in effect on the date of enactment of the Rehabilitation Act Amendments of 1992, to have fewer than 15 members shall be deemed to be in compliance with subparagraph (B) if the Council—

"(i) meets the requirements of subparagraph (B), other than the requirements of clauses (vi) and (ix) of such subparagraph; and

"(ii) includes at least—

"(I) one representative described in subparagraph (B)(vi); and

"(II) one applicant or recipient described in subparagraph (B)(ix).

"(2) EX OFFICIO MEMBER.—The Director of the designated State unit shall be an ex officio, non-voting member of the Council.

"(3) APPOINTMENT.—Members of the Council shall be appointed by the Governor. In the case of a State that, under State law, vests appointment authority in an entity in lieu of, or in conjunction with, the Governor, such as one or more houses of the State legislature, or an independent board that has general appointment authority, that entity shall make the appointments. The appointing authority shall select members after soliciting recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in individuals with disabilities. In selecting members, the appointing authority shall consider, to the greatest extent practicable, the extent to which minority populations are represented on the Council.

"(4) QUALIFICATIONS.—A majority of Council members shall be persons who are—

"(A) individuals with disabilities described in section 7(20)(A); and

"(B) not employed by the designated State unit.

"(5) CHAIRPERSON.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Council shall select a chairperson from among the membership of the Council.

"(B) DESIGNATION BY GOVERNOR.—In States in which the Governor does not have veto power pursuant to State law, the Governor shall designate a member of the Council to serve as the chairperson of the Council or shall require the Council to so designate such a member.

"(6) TERMS OF APPOINTMENT.—

"(A) LENGTH OF TERM.—Each member of the Council shall serve for a term of not more than 3 years, except that—

"(i) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

"(ii) the terms of service of the members initially appointed shall be (as specified by the appointing authority) for such fewer number of years as will provide for

the expiration of terms on a staggered basis.

"(B) NUMBER OF TERMS.—No member of the Council, other than a representative described in clause (iii) or (ix) of paragraph (1)(A), or clause (iii) or (x) of paragraph (1)(B), may serve more than two consecutive full terms.

"(7) VACANCIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

"(B) DELEGATION.—The Governor (including an entity described in paragraph (3)) may delegate the authority to fill such a vacancy to the remaining members of the Council after making the original appointment.

"(c) FUNCTIONS OF COUNCIL.—The Council shall, after consulting with the statewide workforce investment partnership—

"(1) review, analyze, and advise the designated State unit regarding the performance of the responsibilities of the unit under this title, particularly responsibilities relating to—

"(A) eligibility (including order of selection);

"(B) the extent, scope, and effectiveness of services provided; and

"(C) functions performed by State agencies that affect or that potentially affect the ability of individuals with disabilities in achieving employment outcomes under this title;

"(2) in partnership with the designated State unit—

"(A) develop, agree to, and review State goals and priorities in accordance with section 101(a)(15)(C); and

"(B) evaluate the effectiveness of the vocational rehabilitation program and submit reports of progress to the Commissioner in accordance with section 101(a)(15)(E);

"(3) advise the designated State agency and the designated State unit regarding activities authorized to be carried out under this title, and assist in the preparation of the State plan and amendments to

the plan, applications, reports, needs assessments, and evaluations required by this title;

"(4) to the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with—

"(A) the functions performed by the designated State agency;

"(B) vocational rehabilitation services provided by State agencies and other public and private entities responsible for providing vocational rehabilitation services to individuals with disabilities under this Act; and

"(C) employment outcomes achieved by eligible individuals receiving services under this title, including the availability of health and other employment benefits in connection with such employment outcomes;

"(5) prepare and submit an annual report to the Governor or appropriate State entity and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public;

"(6) to avoid duplication of efforts and enhance the number of individuals served, coordinate activities with the activities of other councils within the

State, including the Statewide Independent Living Council established under section 705, the advisory panel established under section 612(a)(21) of the Individual with Disabilities Education Act (as amended by section 101 of the Individuals with Disabilities Education Act Amendments of 1997; Public Law 105–17), the State Developmental Disabilities Council described in section 124 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6024), the State mental health planning council established under section 1914(a) of the Public Health Service Act (42 U.S.C. 300x–4(a)), and the statewide workforce investment partnership;

''(7) provide for coordination and the establishment of working relationships between the designated State agency and the Statewide Independent Living Council and centers for independent living within the State; and

''(8) perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Council determines to be appropriate, that are comparable to the other functions performed by the Council.

''(d) RESOURCES.—

"(1) PLAN.—The Council shall prepare, in conjunction with the designated State unit, a plan for the provision of such resources, including such staff and other personnel, as may be necessary and sufficient to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

"(2) RESOLUTION OF DISAGREEMENTS.—To the extent that there is a disagreement between the Council and the designated State unit in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement shall be resolved by the Governor or appointing agency consistent with paragraph (1).

"(3) SUPERVISION AND EVALUATION.—Each Council shall, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

"(4) PERSONNEL CONFLICT OF INTEREST.—While assisting the Council in carrying out its duties, staff and other personnel shall not be assigned duties by the designated State unit or any other

agency or office of the State, that would create a conflict of interest.

"(e) CONFLICT OF INTEREST.—No member of the Council shall cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

"(f) MEETINGS.—The Council shall convene at least 4 meetings a year in such places as it determines to be necessary to conduct Council business and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums shall be publicly announced. The meetings shall be open and accessible to the general public unless there is a valid reason for an executive session.

"(g) COMPENSATION AND EXPENSES.—The Council may use funds allocated to the Council by the designated State unit under this title (except for funds appropriated to carry out the client assistance program under section 112 and funds reserved pursuant to section 110(c) to carry out part C) to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employ-

ment, for each day the member is engaged in performing the duties of the Council.

"(h) HEARINGS AND FORUMS.—The Council is authorized to hold such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council.

"SEC. 106. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT OF STANDARDS AND INDICATORS.—The Commissioner shall, not later than September 30, 1998, establish and publish evaluation standards and performance indicators for the vocational rehabilitation program carried out under this title.

"(B) REVIEW AND REVISION.—Effective September 30, 1998, the Commissioner shall review and, if necessary, revise the evaluation standards and performance indicators every 3 years. Any revisions of the standards and indicators shall be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other

interested parties. Any revisions of the standards and indicators shall be subject to the publication, review, and comment provisions of paragraph (3).

"(C) BASES.—Effective July 1, 1999, to the maximum extent practicable, the standards and indicators shall be consistent with the core indicators of performance established under section 321(b) of the Workforce Investment Partnership Act of 1998.

"(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that facilitate the accomplishment of the purpose and policy of this title.

"(3) COMMENT.—The standards and indicators shall be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other interested parties. The Commissioner shall publish in the Federal Register a notice of intent to regulate regarding the development of proposed standards and indicators. Proposed standards and indicators shall be published in the Federal Register for review and comment. Final

standards and indicators shall be published in the Federal Register.

"(b) COMPLIANCE.—

"(1) STATE REPORTS.—In accordance with regulations established by the Secretary, each State shall report to the Commissioner after the end of each fiscal year the extent to which the State is in compliance with the standards and indicators.

"(2) PROGRAM IMPROVEMENT.—

"(A) PLAN.—If the Commissioner determines that the performance of any State is below established standards, the Commissioner shall provide technical assistance to the State, and the State and the Commissioner shall jointly develop a program improvement plan outlining the specific actions to be taken by the State to improve program performance.

"(B) REVIEW.—The Commissioner shall—

"(i) review the program improvement efforts of the State on a biannual basis and, if necessary, request the State to make further revisions to the plan to improve performance; and

"(ii) continue to conduct such reviews and request such revisions until the State

sustains satisfactory performance over a period of more than 1 year.

"(c) WITHHOLDING.—If the Commissioner determines that a State whose performance falls below the established standards has failed to enter into a program improvement plan, or is not complying substantially with the terms and conditions of such a program improvement plan, the Commissioner shall, consistent with subsections (c) and (d) of section 107, reduce or make no further payments to the State under this program, until the State has entered into an approved program improvement plan, or satisfies the Commissioner that the State is complying substantially with the terms and conditions of such a program improvement plan, as appropriate.

"(d) REPORT TO CONGRESS.—Beginning in fiscal year 1999, the Commissioner shall include in each annual report to the Congress under section 13 an analysis of program performance, including relative State performance, based on the standards and indicators.

"SEC. 107. MONITORING AND REVIEW.

"(a) IN GENERAL.—

"(1) DUTIES.—In carrying out the duties of the Commissioner under this title, the Commissioner shall—

"(A) provide for the annual review and periodic onsite monitoring of programs under this title; and

"(B) determine whether, in the administration of the State plan, a State is complying substantially with the provisions of such plan and with evaluation standards and performance indicators established under section 106.

"(2) PROCEDURES FOR REVIEWS.—In conducting reviews under this section the Commissioner shall consider, at a minimum—

"(A) State policies and procedures;

"(B) guidance materials;

"(C) decisions resulting from hearings conducted in accordance with due process;

"(D) State goals established under section 101(a)(15) and the extent to which the State has achieved such goals;

"(E) plans and reports prepared under section 106(b);

"(F) consumer satisfaction reviews and analyses described in section 105(c)(4);

"(G) information provided by the State Rehabilitation Council established under section 105, if the State has such a Council, or by the

commission described in section 101(a)(21)(A)(i), if the State has such a commission;

"(H) reports; and

"(I) budget and financial management data.

"(3) PROCEDURES FOR MONITORING.—In conducting monitoring under this section the Commissioner shall conduct—

"(A) onsite visits, including onsite reviews of records to verify that the State is following requirements regarding the order of selection set forth in section 101(a)(5)(A);

"(B) public hearings and other strategies for collecting information from the public;

"(C) meetings with the State Rehabilitation Council, if the State has such a Council or with the commission described in section 101(a)(21)(A)(i), if the State has such a commission;

"(D) reviews of individual case files, including individualized rehabilitation employment plans and ineligibility determinations; and

"(E) meetings with rehabilitation counselors and other personnel.

"(4) AREAS OF INQUIRY.—In conducting the review and monitoring, the Commissioner shall examine—

"(A) the eligibility process;

"(B) the provision of services, including, if applicable, the order of selection;

"(C) whether the personnel evaluation system described in section 101(a)(7)(A)(iv) facilitates the accomplishments of the program;

"(D) such other areas as may be identified by the public or through meetings with the State Rehabilitation Council, if the State has such a Council or with the commission described in section 101(a)(21)(A)(i), if the State has such a commission; and

"(E) such other areas of inquiry as the Commissioner may consider appropriate.

"(5) REPORTS.—If the Commissioner issues a report detailing the findings of an annual review or onsite monitoring conducted under this section, the report shall be made available to the State Rehabilitation Council, if the State has such a Council.

"(b) TECHNICAL ASSISTANCE.—The Commissioner shall—

"(1) provide technical assistance to programs under this title regarding improving the quality of vocational rehabilitation services provided; and

"(2) provide technical assistance and establish a corrective action plan for a program under this title if the Commissioner finds that the program fails to comply substantially with the provisions of the State plan, or with evaluation standards or performance indicators established under section 106, in order to ensure that such failure is corrected as soon as practicable.

"(c) FAILURE TO COMPLY WITH PLAN.—

"(1) WITHHOLDING PAYMENTS.—Whenever the Commissioner, after providing reasonable notice and an opportunity for a hearing to the State agency administering or supervising the administration of the State plan approved under section 101, finds that—

"(A) the plan has been so changed that it no longer complies with the requirements of section 101(a); or

"(B) in the administration of the plan there is a failure to comply substantially with any provision of such plan or with an evaluation standard or performance indicator established under section 106,

the Commissioner shall notify such State agency that no further payments will be made to the State under this title (or, in the discretion of the Commissioner, that such further payments will be reduced, in accordance with regulations the Commissioner shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until the Commissioner is satisfied there is no longer any such failure.

"(2) PERIOD.—Until the Commissioner is so satisfied, the Commissioner shall make no further payments to such State under this title (or shall reduce payments or limit payments to projects under those parts of the State plan in which there is no such failure).

"(3) DISBURSAL OF WITHHELD FUNDS.—The Commissioner may, in accordance with regulations the Secretary shall prescribe, disburse any funds withheld from a State under paragraph (1) to any public or nonprofit private organization or agency within such State or to any political subdivision of such State submitting a plan meeting the requirements of section 101(a). The Commissioner may not make any payment under this paragraph unless the

entity to which such payment is made has provided assurances to the Commissioner that such entity will contribute, for purposes of carrying out such plan, the same amount as the State would have been obligated to contribute if the State received such payment.

"(d) REVIEW.—

"(1) PETITION.—Any State that is dissatisfied with a final determination of the Commissioner under section 101(b) or subsection (c) may file a petition for judicial review of such determination in the United States Court of Appeals for the circuit in which the State is located. Such a petition may be filed only within the 30-day period beginning on the date that notice of such final determination was received by the State. The clerk of the court shall transmit a copy of the petition to the Commissioner or to any officer designated by the Commissioner for that purpose. In accordance with section 2112 of title 28, United States Code, the Commissioner shall file with the court a record of the proceeding on which the Commissioner based the determination being appealed by the State. Until a record is so filed, the Commissioner may modify or set aside any determination made under such proceedings.

"(2) SUBMISSIONS AND DETERMINATIONS.—If, in an action under this subsection to review a final determination of the Commissioner under section 101(b) or subsection (c), the petitioner or the Commissioner applies to the court for leave to have additional oral submissions or written presentations made respecting such determination, the court may, for good cause shown, order the Commissioner to provide within 30 days an additional opportunity to make such submissions and presentations. Within such period, the Commissioner may revise any findings of fact, modify or set aside the determination being reviewed, or make a new determination by reason of the additional submissions and presentations, and shall file such modified or new determination, and any revised findings of fact, with the return of such submissions and presentations. The court shall thereafter review such new or modified determination.

"(3) STANDARDS OF REVIEW.—

"(A) IN GENERAL.—Upon the filing of a petition under paragraph (1) for judicial review of a determination, the court shall have jurisdiction—

"(i) to grant appropriate relief as provided in chapter 7 of title 5, United States Code, except for interim relief with respect to a determination under subsection (c); and

"(ii) except as otherwise provided in subparagraph (B), to review such determination in accordance with chapter 7 of title 5, United States Code.

"(B) SUBSTANTIAL EVIDENCE.—Section 706 of title 5, United States Code, shall apply to the review of any determination under this subsection, except that the standard for review prescribed by paragraph (2)(E) of such section 706 shall not apply and the court shall hold unlawful and set aside such determination if the court finds that the determination is not supported by substantial evidence in the record of the proceeding submitted pursuant to paragraph (1), as supplemented by any additional submissions and presentations filed under paragraph (2).

"SEC. 108. EXPENDITURE OF CERTAIN AMOUNTS.

"(a) EXPENDITURE.—Amounts described in subsection (b) may not be expended by a State for any pur-

pose other than carrying out programs for which the State receives financial assistance under this title, under part C of title VI, or under title VII.

"(b) AMOUNTS.—The amounts referred to in subsection (a) are amounts provided to a State under the Social Security Act (42 U.S.C. 301 et seq.) as reimbursement for the expenditure of payments received by the State from allotments under section 110 of this Act.

"SEC. 109. TRAINING OF EMPLOYERS WITH RESPECT TO AMERICANS WITH DISABILITIES ACT OF 1990.

"A State may expend payments received under section 111—

"(1) to carry out a program to train employers with respect to compliance with the requirements of title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.); and

"(2) to inform employers of the existence of the program and the availability of the services of the program.

"PART B—BASIC VOCATIONAL REHABILITATION SERVICES

"STATE ALLOTMENTS

"SEC. 110. (a)(1) Subject to the provisions of subsection (c), for each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of

an amount bearing the same ratio to the amount authorized to be appropriated under section 100(b)(1) for allotment under this section as the product of—

"(A) the population of the State; and

"(B) the square of its allotment percentage,

bears to the sum of the corresponding products for all the States.

"(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

"(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized to be appropriated for such fiscal year under section 100(b)(1) for allotment under this section in excess of the amount appropriated under section 100(b)(1)(A) for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

"(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

"(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

"(3) The sum of the payment to any State (other than Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 100(b)(1), or $3,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

"(b)(1) Not later than forty-five days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to the Commissioner of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section

111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

"(2) As soon as practicable but not later than the end of the fiscal year, the Commissioner shall make such amount available for carrying out the purposes of this title to one or more other States to the extent the Commissioner determines such other State will be able to use such additional amount during that fiscal year or the subsequent fiscal year for carrying out such purposes. The Commissioner shall make such amount available only if such other State will be able to make sufficient payments from non-Federal sources to pay for the non-Federal share of the cost of vocational rehabilitation services under the State plan for the fiscal year for which the amount was appropriated.

"(3) For the purposes of this part, any amount made available to a State for any fiscal year pursuant to this subsection shall be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

"(c)(1) For fiscal year 1987 and for each subsequent fiscal year, the Commissioner shall reserve from the amount appropriated under section 100(b)(1) for allotment under this section a sum, determined under paragraph (2), to carry out the purposes of part C.

"(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary—

"(A) not less than three-quarters of 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1), for fiscal year 1998; and

"(B) not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1), for each of fiscal years 1999 through 2004.

"PAYMENTS TO STATES

"SEC. 111. (a)(1) Except as provided in paragraph (2), from each State's allotment under this part for any fiscal year, the Commissioner shall pay to a State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for that State approved under section 101, including expenditures for the administration of the State plan.

"(2)(A) The total of payments under paragraph (1) to a State for a fiscal year may not exceed its allotment under subsection (a) of section 110 for such year.

"(B) For fiscal year 1994 and each fiscal year thereafter, the amount otherwise payable to a State for a fiscal year under this section shall be reduced by the amount by which expenditures from non-Federal sources under the State plan under this title for the previous fiscal year are less than the total of such expenditures for the second fiscal year preceding the previous fiscal year.

"(C) The Commissioner may waive or modify any requirement or limitation under paragraphs (A) and (B) if the Commissioner determines that a waiver or modification is an equitable response to exceptional or uncontrollable circumstances affecting the State.

"(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

"(1) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by the Commissioner, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation as the Commissioner may find necessary.

"(2) The Commissioner shall pay, from the allotment available therefor, the amount so estimated by the Commissioner for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which the Commissioner finds that the estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment

shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

"CLIENT ASSISTANCE PROGRAM

"SEC. 112. (a) From funds appropriated under subsection (h), the Secretary shall, in accordance with this section, make grants to States to establish and carry out client assistance programs to provide assistance in informing and advising all clients and client applicants of all available benefits under this Act, and, upon request of such clients or client applicants, to assist and advocate for such clients or applicants in their relationships with projects, programs, and services provided under this Act, including assistance and advocacy in pursuing legal, administrative, or other appropriate remedies to ensure the protection of the rights of such individuals under this Act and to facilitate access to the services funded under this Act through individual and systemic advocacy. The client assistance program shall provide information on the available services and benefits under this Act and title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111 et seq.) to individuals with disabilities in the State, especially with regard to individuals with disabilities who have traditionally been unserved or underserved by voca-

tional rehabilitation programs. In providing assistance and advocacy under this subsection with respect to services under this title, a client assistance program may provide the assistance and advocacy with respect to services that are directly related to facilitating the employment of the individual.

"(b) No State may receive payments from its allotment under this Act in any fiscal year unless the State has in effect not later than October 1, 1984, a client assistance program which—

"(1) has the authority to pursue legal, administrative, and other appropriate remedies to ensure the protection of rights of individuals with disabilities who are receiving treatments, services, or rehabilitation under this Act within the State; and

"(2) meets the requirements of designation under subsection (c).

"(c)(1)(A) The Governor shall designate a public or private agency to conduct the client assistance program under this section. Except as provided in the last sentence of this subparagraph, the Governor shall designate an agency which is independent of any agency which provides treatment, services, or rehabilitation to individuals under this Act. If there is an agency in the State which has, or had, prior to the date of enactment of the Rehabilita-

tion Amendments of 1984, served as a client assistance agency under this section and which received Federal financial assistance under this Act, the Governor may, in the initial designation, designate an agency which provides treatment, services, or rehabilitation to individuals with disabilities under this Act.

''(B)(i) The Governor may not redesignate the agency designated under subparagraph (A) without good cause and unless—

''(I) the Governor has given the agency 30 days notice of the intention to make such redesignation, including specification of the good cause for such redesignation and an opportunity to respond to the assertion that good cause has been shown;

''(II) individuals with disabilities or the individuals' representatives have timely notice of the redesignation and opportunity for public comment; and

''(III) the agency has the opportunity to appeal to the Commissioner on the basis that the redesignation was not for good cause.

''(ii) If, after the date of enactment of the Rehabilitation Act Amendments of 1998—

''(I) a designated State agency undergoes any change in the organizational structure of the agency that results in the creation of 1 or more new State

agencies or departments or results in the merger of the designated State agency with 1 or more other State agencies or departments; and

"(II) an agency (including an office or other unit) within the designated State agency was conducting a client assistance program before the change under the last sentence of subparagraph (A), the Governor shall redesignate the agency conducting the program. In conducting the redesignation, the Governor shall designate to conduct the program an agency that is independent of any agency that provides treatment, services, or rehabilitation to individuals with disabilities under this Act.

"(2) In carrying out the provisions of this section, the Governor shall consult with the director of the State vocational rehabilitation agency, the head of the developmental disability protection and advocacy agency, and with representatives of professional and consumer organizations serving individuals with disabilities in the State.

"(3) The agency designated under this subsection shall be accountable for the proper use of funds made available to the agency.

~~"(4) For the purpose of this subsection, the term 'Governor' means the chief executive of the State.~~

"(d) The agency designated under subsection (c) of this section may not bring any class action in carrying out its responsibilities under this section.

"(e)(1)(A) The Secretary shall allot the sums appropriated for each fiscal year under this section among the States on the basis of relative population of each State, except that no State shall receive less than $50,000.

"(B) The Secretary shall allot $30,000 each to American Samoa, Guam, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(C) For the purpose of this paragraph, the term 'State' does not include American Samoa, Guam, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(D)(i) In any fiscal year that the funds appropriated for such fiscal year exceed $7,500,000, the minimum allotment shall be $100,000 for States and $45,000 for territories.

"(ii) For any fiscal year in which the total amount appropriated under subsection (h) exceeds the total amount appropriated under such subsection for the preceding fiscal year, the Secretary shall increase each of the minimum allotments under clause (i) by a percentage that shall not exceed the percentage increase in the total

amount appropriated under such subsection between the preceding fiscal year and the fiscal year involved.

"(2) The amount of an allotment to a State for a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which allotted shall be available for reallotment by the Secretary at appropriate times to other States with respect to which such a determination has not been made, in proportion to the original allotments of such States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period, and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any such amount so reallotted to a State for a fiscal year shall be deemed to be a part of its allotment for such fiscal year.

"(3) Except as specifically prohibited by or as otherwise provided in State law, the Secretary shall pay to the agency designated under subsection (c) the amount specified in the application approved under subsection (f).

"(f) No grant may be made under this section unless the State submits an application to the Secretary at such time, in such manner, and containing or accompanied by

such information as the Secretary deems necessary to meet the requirements of this section.

"(g) The Secretary shall prescribe regulations applicable to the client assistance program which shall include the following requirements:

"(1) No employees of such programs shall, while so employed, serve as staff or consultants of any rehabilitation project, program, or facility receiving assistance under this Act in the State.

"(2) Each program shall be afforded reasonable access to policymaking and administrative personnel in the State and local rehabilitation programs, projects, or facilities.

"(3)(A) Each program shall contain provisions designed to assure that to the maximum extent possible alternative means of dispute resolution are available for use at the discretion of an applicant or client of the program prior to resorting to litigation or formal adjudication to resolve a dispute arising under this section.

"(B) In subparagraph (A), the term 'alternative means of dispute resolution' means any procedure, including good faith negotiation, conciliation, facilitation, mediation, ~~fact finding~~ *factfinding*, and arbitration, and any combination of procedures, that is

used in lieu of litigation in a court or formal adjudication in an administrative forum, to resolve a dispute arising under this section.

''(4) For purposes of any periodic audit, report, or evaluation of the performance of a client assistance program under this section, the Secretary shall not require such a program to disclose the identity of, or any other personally identifiable information related to, any individual requesting assistance under such program.

''(h) There are authorized to be appropriated such sums as may be necessary for fiscal years 1998 through 2004 to carry out the provisions of this section.

''PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

''VOCATIONAL REHABILITATION SERVICES GRANTS

''SEC. 121. (a) The Commissioner, in accordance with the provisions of this part, may make grants to the governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay 90 percent of the costs of vocational rehabilitation services for American Indians who are individuals with disabilities residing on such reservations. The non-Federal share of such costs may be in cash or in kind, fairly valued, and the Commissioner may waive such non-

Federal share requirement in order to carry out the purposes of this Act.

"(b)(1) No grant may be made under this part for any fiscal year unless an application therefor has been submitted to and approved by the Commissioner. The Commissioner may not approve an application unless the application—

"(A) is made at such time, in such manner, and contains such information as the Commissioner may require;

"(B) contains assurances that the rehabilitation services provided under this part to American Indians who are individuals with disabilities residing on a reservation in a State shall be, to the maximum extent feasible, comparable to rehabilitation services provided under this title to other individuals with disabilities residing in the State and that, where appropriate, may include services traditionally used by Indian tribes; and

"(C) contains assurances that the application was developed in consultation with the designated State unit of the State.

"(2) The provisions of sections 5, 6, 7, and 102(a) of the Indian Self-Determination and Education Assistance Act shall be applicable to any application submitted

under this part. For purposes of this paragraph, any reference in any such provision to the Secretary of Education or to the Secretary of the Interior shall be considered to be a reference to the Commissioner.

"(3) Any application approved under this part shall be effective for not more than 60 months, except as determined otherwise by the Commissioner pursuant to prescribed regulations. The State shall continue to provide vocational rehabilitation services under its State plan to American Indians residing on a reservation whenever such State includes any such American Indians in its State population under section 110(a)(1).

"(4) In making grants under this part, the Secretary shall give priority consideration to applications for the continuation of programs which have been funded under this part.

"(5) Nothing in this section may be construed to authorize a separate service delivery system for Indian residents of a State who reside in non-reservation areas.

"(c) The term 'reservation' includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act.

"PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

"SEC. 131. DATA SHARING.

"(a) IN GENERAL.—

"(1) MEMORANDUM OF UNDERSTANDING.—The Secretary of Education and the Secretary of Health and Human Services shall enter into a memorandum of understanding for the purposes of exchanging data of mutual importance—

"(A) that concern clients of designated State agencies; and

"(B) that are data maintained either by—

"(i) the Rehabilitation Services Administration, as required by section 13; or

"(ii) the Social Security Administration, from its Summary Earnings and Records and Master Beneficiary Records.

"(2) LABOR MARKET INFORMATION.—The Secretary of Labor shall provide the Commissioner with labor market information that facilitates evaluation by the Commissioner of the program carried out under part B, and allows the Commissioner to compare the progress of individuals with disabilities who are assisted under the program in securing, retaining, regaining, and advancing in employment with

the progress made by individuals who are assisted under title III of the Workforce Investment Partnership Act of 1998.

"(b) TREATMENT OF INFORMATION.—For purposes of the exchange described in subsection (a)(1), the data described in subsection (a)(1)(B)(ii) shall not be considered return information (as defined in section 6103(b)(2) of the Internal Revenue Code of 1986) and, as appropriate, the confidentiality of all client information shall be maintained by the Rehabilitation Services Administration and the Social Security Administration.".

SEC. 5. RESEARCH AND TRAINING.

Title II of the Rehabilitation Act of 1973 (29 U.S.C. 760 et seq.) is amended to read as follows:

"TITLE II—RESEARCH AND TRAINING

"DECLARATION OF PURPOSE

"SEC. 200. The purpose of this title is to—

"(1) provide for research, demonstration projects, training, and related activities to maximize the full inclusion and integration into society, employment, independent living, family support, and economic and social self-sufficiency of individuals with disabilities of all ages, with particular emphasis on improving the effectiveness of services authorized under this Act;

"(2) provide for a comprehensive and coordinated approach to the support and conduct of such research, demonstration projects, training, and related activities and to ensure that the approach is in accordance with the 5-year plan developed under section 202(h);

"(3) promote the transfer of rehabilitation technology to individuals with disabilities through research and demonstration projects relating to—

"(A) the procurement process for the purchase of rehabilitation technology;

"(B) the utilization of rehabilitation technology on a national basis;

"(C) specific adaptations or customizations of products to enable individuals with disabilities to live more independently; and

"(D) the development or transfer of assistive technology;

"(4) ensure the widespread distribution, in usable formats, of practical scientific and technological information—

"(A) generated by research, demonstration projects, training, and related activities; and

"(B) regarding state-of-the-art practices, improvements in the services authorized under

this Act, rehabilitation technology, and new knowledge regarding disabilities,

to rehabilitation professionals, individuals with disabilities, and other interested parties, including the general public;

''(5) identify effective strategies that enhance the opportunities of individuals with disabilities to engage in employment, including employment involving telecommuting and self-employment; and

''(6) increase opportunities for researchers who are members of traditionally underserved populations, including researchers who are members of minority groups and researchers who are individuals with disabilities.

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 201. (a) There are authorized to be appropriated—

''(1) for the purpose of providing for the expenses of the National Institute on Disability and Rehabilitation Research under section 202, which shall include the expenses of the Rehabilitation Research Advisory Council under section 205, and shall not include the expenses of such Institute to carry out section 204, such sums as may be necessary for each of fiscal years 1998 through 2004; and

"(2) to carry out section 204, such sums as may be necessary for each of fiscal years 1998 through 2004.

"(b) Funds appropriated under this title shall remain available until expended.

"NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH

"SEC. 202. (a)(1) There is established within the Department of Education a National Institute on Disability and Rehabilitation Research (hereinafter in this title referred to as the 'Institute'), which shall be headed by a Director (hereinafter in this title referred to as the 'Director'), in order to—

"(A) promote, coordinate, and provide for—

"(i) research;

"(ii) demonstration projects and training; and

"(iii) related activities,

with respect to individuals with disabilities;

"(B) more effectively carry out activities through the programs under section 204 and activities under this section;

"(C) widely disseminate information from the activities described in subparagraphs (A) and (B); and

"(D) provide leadership in advancing the quality of life of individuals with disabilities.

"(2) In the performance of the functions of the office, the Director shall be directly responsible to the Secretary or to the same Under Secretary or Assistant Secretary of the Department of Education to whom the Commissioner is responsible under section 3(a).

"(b) The Director, through the Institute, shall be responsible for—

"(1) administering the programs described in section 204 and activities under this section;

"(2) widely disseminating findings, conclusions, and recommendations, resulting from research, demonstration projects, training, and related activities (referred to in this title as 'covered activities') funded by the Institute, to—

"(A) other Federal, State, tribal, and local public agencies;

"(B) private organizations engaged in research relating to rehabilitation or providing rehabilitation services;

"(C) rehabilitation practitioners; and

"(D) individuals with disabilities and the individuals' representatives;

"(3) coordinating, through the Interagency Committee established by section 203 of this Act, all Federal programs and policies relating to research in rehabilitation;

"(4) widely disseminating educational materials and research results, concerning ways to maximize the full inclusion and integration into society, employment, independent living, family support, and economic and social self-sufficiency of individuals with disabilities, to—

"(A) public and private entities, including—

"(i) elementary and secondary schools (as defined in section 14101 of the Elementary and Secondary Education Act of 1965; and

"(ii) institutions of higher education;

"(B) rehabilitation practitioners;

"(C) individuals with disabilities (especially such individuals who are members of minority groups or of populations that are unserved or underserved by programs under this Act); and

"(D) the individuals' representatives for the individuals described in subparagraph (C);

"(5)(A) conducting an education program to inform the public about ways of providing for the rehabilitation of individuals with disabilities, including information relating to—

"(i) family care;

"(ii) self-care; and

"(iii) assistive technology devices and assistive technology services; and

"(B) as part of the program, disseminating engineering information about assistive technology devices;

"(6) conducting conferences, seminars, and workshops (including in-service training programs and programs for individuals with disabilities) concerning advances in rehabilitation research and rehabilitation technology (including advances concerning the selection and use of assistive technology devices and assistive technology services), pertinent to the full inclusion and integration into society, employment, independent living, family support, and economic and social self-sufficiency of individuals with disabilities;

"(7) taking whatever action is necessary to keep the Congress fully and currently informed with respect to the implementation and conduct of pro-

grams and activities carried out under this title, including dissemination activities;

''(8) producing, in conjunction with the Department of Labor, the National Center for Health Statistics, the Bureau of the Census, the Health Care Financing Administration, the Social Security Administration, the Bureau of Indian Affairs, the Indian Health Service, and other Federal departments and agencies, as may be appropriate, statistical reports and studies on the employment, health, income, and other demographic characteristics of individuals with disabilities, including information on individuals with disabilities who live in rural or inner-city settings, with particular attention given to underserved populations, and widely disseminating such reports and studies to rehabilitation professionals, individuals with disabilities, the individuals' representatives, and others to assist in the planning, assessment, and evaluation of vocational and other rehabilitation services for individuals with disabilities;

''(9) conducting research on consumer satisfaction with vocational rehabilitation services for the purpose of identifying effective rehabilitation programs and policies that promote the independence of

individuals with disabilities and achievement of long-term vocational goals;

"(10) conducting research to examine the relationship between the provision of specific services and successful, sustained employment outcomes, including employment outcomes involving self-employment; and

"(11) coordinating activities with the Attorney General regarding the provision of information, training, or technical assistance regarding the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) to ensure consistency with the plan for technical assistance required under section 506 of such Act (42 U.S.C. 12206).

"(c)(1) The Director, acting through the Institute or 1 or more entities funded by the Institute, shall provide for the development and dissemination of models to address consumer-driven information needs related to assistive technology devices and assistive technology services.

"(2) The development and dissemination of models may include—

"(A) convening groups of individuals with disabilities, family members and advocates of such individuals, commercial producers of assistive technology, and entities funded by the Institute to de-

velop, assess, and disseminate knowledge about information needs related to assistive technology;

"(B) identifying the types of information regarding assistive technology devices and assistive technology services that individuals with disabilities find especially useful;

"(C) evaluating current models, and developing new models, for transmitting the information described in subparagraph (B) to consumers and to commercial producers of assistive technology; and

"(D) disseminating through 1 or more entities funded by the Institute, the models described in subparagraph (C) and findings regarding the information described in subparagraph (B) to consumers and commercial producers of assistive technology.

"(d)(1) The Director of the Institute shall be appointed by the Secretary. The Director shall be an individual with substantial experience in rehabilitation and in research administration. The Director shall be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Director shall not delegate any of his functions to any officer who is not directly responsible to the Director.

"(2) There shall be a Deputy Director of the Institute (referred to in this section as the 'Deputy Director') who

shall be appointed by the Secretary. The Deputy Director shall be an individual with substantial experience in rehabilitation and in research administration. The Deputy Director shall be compensated at the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code, and shall act for the Director during the absence of the Director or the inability of the Director to perform the essential functions of the job, exercising such powers as the Director may prescribe. In the case of any vacancy in the office of the Director, the Deputy Director shall serve as Director until a Director is appointed under paragraph (1). The position created by this paragraph shall be a Senior Executive Service position, as defined in section 3132 of title 5, United States Code.

"(3) The Director, subject to the approval of the President, may appoint, for terms not to exceed three years, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, and may compensate, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical and professional employees of the Institute as the Director determines to be necessary to accomplish the functions of the Institute and also appoint

and compensate without regard to such provisions, in a number not to exceed one-fifth of the number of full-time, regular technical and professional employees of the Institute.

''(4) The Director may obtain the services of consultants, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

''(e) The Director, pursuant to regulations which the Secretary shall prescribe, may establish and maintain fellowships with such stipends and allowances, including travel and subsistence expenses provided for under title 5, United States Code, as the Director considers necessary to procure the assistance of highly qualified research fellows, including individuals with disabilities, from the United States and foreign countries.

''(f)(1) The Director shall, pursuant to regulations that the Secretary shall prescribe, provide for scientific peer review of all applications for financial assistance for research, training, and demonstration projects over which the Director has authority. The Director shall provide for the review by utilizing, to the maximum extent possible, appropriate peer review panels established within the Institute. The panels shall be standing panels if the grant period involved or the duration of the program involved

is not more than 3 years. The panels shall be composed of individuals who are not Federal employees, who are scientists or other experts in the rehabilitation field (including the independent living field), including knowledgeable individuals with disabilities, and the individuals' representatives, and who are competent to review applications for the financial assistance.

''(2) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panels.

''(3) The Director shall solicit nominations for such panels from the public and shall publish the names of the individuals selected. Individuals comprising each panel shall be selected from a pool of qualified individuals to facilitate knowledgeable, cost-effective review.

''(4) In providing for such scientific peer review, the Secretary shall provide for training, as necessary and appropriate, to facilitate the effective participation of those individuals selected to participate in such review.

''(g) Not less than 90 percent of the funds appropriated under this title for any fiscal year shall be expended by the Director to carry out activities under this title through grants, contracts, or cooperative agreements. Up to 10 percent of the funds appropriated under this title for any fiscal year may be expended directly for the

purpose of carrying out the functions of the Director under this section.

"(h)(1) The Director shall—

"(A) by October 1, 1998 and every fifth October 1 thereafter, prepare and publish in the Federal Register for public comment a draft of a 5-year plan that outlines priorities for rehabilitation research, demonstration projects, training, and related activities and explains the basis for such priorities;

"(B) by June 1, 1999, and every fifth June 1 thereafter, after considering public comments, submit the plan in final form to the appropriate committees of Congress;

"(C) at appropriate intervals, prepare and submit revisions in the plan to the appropriate committees of Congress; and

"(D) annually prepare and submit progress reports on the plan to the appropriate committees of Congress.

"(2) Such plan shall—

"(A) identify any covered activity that should be conducted under this section and section 204 respecting the full inclusion and integration into society of individuals with disabilities, especially in the area of employment;

"(B) determine the funding priorities for covered activities to be conducted under this section and section 204;

"(C) specify appropriate goals and timetables for covered activities to be conducted under this section and section 204;

"(D) be developed by the Director—

"(i) after consultation with the Rehabilitation Research Advisory Council established under section 205;

"(ii) in coordination with the Commissioner;

"(iii) after consultation with the National Council on Disability established under title IV, the Secretary of Education, officials responsible for the administration of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.), and the Interagency Committee on Disability Research established under section 203; and

"(iv) after full consideration of the input of individuals with disabilities and the individuals' representatives, organizations representing individuals with disabilities, providers of services furnished under this Act, researchers in the re-

habilitation field, and any other persons or entities the Director considers to be appropriate;

''(E) specify plans for widespread dissemination of the results of covered activities, in accessible formats, to rehabilitation practitioners, individuals with disabilities, and the individuals' representatives; and

''(F) specify plans for widespread dissemination of the results of covered activities that concern individuals with disabilities who are members of minority groups or of populations that are unserved or underserved by programs carried out under this Act.

''(i) In order to promote cooperation among Federal departments and agencies conducting research programs, the Director shall consult with the administrators of such programs, and with the Interagency Committee established by section 203, regarding the design of research projects conducted by such entities and the results and applications of such research.

''(j)(1) The Director shall take appropriate actions to provide for a comprehensive and coordinated research program under this title. In providing such a program, the Director may undertake joint activities with other Federal entities engaged in research and with appropriate private entities. Any Federal entity proposing to establish any research project related to the purposes of this Act

shall consult, through the Interagency Committee established by section 203, with the Director as Chairperson of such Committee and provide the Director with sufficient prior opportunity to comment on such project.

"(2) Any person responsible for administering any program of the National Institutes of Health, the Department of Veterans Affairs, the National Science Foundation, the National Aeronautics and Space Administration, the Office of Special Education and Rehabilitative Services, or of any other Federal entity, shall, through the Interagency Committee established by section 203, consult and cooperate with the Director in carrying out such program if the program is related to the purposes of this title.

"(k) The Director shall make grants to institutions of higher education for the training of rehabilitation researchers, including individuals with disabilities, with particular attention to research areas that support the implementation and objectives of this Act and that improve the effectiveness of services authorized under this Act.

"INTERAGENCY COMMITTEE

"SEC. 203. (a)(1) In order to promote coordination and cooperation among Federal departments and agencies conducting rehabilitation research programs, there is established within the Federal Government an Interagency Committee on Disability Research (hereinafter in this section referred to as the 'Committee'), chaired by the Direc-

tor and comprised of such members as the President may designate, including the following (or their designees): the Director, the Commissioner of the Rehabilitation Services Administration, the Assistant Secretary for Special Education and Rehabilitative Services, the Secretary of Education, the Secretary of Veterans Affairs, the Director of the National Institutes of Health, the Director of the National Institute of Mental Health, the Administrator of the National Aeronautics and Space Administration, the Secretary of Transportation, the Assistant Secretary of the Interior for Indian Affairs, the Director of the Indian Health Service, and the Director of the National Science Foundation.

''(2) The Committee shall meet not less than four times each year.

''(b) After receiving input from individuals with disabilities and the individuals' representatives, the Committee shall identify, assess, and seek to coordinate all Federal programs, activities, and projects, and plans for such programs, activities, and projects with respect to the conduct of research related to rehabilitation of individuals with disabilities.

''(c) The Committee shall annually submit to the President and to the appropriate committees of the Congress a report making such recommendations as the Com-

mittee deems appropriate with respect to coordination of policy and development of objectives and priorities for all Federal programs relating to the conduct of research related to rehabilitation of individuals with disabilities.

"RESEARCH AND OTHER COVERED ACTIVITIES

"SEC. 204. (a)(1) To the extent consistent with priorities established in the 5-year plan described in section 202(h), the Director may make grants to and contracts with States and public or private agencies and organizations, including institutions of higher education, Indian tribes, and tribal organizations, to pay part of the cost of projects for the purpose of planning and conducting research, demonstration projects, training, and related activities, the purposes of which are to develop methods, procedures, and rehabilitation technology, that maximize the full inclusion and integration into society, employment, independent living, family support, and economic and social self-sufficiency of individuals with disabilities, especially individuals with the most significant disabilities, and improve the effectiveness of services authorized under this Act.

"(2)(A) In carrying out this section, the Director shall emphasize projects that support the implementation of titles I, III, V, VI, and VII, including projects addressing the needs described in the State plans submitted under section 101 or 704 by State agencies.

"(B) Such projects, as described in the State plans submitted by State agencies, may include—

"(i) medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques, including basic research where related to rehabilitation techniques or services;

"(ii) studies and analysis of industrial, vocational, social, recreational, psychiatric, psychological, economic, and other factors affecting rehabilitation of individuals with disabilities;

"(iii) studies and analysis of special problems of individuals who are homebound and individuals who are institutionalized;

"(iv) studies, analyses, and demonstrations of architectural and engineering design adapted to meet the special needs of individuals with disabilities;

"(v) studies, analyses, and other activities related to supported employment;

"(vi) related activities which hold promise of increasing knowledge and improving methods in the rehabilitation of individuals with disabilities and individuals with the most significant disabilities, particularly individuals with disabilities, and individuals

with the most significant disabilities, who are members of populations that are unserved or underserved by programs under this Act; and

"(vii) studies, analyses, and other activities related to job accommodations, including the use of rehabilitation engineering and assistive technology.

"(b)(1) In addition to carrying out projects under subsection (a), the Director may make grants under this subsection (referred to in this subsection as 'research grants') to pay part or all of the cost of the research or other specialized covered activities described in paragraphs (2) through (18). A research grant made under any of paragraphs (2) through (18) may only be used in a manner consistent with priorities established in the 5-year plan described in section 202(h).

"(2)(A) Research grants may be used for the establishment and support of Rehabilitation Research and Training Centers, for the purpose of providing an integrated program of research, which Centers shall—

"(i) be operated in collaboration with institutions of higher education or providers of rehabilitation services or other appropriate services; and

"(ii) serve as centers of national excellence and national or regional resources for providers and indi-

viduals with disabilities and the individuals' representatives.

''(B) The Centers shall conduct research and training activities by—

''(i) conducting coordinated and advanced programs of research in rehabilitation targeted toward the production of new knowledge that will improve rehabilitation methodology and service delivery systems, alleviate or stabilize disabling conditions, and promote maximum social and economic independence of individuals with disabilities, especially promoting the ability of the individuals to prepare for, secure, retain, regain, or advance in employment;

''(ii) providing training (including graduate, pre-service, and in-service training) to assist individuals to more effectively provide rehabilitation services;

''(iii) providing training (including graduate, pre-service, and in-service training) for rehabilitation research personnel and other rehabilitation personnel; and

''(iv) serving as an informational and technical assistance resource to providers, individuals with disabilities, and the individuals' representatives, through conferences, workshops, public education

programs, in-service training programs, and similar activities.

''(C) The research to be carried out at each such Center may include—

''(i) basic or applied medical rehabilitation research;

''(ii) research regarding the psychological and social aspects of rehabilitation, including disability policy;

''(iii) research related to vocational rehabilitation;

''(iv) continuation of research that promotes the emotional, social, educational, and functional growth of children who are individuals with disabilities;

''(v) continuation of research to develop and evaluate interventions, policies, and services that support families of those children and adults who are individuals with disabilities; and

''(vi) continuation of research that will improve services and policies that foster the productivity, independence, and social integration of individuals with disabilities, and enable individuals with disabilities, including individuals with mental retardation and other developmental disabilities, to live in their communities.

"(D) Training of students preparing to be rehabilitation personnel shall be an important priority for such a Center.

"(E) The Director shall make grants under this paragraph to establish and support both comprehensive centers dealing with multiple disabilities and centers primarily focused on particular disabilities.

"(F) Grants made under this paragraph may be used to provide funds for services rendered by such a Center to individuals with disabilities in connection with the research and training activities.

"(G) Grants made under this paragraph may be used to provide faculty support for teaching—

"(i) rehabilitation-related courses of study for credit; and

"(ii) other courses offered by the Centers, either directly or through another entity.

"(H) The research and training activities conducted by such a Center shall be conducted in a manner that is accessible to and usable by individuals with disabilities.

"(I) The Director shall encourage the Centers to develop practical applications for the findings of the research of the Centers.

"(J) In awarding grants under this paragraph, the Director shall take into consideration the location of any

proposed Center and the appropriate geographic and regional allocation of such Centers.

"(K) To be eligible to receive a grant under this paragraph, each such institution or provider described in subparagraph (A) shall—

"(i) be of sufficient size, scope, and quality to effectively carry out the activities in an efficient manner consistent with appropriate State and Federal law; and

"(ii) demonstrate the ability to carry out the training activities either directly or through another entity that can provide such training.

"(L) The Director shall make grants under this paragraph for periods of 5 years, except that the Director may make a grant for a period of less than 5 years if—

"(i) the grant is made to a new recipient; or

"(ii) the grant supports new or innovative research.

"(M) Grants made under this paragraph shall be made on a competitive basis. To be eligible to receive a grant under this paragraph, a prospective grant recipient shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require.

"(N) In conducting scientific peer review under section 202(f) of an application for the renewal of a grant made under this paragraph, the peer review panel shall take into account the past performance of the applicant in carrying out the grant and input from individuals with disabilities and the individuals' representatives.

"(O) An institution or provider that receives a grant under this paragraph to establish such a Center may not collect more than 15 percent of the amount of the grant received by the Center in indirect cost charges.

"(3)(A) Research grants may be used for the establishment and support of Rehabilitation Engineering Research Centers, operated by or in collaboration with institutions of higher education or nonprofit organizations, to conduct research or demonstration activities, and training activities, regarding rehabilitation technology, including rehabilitation engineering, assistive technology devices, and assistive technology services, for the purposes of enhancing opportunities for better meeting the needs of, and addressing the barriers confronted by, individuals with disabilities in all aspects of their lives.

"(B) In order to carry out the purposes set forth in subparagraph (A), such a Center shall carry out the research or demonstration activities by—

"(i) developing and disseminating innovative methods of applying advanced technology, scientific achievement, and psychological and social knowledge to—

"(I) solve rehabilitation problems and remove environmental barriers through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, and new or improved methods, equipment, and devices; and

"(II) study new or emerging technologies, products, or environments, and the effectiveness and benefits of such technologies, products, or environments;

"(ii) demonstrating and disseminating—

"(I) innovative models for the delivery, to rural and urban areas, of cost-effective rehabilitation technology services that promote utilization of assistive technology devices; and

"(II) other scientific research to assist in meeting the employment and independent living needs of individuals with significant disabilities; or

"(iii) conducting research or demonstration activities that facilitate service delivery systems change by demonstrating, evaluating, documenting, and disseminating—

"(I) consumer responsive and individual and family-centered innovative models for the delivery to both rural and urban areas, of innovative cost-effective rehabilitation technology services that promote utilization of rehabilitation technology; and

"(II) other scientific research to assist in meeting the employment and independent living needs of, and addressing the barriers confronted by, individuals with disabilities, including individuals with significant disabilities.

"(C) To the extent consistent with the nature and type of research or demonstration activities described in subparagraph (B), each Center established or supported through a grant made available under this paragraph shall—

"(i) cooperate with programs established under the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.) and other regional and local programs to pro-

vide information to individuals with disabilities and the individuals' representatives to—

"(I) increase awareness and understanding of how rehabilitation technology can address their needs; and

"(II) increase awareness and understanding of the range of options, programs, services, and resources available, including financing options for the technology and services covered by the area of focus of the Center;

"(ii) provide training opportunities to individuals, including individuals with disabilities, to become researchers of rehabilitation technology and practitioners of rehabilitation technology in conjunction with institutions of higher education and nonprofit organizations; and

"(iii) respond, through research or demonstration activities, to the needs of individuals with all types of disabilities who may benefit from the application of technology within the area of focus of the Center.

"(D)(i) In establishing Centers to conduct the research or demonstration activities described in subparagraph (B)(iii), the Director may establish one Center in each of the following areas of focus:

"(I) Early childhood services, including early intervention and family support.

"(II) Education at the elementary and secondary levels, including transition from school to post-school activities.

"(III) Employment, including supported employment, and reasonable accommodations and the reduction of environmental barriers as required by the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and title V.

"(IV) Independent living, including transition from institutional to community living, maintenance of community living on leaving the work force, self-help skills, and activities of daily living.

"(ii) Each Center conducting the research or demonstration activities described in subparagraph (B)(iii) shall have an advisory committee, of which the majority of members are individuals with disabilities who are users of rehabilitation technology, and the individuals' representatives.

"(E) Grants made under this paragraph shall be made on a competitive basis and shall be for a period of 5 years, except that the Director may make a grant for a period of less than 5 years if—

"(i) the grant is made to a new recipient; or

"(ii) the grant supports new or innovative research.

"(F) To be eligible to receive a grant under this paragraph, a prospective grant recipient shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require.

"(G) Each Center established or supported through a grant made available under this paragraph shall—

"(i) cooperate with State agencies and other local, State, regional, and national programs and organizations developing or delivering rehabilitation technology, including State programs funded under the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.); and

"(ii) prepare and submit to the Director as part of an application for continuation of a grant, or as a final report, a report that documents the outcomes of the program of the Center in terms of both short- and long-term impact on the lives of individuals with disabilities, and such other information as may be requested by the Director.

"(4)(A) Research grants may be used to conduct a program for spinal cord injury research, including conducting such a program by making grants to public or

private agencies and organizations to pay part or all of the costs of special projects and demonstration projects for spinal cord injuries, that will—

"(i) ensure widespread dissemination of research findings among all Spinal Cord Injury Centers, to rehabilitation practitioners, individuals with spinal cord injury, the individuals' representatives, and organizations receiving financial assistance under this paragraph;

"(ii) provide encouragement and support for initiatives and new approaches by individual and institutional investigators; and

"(iii) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigations.

"(B) Any agency or organization carrying out a project or demonstration project assisted by a grant under this paragraph that provides services to individuals with spinal cord injuries shall—

"(i) establish, on an appropriate regional basis, a multidisciplinary system of providing vocational

and other rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries, including acute care as well as periodic inpatient or outpatient followup and services;

''(ii) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of ~~cost effectiveness~~ *cost-effectiveness* of, such a regional system;

''(iii) demonstrate and evaluate existing, new, and improved methods and rehabilitation technology essential to the care, management, and rehabilitation of individuals with spinal cord injuries; and

''(iv) demonstrate and evaluate methods of community outreach for individuals with spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities.

''(C) In awarding grants under this paragraph, the Director shall take into account the location of any proposed Spinal Cord Injury Center and the appropriate geographic and regional allocation of such Centers.

''(5) Research grants may be used to conduct a program for end-stage renal disease research, to include sup-

port of projects and demonstrations for providing special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the rehabilitation of individuals with such disease and which will—

"(A) ~~insure~~ *ensure* dissemination of research findings;

"(B) provide encouragement and support for initiatives and new approaches by individuals and institutional investigators; and

"(C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts,

in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among investigators in the field of end-stage renal disease. No person shall be selected to participate in such program who is eligible for services for such disease under any other provision of law.

"(6) Research grants may be used to conduct a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of individuals with disabilities in the United States, cooperating with and assisting in developing and sharing information found use-

ful in other nations in the rehabilitation of individuals with disabilities, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of individuals with disabilities with other nations as a means of increasing the levels of skill of rehabilitation personnel.

''(7) Research grants may be used to conduct a research program concerning the use of existing telecommunications systems (including telephone, television, satellite, radio, and other similar systems) which have the potential for substantially improving service delivery methods, and the development of appropriate ~~programing~~ *programming* to meet the particular needs of individuals with disabilities.

''(8) Research grants may be used to conduct a program of joint projects with the National Institutes of Health, the National Institute of Mental Health, the Health Services Administration, the Administration on Aging, the National Science Foundation, the Veterans' Administration, the Department of Health and Human Services, the National Aeronautics and Space Administration, other Federal agencies, and private industry in areas of joint interest involving rehabilitation.

''(9) Research grants may be used to conduct a program of research related to the rehabilitation of children, or older individuals, who are individuals with disabilities,

including older American Indians who are individuals with disabilities. Such research program may include projects designed to assist the adjustment of, or maintain as residents in the community, older workers who are individuals with disabilities on leaving the work force.

''(10) Research grants may be used to conduct a research program to develop and demonstrate innovative methods to attract and retain professionals to serve in rural areas in the rehabilitation of individuals with disabilities, including individuals with significant disabilities.

''(11) Research grants may be used to conduct a model research and demonstration project designed to assess the feasibility of establishing a center for producing and distributing to individuals who are deaf or hard of hearing captioned video cassettes providing a broad range of educational, cultural, scientific, and vocational programing.

''(12) Research grants may be used to conduct a model research and demonstration program to develop innovative methods of providing services for preschool age children who are individuals with disabilities, ~~including the—~~*including—*

''(A) early intervention, assessment, parent counseling, infant stimulation, early identification, diagnosis, and evaluation of children who are indi-

viduals with significant disabilities up to the age of five, with a special emphasis on children who are individuals with significant disabilities up to the age of three;

"(B) such physical therapy, language development, pediatric, nursing, psychological, and psychiatric services as are necessary for such children; and

"(C) appropriate services for the parents of such children, including psychological and psychiatric services, parent counseling, and training.

"(13) Research grants may be used to conduct a model research and training program under which model training centers shall be established to develop and use more advanced and effective methods of evaluating and addressing the employment needs of individuals with disabilities, including programs ~~which~~ *that*—

"(A) provide training and continuing education for personnel involved with the employment of individuals with disabilities;

"(B) develop model procedures for testing and evaluating the employment needs of individuals with disabilities;

"(C) develop model training programs to teach individuals with disabilities skills which will lead to appropriate employment;

"(D) develop new approaches for job placement of individuals with disabilities, including new follow-up procedures relating to such placement;

"(E) provide information services regarding education, training, employment, and job placement for individuals with disabilities; and

"(F) develop new approaches and provide information regarding job accommodations, including the use of rehabilitation engineering and assistive technology.

"(14) Research grants may be used to conduct a rehabilitation research program under which financial assistance is provided in order to—

"(A) test new concepts and innovative ideas;

"(B) demonstrate research results of high potential benefits;

"(C) purchase prototype aids and devices for evaluation;

"(D) develop unique rehabilitation training curricula; and

"(E) be responsive to special initiatives of the Director.

No single grant under this paragraph may exceed $50,000 in any fiscal year and all payments made under this paragraph in any fiscal year may not exceed 5 percent of the amount available for this section to the National Institute on Disability and Rehabilitation Research in any fiscal year. Regulations and administrative procedures with respect to financial assistance under this paragraph shall, to the maximum extent possible, be expedited.

''(15) Research grants may be used to conduct studies of the rehabilitation needs of American Indian populations and of effective mechanisms for the delivery of rehabilitation services to Indians residing on and off reservations.

''(16) Research grants may be used to conduct a demonstration program under which one or more projects national in scope shall be established to develop procedures to provide incentives for the development, manufacturing, and marketing of orphan technological devices, including technology transfer concerning such devices, designed to enable individuals with disabilities to achieve independence and access to gainful employment.

''(17)(A) Research grants may be used to conduct a research program related to quality assurance in the area of rehabilitation technology.

"(B) Activities carried out under the research program may include—

"(i) the development of methodologies to evaluate rehabilitation technology products and services and the dissemination of the methodologies to consumers and other interested parties;

"(ii) identification of models for service provider training and evaluation and certification of the effectiveness of the models;

"(iii) identification and dissemination of outcome measurement models for the assessment of rehabilitation technology products and services; and

"(iv) development and testing of research-based tools to enhance consumer decisionmaking about rehabilitation technology products and services.

"(C) The Director shall develop the quality assurance research program after consultation with representatives of all types of organizations interested in rehabilitation technology quality assurance.

"(18) Research grants may be used to provide for research and demonstration projects and related activities that explore the use and effectiveness of specific alternative or complementary medical practices for individuals with disabilities. Such projects and activities may include projects and activities designed to—

"(A) determine the use of specific alternative or complementary medical practices among individuals with disabilities and the perceived effectiveness of the practices;

"(B) determine the specific information sources, decisionmaking methods, and methods of payment used by individuals with disabilities who access alternative or complementary medical services;

"(C) develop criteria to screen and assess the validity of research studies of such practices for individuals with disabilities; and

"(D) determine the effectiveness of specific alternative or complementary medical practices that show promise for promoting increased functioning, prevention of secondary disabilities, or other positive outcomes for individuals with certain types of disabilities, by conducting controlled research studies.

"(c)(1) In carrying out evaluations of covered activities under this section, the Director is authorized to make arrangements for site visits to obtain information on the accomplishments of the projects.

"(2) The Director shall not make a grant under this section ~~which~~ *that* exceeds $499,999 unless the peer review of the grant application has included a site visit.

"REHABILITATION RESEARCH ADVISORY COUNCIL

"SEC. 205. (a) ESTABLISHMENT.—Subject to the availability of appropriations, the Secretary shall establish in the Department of Education a Rehabilitation Research Advisory Council (referred to in this section as the 'Council') composed of 12 members appointed by the Secretary.

"(b) DUTIES.—The Council shall advise the Director with respect to research priorities and the development and revision of the 5-year plan required by section 202(h).

"(c) QUALIFICATIONS.—Members of the Council shall be generally representative of the community of rehabilitation professionals, the community of rehabilitation researchers, the community of individuals with disabilities, and the individuals' representatives. At least one-half of the members shall be individuals with disabilities or the individuals' representatives.

"(d) TERMS OF APPOINTMENT.—

"(1) LENGTH OF TERM.—Each member of the Council shall serve for a term of up to 3 years, determined by the Secretary, except that—

"(A) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

"(B) the terms of service of the members initially appointed shall be (as specified by the Secretary) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

"(2) NUMBER OF TERMS.—No member of the Council may serve more than two consecutive full terms. Members may serve after the expiration of their terms until their successors have taken office.

"(e) VACANCIES.—Any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment for the position being vacated. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

"(f) PAYMENT AND EXPENSES.—

"(1) PAYMENT.—Each member of the Council who is not an officer or full-time employee of the Federal Government shall receive a payment of $150 for each day (including travel time) during which the member is engaged in the performance of duties for the Council. All members of the Council who are officers or full-time employees of the United States shall serve without compensation in addition to compensation received for their services as officers or employees of the United States.

"(2) TRAVEL EXPENSES.—Each member of the Council may receive travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for employees serving intermittently in the Government service, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

"(g) DETAIL OF FEDERAL EMPLOYEES.—On the request of the Council, the Secretary may detail, with or without reimbursement, any of the personnel of the Department of Education to the Council to assist the Council in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"(h) TECHNICAL ASSISTANCE.—On the request of the Council, the Secretary shall provide such technical assistance to the Council as the Council determines to be necessary to carry out its duties.

"(i) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Council.".

SEC. 6. PROFESSIONAL DEVELOPMENT AND SPECIAL PROJECTS AND DEMONSTRATIONS.

Title III of the Rehabilitation Act of 1973 (29 U.S.C. 770 et seq.) is amended to read as follows:

"TITLE III—PROFESSIONAL DEVELOPMENT AND SPECIAL PROJECTS AND DEMONSTRATIONS

"SEC. 301. DECLARATION OF PURPOSE AND COMPETITIVE BASIS OF GRANTS AND CONTRACTS.

"(a) PURPOSE.—It is the purpose of this title to authorize grants and contracts to—

"(1)(A) provide academic training to ensure that skilled personnel are available to provide rehabilitation services to individuals with disabilities through vocational, medical, social, and psychological rehabilitation programs (including supported employment programs), through independent living services programs, and through client assistance programs; and

"(B) provide training to maintain and upgrade basic skills and knowledge of personnel employed to provide state-of-the-art service delivery and rehabilitation technology services;

"(2) conduct special projects and demonstrations that expand and improve the provision of reha-

bilitation and other services authorized under this Act, or that otherwise further the purposes of this Act, including related research and evaluation;

''(3) provide vocational rehabilitation services to individuals with disabilities who are migrant or seasonal farmworkers;

''(4) initiate recreational programs to provide recreational activities and related experiences for individuals with disabilities to aid such individuals in employment, mobility, socialization, independence, and community integration; and

''(5) provide training and information to individuals with disabilities and the individuals' representatives, and other appropriate parties to develop the skills necessary for individuals with disabilities to gain access to the rehabilitation system and workforce investment system and to become active decisionmakers in the rehabilitation process.

''(b) COMPETITIVE BASIS OF GRANTS AND CONTRACTS.—The Secretary shall ensure that all grants and contracts are awarded under this title on a competitive basis.

''SEC. 302. TRAINING.

''(a) GRANTS AND CONTRACTS FOR PERSONNEL TRAINING.—

"(1) AUTHORITY.—The Commissioner shall make grants to, and enter into contracts with, States and public or nonprofit agencies and organizations (including institutions of higher education) to pay part of the cost of projects to provide training, traineeships, and related activities, including the provision of technical assistance, that are designed to assist in increasing the numbers of, and upgrading the skills of, qualified personnel (especially rehabilitation counselors) who are trained in providing vocational, medical, social, and psychological rehabilitation services, who are trained to assist individuals with communication and related disorders, who are trained to provide other services provided under this Act, to individuals with disabilities, and who may include—

"(A) personnel specifically trained in providing employment assistance to individuals with disabilities through job development and job placement services;

"(B) personnel specifically trained to identify, assess, and meet the individual rehabilitation needs of individuals with disabilities, including needs for rehabilitation technology;

"(C) personnel specifically trained to deliver services to individuals who may benefit from receiving independent living services;

"(D) personnel specifically trained to deliver services in the client assistance programs;

"(E) personnel specifically trained to deliver services, through supported employment programs, to individuals with a most significant disability;

"(F) personnel providing vocational rehabilitation services specifically trained in the use of braille, the importance of braille literacy, and in methods of teaching braille; and

"(G) personnel trained in performing other functions necessary to the provision of vocational, medical, social, and psychological rehabilitation services, and other services provided under this Act.

"(2) AUTHORITY TO PROVIDE SCHOLARSHIPS.—Grants and contracts under paragraph (1) may be expended for scholarships and may include necessary stipends and allowances.

"(3) RELATED FEDERAL STATUTES.—In carrying out this subsection, the Commissioner may make grants to and enter into contracts with States and

public or nonprofit agencies and organizations, including institutions of higher education, to furnish training regarding related Federal statutes (other than this Act).

"(4) TRAINING FOR STATEWIDE WORKFORCE SYSTEMS PERSONNEL.—The Commissioner may make grants to and enter into contracts under this subsection with States and public or nonprofit agencies and organizations, including institutions of higher education, to furnish training to personnel providing services to individuals with disabilities under the Workforce Investment Partnership Act of 1998. Under this paragraph, personnel may be trained—

"(A) in evaluative skills to determine whether an individual with a disability may be served by the State vocational rehabilitation program or another component of the statewide workforce investment system; or

"(B) to assist individuals with disabilities seeking assistance through one-stop customer service centers established under section 315 of the Workforce Investment Partnership Act of 1998.

"(5) JOINT FUNDING.—Training and other activities provided under paragraph (4) for personnel

may be jointly funded with the Department of Labor, using funds made available under title III of the Workforce Investment Partnership Act of 1998.

"(b) GRANTS AND CONTRACTS FOR ACADEMIC DEGREES AND ACADEMIC CERTIFICATE GRANTING TRAINING PROJECTS.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—The Commissioner may make grants to, and enter into contracts with, States and public or nonprofit agencies and organizations (including institutions of higher education) to pay part of the costs of academic training projects to provide training that leads to an academic degree or academic certificate. In making such grants or entering into such contracts, the Commissioner shall target funds to areas determined under subsection (e) to have shortages of qualified personnel.

"(B) TYPES OF PROJECTS.—Academic training projects described in this subsection may include—

"(i) projects to train personnel in the areas of vocational rehabilitation counseling, rehabilitation technology, rehabilitation medicine, rehabilitation nursing, reha-

bilitation social work, rehabilitation psychiatry, rehabilitation psychology, rehabilitation dentistry, physical therapy, occupational therapy, speech pathology and audiology, physical education, therapeutic recreation, community rehabilitation programs, or prosthetics and orthotics;

''(ii) projects to train personnel to provide—

''(I) services to individuals with specific disabilities or individuals with disabilities who have specific impediments to rehabilitation, including individuals who are members of populations that are unserved or underserved by programs under this Act;

''(II) job development and job placement services to individuals with disabilities;

''(III) supported employment services, including services of employment specialists for individuals with disabilities;

"(IV) specialized services for individuals with significant disabilities; or

"(V) recreation for individuals with disabilities;

"(iii) projects to train personnel in other fields contributing to the rehabilitation of individuals with disabilities; and

"(iv) projects to train personnel in the use, applications, and benefits of rehabilitation technology.

"(2) APPLICATION.—No grant shall be awarded or contract entered into under this subsection unless the applicant has submitted to the Commissioner an application at such time, in such form, in accordance with such procedures, and including such information as the Secretary may require, including—

"(A) a description of how the designated State unit or units will participate in the project to be funded under the grant or contract, including, as appropriate, participation on advisory committees, as practicum sites, in curriculum development, and in other ways so as to build closer relationships between the applicant and the designated State unit and to en-

courage students to pursue careers in public vocational rehabilitation programs;

"(B) the identification of potential employers that would meet the requirements of paragraph (4)(A)(i); and

"(C) an assurance that data on the employment of graduates or trainees who participate in the project is accurate.

"(3) LIMITATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no grant or contract under this subsection may be used to provide any one course of study to an individual for a period of more than 4 years.

"(B) EXCEPTION.—If a grant or contract recipient under this subsection determines that an individual has a disability which seriously affects the completion of training under this subsection, the grant or contract recipient may extend the period referred to in subparagraph (A).

"(4) REQUIRED AGREEMENTS.—

"(A) IN GENERAL.—A recipient of a grant or contract under this subsection shall provide assurances to the Commissioner that each indi-

vidual who receives a scholarship, for the first academic year after the date of enactment of the Rehabilitation Act Amendments of 1998, utilizing funds provided under such grant or contract shall enter into an agreement with the recipient under which the individual shall—

"(i) maintain employment—

"(I) with an employer that is a State rehabilitation or other agency or organization (including a professional corporation or practice group) that provides services to individuals with disabilities under this Act, or with an institution of higher education or other organization that conducts rehabilitation education, training, or research under this Act;

"(II) on a full- or part-time basis; and

"(III) for a period of not less than the full-time equivalent of 2 years for each year for which assistance under this subsection was received by the individual, within a period, beginning after the recipient

completes the training for which the scholarship was awarded, of not more than the sum of the number of years in the period described in this subclause and 2 additional years;

"(ii) directly provide or administer services, conduct research, or furnish training, funded under this Act; and

"(iii) repay all or part of the amount of any scholarship received under the grant or contract, plus interest, if the individual does not fulfill the requirements of clauses (i) and (ii), except that the Commissioner may by regulation provide for repayment exceptions and deferrals.

"(B) ENFORCEMENT.—The Commissioner shall be responsible for the enforcement of each agreement entered into under subparagraph (A) upon the completion of the training involved with respect to such agreement.

"(c) GRANTS TO HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—The Commissioner, in carrying out this section, shall make grants to ~~Historically Black Colleges and Universities~~ *historically Black colleges and universities* and other institutions of higher education whose

minority student enrollment is at least 50 percent of the total enrollment of the institution.

"(d) APPLICATION.—A grant may not be awarded to a State or other organization under this section unless the State or organization has submitted an application to the Commissioner at such time, in such form, in accordance with such procedures, and containing such information as the Commissioner may require, including a detailed description of strategies that will be utilized to recruit and train individuals so as to reflect the diverse populations of the United States as part of the effort to increase the number of individuals with disabilities, and individuals who are from linguistically and culturally diverse backgrounds, who are available to provide rehabilitation services.

"(e) EVALUATION AND COLLECTION OF DATA.—The Commissioner shall evaluate the impact of the training programs conducted under this section, and collect information on the training needs of, and data on shortages of qualified personnel necessary to provide services to individuals with disabilities.

"(f) GRANTS FOR THE TRAINING OF INTERPRETERS.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—For the purpose of training a sufficient number of qualified interpreters to meet the communications needs of individuals who are deaf or hard of hearing, and individuals who are deaf-blind, the Commissioner, acting through a Federal office responsible for deafness and communicative disorders, may award grants to public or private nonprofit agencies or organizations to pay part of the costs—

"(i) for the establishment of interpreter training programs; or

"(ii) to enable such agencies or organizations to provide financial assistance for ongoing interpreter training programs.

"(B) GEOGRAPHIC AREAS.—The Commissioner shall award grants under this subsection for programs in geographic areas throughout the United States that the Commissioner considers appropriate to best carry out the objectives of this section.

"(C) PRIORITY.—In awarding grants under this subsection, the Commissioner shall give priority to public or private nonprofit agencies or organizations with existing programs

that have a demonstrated capacity for providing interpreter training services.

"(D) FUNDING.—The Commissioner may award grants under this subsection through the use of—

"(i) amounts appropriated to carry out this section; or

"(ii) pursuant to an agreement with the Director of the Office of the Special Education Program (established under section 603 of the Individuals with Disabilities Education Act (as amended by section 101 of the Individuals with Disabilities Education Act Amendments of 1997 (Public Law ~~105-17~~ *105–17*))), amounts appropriated under section 686 of the Individuals with Disabilities Education Act.

"(2) APPLICATION.—A grant may not be awarded to an agency or organization under paragraph (1) unless the agency or organization has submitted an application to the Commissioner at such time, in such form, in accordance with such procedures, and containing such information as the Commissioner may require, including—

"(A) a description of the manner in which an interpreter training program will be developed and operated during the 5-year period following the date on which a grant is received by the applicant under this subsection;

"(B) a demonstration of the applicant's capacity or potential for providing training for interpreters for individuals who are deaf or hard of hearing, and individuals who are deaf-blind;

"(C) assurances that any interpreter trained or retrained under a program funded under the grant will meet such minimum standards of competency as the Commissioner may establish for purposes of this subsection; and

~~"(D) such other information as the Commissioner may require.~~

"(D) such other information as the Commissioner may require.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1998 through 2004.

"(h) PROVISION OF INFORMATION.—The Commissioner, subject to the provisions of section 306, may require that recipients of grants or contracts under this sec-

tion provide information, including data, with regard to the impact of activities funded under this section.

"SEC. 303. SPECIAL DEMONSTRATION PROGRAM.

"(a) AUTHORITY.—The Commissioner, subject to the provisions of section 306, may award grants or contracts to eligible entities to pay all or part of the cost of programs that expand and improve the provision of rehabilitation and other services authorized under this Act or that further the purposes of the Act, including related research and evaluation activities.

"(b) ELIGIBLE ENTITIES AND TERMS AND CONDITIONS.—

"(1) ELIGIBLE ENTITIES.—To be eligible to receive a grant or contract under subsection (a), an entity shall be a State vocational rehabilitation agency, community rehabilitation program, Indian tribe or tribal organization, or other public or nonprofit agency or organization, or as the Commissioner determines appropriate, a for-profit organization. The Commissioner may limit competitions to 1 or more types of organizations described in this paragraph.

"(2) TERMS AND CONDITIONS.—Awards under this section shall contain such terms and conditions as the Commissioner may require.

"(c) APPLICATION.—An eligible entity that desires to receive an award under this section shall submit an application to the Secretary at such time, in such form, and containing such information and assurances as the Commissioner may require, including, if the Commissioner determines appropriate, a description of how the proposed project or demonstration program—

"(1) is based on current research findings, which may include research conducted by the National Institute on Disability and Rehabilitation Research, the National Institutes of Health, and other public or private organizations; and

"(2) is of national significance.

"(d) TYPES OF PROJECTS.—The programs that may be funded under this section include—

"(1) special projects and demonstrations of service delivery;

"(2) model demonstration projects;

"(3) technical assistance projects;

"(4) systems change projects;

"(5) special studies and evaluations; and

"(6) dissemination and utilization activities.

"(e) PRIORITY FOR COMPETITIONS.—

"(1) IN GENERAL.—In announcing competitions for grants and contracts under this section, the Commissioner shall give priority consideration to—

"(A) projects to provide training, information, and technical assistance that will enable individuals with disabilities and the individuals' representatives, to participate more effectively in meeting the vocational, independent living, and rehabilitation needs of the individuals with disabilities;

"(B) special projects and demonstration programs of service delivery for adults who are either low-functioning and deaf or low-functioning and hard of hearing;

"(C) innovative methods of promoting consumer choice in the rehabilitation process;

"(D) supported employment, including community-based supported employment programs to meet the needs of individuals with the most significant disabilities or to provide technical assistance to States and community organizations to improve and expand the provision of supported employment services; and

"(E) model transitional planning services for youths with ~~disabilities;~~ *disabilities.*

"(2) ELIGIBILITY AND COORDINATION.—

"(A) ELIGIBILITY.—Eligible applicants for grants and contracts under this section for projects described in paragraph (1)(A) include—

"(i) Parent Training and Information Centers funded under section 682 of the Individuals with Disabilities Education Act (as amended by section 101 of the Individuals with Disabilities Education Act Amendments of 1997 (Public Law ~~105-17~~ *105–17*));

"(ii) organizations that meet the definition of a parent organization in section 682 of such Act; and

"(iii) private nonprofit organizations assisting parent training and information centers.

"(B) COORDINATION.—Recipients of grants and contracts under this section for projects described in paragraph (1)(A) shall, to the extent practicable, coordinate training and information activities with Centers for Independent Living.

"(3) ADDITIONAL COMPETITIONS.—In announcing competitions for grants and contracts under this section, the Commissioner may require that applicants address 1 or more of the following:

"(A) Age ranges.

"(B) Types of disabilities.

"(C) Types of services.

"(D) Models of service delivery.

"(E) Stage of the rehabilitation process.

"(F) The needs of—

"(i) underserved populations;

"(ii) unserved and underserved areas;

"(iii) individuals with significant disabilities;

"(iv) low-incidence disability populations; and

"(v) individuals residing in federally designated empowerment zones and enterprise communities.

"(G) Expansion of employment opportunities for individuals with disabilities.

"(H) Systems change projects to promote meaningful access of ~~individual~~ *individuals* with disabilities to ~~employment related~~ *employment-related* services under the Workforce Investment

Partnership Act of 1998 and under other Federal laws.

"(I) Innovative methods of promoting the achievement of high-quality employment outcomes.

"(J) The demonstration of the effectiveness of early intervention activities in improving employment outcomes.

"(K) Alternative methods of providing affordable transportation services to individuals with disabilities who are employed, seeking employment, or receiving vocational rehabilitation services from public or private organizations and who reside in geographic areas in which public transportation or paratransit service is not available.

"(f) USE OF FUNDS FOR CONTINUATION AWARDS.—The Commissioner may use funds made available to carry out this section for continuation awards for projects that were funded under sections 12 and 311 (as such sections were in effect on the day prior to the date of the enactment of the Rehabilitation Act Amendments of 1998).

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section

such sums as may be necessary for each of the fiscal years 1998 through 2004.

"SEC. 304. MIGRANT AND SEASONAL FARMWORKERS.

"(a) GRANTS.—

"(1) AUTHORITY.—The Commissioner, subject to the provisions of section 306, may make grants to eligible entities to pay up to 90 percent of the cost of projects or demonstration programs for the provision of vocational rehabilitation services to individuals with disabilities who are migrant or seasonal farmworkers, as determined in accordance with rules prescribed by the Secretary of Labor, and to the family members who are residing with such individuals (whether or not such family members are individuals with disabilities).

"(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant under paragraph (1), an entity shall be—

"(A) a State designated agency;

"(B) a nonprofit agency working in collaboration with a State agency described in subparagraph (A); or

"(C) a local agency working in collaboration with a State agency described in subparagraph (A).

"(3) MAINTENANCE AND TRANSPORTATION.—

"(A) IN GENERAL.—Amounts provided under a grant under this section may be used to provide for the maintenance of and transportation for individuals and family members described in paragraph (1) as necessary for the rehabilitation of such individuals.

"(B) REQUIREMENT.—Maintenance payments under this paragraph shall be provided in a manner consistent with any maintenance payments provided to other individuals with disabilities in the State under this Act.

"(4) ASSURANCE OF COOPERATION.—To be eligible to receive a grant under this section an entity shall provide assurances (satisfactory to the Commissioner) that in the provision of services under the grant there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migrant or seasonal farmworkers or their families.

"(5) COORDINATION WITH OTHER PROGRAMS.—The Commissioner shall administer this section in coordination with other programs serving migrant and seasonal farmworkers, including pro-

grams under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), section 330 of the Public Health Service Act (42 U.S.C. 254b), the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1801 et seq.), and the Workforce Investment Partnership Act of 1998.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section, for each of the fiscal years 1998 through 2004.

''SEC. 305. RECREATIONAL PROGRAMS.

''(a) GRANTS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—The Commissioner, subject to the provisions of section 306, shall make grants to States, public agencies, and nonprofit private organizations to pay the Federal share of the cost of the establishment and operation of recreation programs to provide individuals with disabilities with recreational activities and related experiences to aid in the employment, mobility, socialization, independence, and community integration of such individuals.

"(B) RECREATION PROGRAMS.—The recreation programs that may be funded using assistance provided under a grant under this section may include vocational skills development, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, ~~4-H~~ *4–H* activities, music, dancing, handicrafts, art, and homemaking. When possible and appropriate, such programs and activities should be provided in settings with peers who are not individuals with disabilities.

"(C) DESIGN OF PROGRAM.—Programs and activities carried out under this section shall be designed to demonstrate ways in which such programs assist in maximizing the independence and integration of individuals with disabilities.

"(2) MAXIMUM TERM OF GRANT.—A grant under this section shall be made for a period of not more than 3 years.

"(3) AVAILABILITY OF ~~NON GRANT~~ *NONGRANT* RESOURCES.—

"(A) IN GENERAL.—A grant may not be made to an applicant under this section unless

the applicant provides assurances that, with respect to costs of the recreation program to be carried out under the grant, the applicant, to the maximum extent practicable, will make available non-Federal resources (in cash or in-kind) to pay the non-Federal share of such costs.

"(B) FEDERAL SHARE.—The Federal share of the costs of the recreation programs carried out under this section shall be—

"(i) with respect to the first year in which assistance is provided under a grant under this section, 100 percent;

"(ii) with respect to the second year in which assistance is provided under a grant under this section, 75 percent; and

"(iii) with respect to the third year in which assistance is provided under a grant under this section, 50 percent.

"(4) APPLICATION.—To be eligible to receive a grant under this section, a State, agency, or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including a description of—

"(A) the manner in which the findings and results of the project to be funded under the grant, particularly information that facilitates the replication of the results of such projects, will be made generally available; and

"(B) the manner in which the service program funded under the grant will be continued after Federal assistance ends.

"(5) LEVEL OF SERVICES.—Recreation programs funded under this section shall maintain, at a minimum, the same level of services over a 3-year project period.

"(6) REPORTS BY GRANTEES.—

"(A) REQUIREMENT.—The Commissioner shall require that each recipient of a grant under this section annually prepare and submit to the Commissioner a report concerning the results of the activities funded under the grant.

"(B) LIMITATION.—The Commissioner may not make financial assistance available to a grant recipient for a subsequent year until the Commissioner has received and evaluated the annual report of the recipient under subparagraph (A) for the current year.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as may be necessary for each of the fiscal years 1998 through 2004.

"SEC. 306. MEASURING OF PROJECT OUTCOMES AND PERFORMANCE.

"The Commissioner may require that recipients of grants under this title submit information, including data, as determined by the Commissioner to be necessary to measure project outcomes and performance, including any data needed to comply with the Government Performance and Results Act.".

SEC. 7. NATIONAL COUNCIL ON DISABILITY.

Title IV of the Rehabilitation Act of 1973 (29 U.S.C. 780 et seq.) is amended to read as follows:

"TITLE IV—NATIONAL COUNCIL ON DISABILITY

"ESTABLISHMENT OF NATIONAL COUNCIL ON DISABILITY

"SEC. 400. (a)(1)(A) There is established within the Federal Government a National Council on Disability (hereinafter in this title referred to as the 'National Council'), which shall be composed of fifteen members appointed by the President, by and with the advice and consent of the Senate.

"(B) The President shall select members of the National Council after soliciting recommendations from representatives of—

"(i) organizations representing a broad range of individuals with disabilities; and

"(ii) organizations interested in individuals with disabilities.

"(C) The members of the National Council shall be individuals with disabilities, parents or guardians of individuals with disabilities, or other individuals who have substantial knowledge or experience relating to disability policy or programs. The members of the National Council shall be appointed so as to be representative of individuals with disabilities, national organizations concerned with individuals with disabilities, providers and administrators of services to individuals with disabilities, individuals engaged in conducting medical or scientific research relating to individuals with disabilities, business concerns, and labor organizations. A majority of the members of the National Council shall be individuals with disabilities. The members of the National Council shall be broadly representative of minority and other individuals and groups.

"(2) The purpose of the National Council is to promote policies, programs, practices, and procedures that—

"(A) guarantee equal opportunity for all individuals with disabilities, regardless of the nature or severity of the disability; and

"(B) empower individuals with disabilities to achieve economic self-sufficiency, independent living, and inclusion and integration into all aspects of society.

"(b)(1) Each member of the National Council shall serve for a term of 3 years, except that the terms of service of the members initially appointed after the date of enactment of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 shall be (as specified by the President) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

"(2)(A) No member of the National Council may serve more than two consecutive full terms beginning on the date of commencement of the first full term on the Council. Members may serve after the expiration of their terms until their successors have taken office.

"(B) As used in this paragraph, the term 'full term' means a term of 3 years.

"(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which such mem-

ber's predecessor was appointed shall be appointed only for the remainder of such term.

"(c) The President shall designate the Chairperson from among the members appointed to the National Council. The National Council shall meet at the call of the Chairperson, but not less often than four times each year.

"(d) Eight members of the National Council shall constitute a quorum and any vacancy in the National Council shall not affect its power to function.

"DUTIES OF NATIONAL COUNCIL

"SEC. 401. (a) The National Council shall—

"(1) provide advice to the Director with respect to the policies and conduct of the National Institute on Disability and Rehabilitation Research, including ways to improve research concerning individuals with disabilities and the methods of collecting and disseminating findings of such research;

"(2) provide advice to the Commissioner with respect to the policies of and conduct of the Rehabilitation Services Administration;

"(3) advise the President, the Congress, the Commissioner, the appropriate Assistant Secretary of the Department of Education, and the Director of the National Institute on Disability and Rehabilitation Research on the development of the programs to be carried out under this Act;

"(4) provide advice regarding priorities for the activities of the Interagency Disability Coordinating Council and review the recommendations of such Council for legislative and administrative changes to ensure that such recommendations are consistent with the purposes of the Council to promote the full integration, independence, and productivity of individuals with disabilities;

"(5) review and evaluate on a continuing basis—

"(A) policies, programs, practices, and procedures concerning individuals with disabilities conducted or assisted by Federal departments and agencies, including programs established or assisted under this Act or under the Developmental Disabilities Assistance and Bill of Rights Act; and

"(B) all statutes and regulations pertaining to Federal programs which assist such individuals with disabilities;

in order to assess the effectiveness of such policies, programs, practices, procedures, statutes, and regulations in meeting the needs of individuals with disabilities;

"(6) assess the extent to which such policies, programs, practices, and procedures facilitate or impede the promotion of the policies set forth in subparagraphs (A) and (B) of section 400(a)(2);

"(7) gather information about the implementation, effectiveness, and impact of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

"(8) make recommendations to the President, the Congress, the Secretary, the Director of the National Institute on Disability and Rehabilitation Research, and other officials of Federal agencies or other Federal entities, respecting ways to better promote the policies set forth in section 400(a)(2);

"(9) provide to the Congress on a continuing basis advice, recommendations, legislative proposals, and any additional information ~~which~~ *that* the National Council or the Congress deems appropriate; and

"(10) review and evaluate on a continuing basis new and emerging disability policy issues affecting individuals with disabilities at the international, Federal, State, and local levels, and in the private sector, including the need for and coordination of adult services, access to personal assistance services, school reform efforts and the impact of such efforts

on individuals with disabilities, access to health care, and policies that operate as disincentives for the individuals to seek and retain employment.

"(b)(1) Not later than July 26, 1998, and annually thereafter, the National Council shall prepare and submit to the President and the appropriate committees of the Congress a report entitled 'National Disability Policy: A Progress Report'.

"(2) The report shall assess the status of the Nation in achieving the policies set forth in section 400(a)(2), with particular focus on the new and emerging issues impacting on the lives of individuals with disabilities. The report shall present, as appropriate, available data on health, housing, employment, insurance, transportation, recreation, training, prevention, early intervention, and education. The report shall include recommendations for policy change.

"(3) In determining the issues to focus on and the findings, conclusions, and recommendations to include in the report, the National Council shall seek input from the public, particularly individuals with disabilities, representatives of organizations representing a broad range of individuals with disabilities, and organizations and agencies interested in individuals with disabilities.

"COMPENSATION OF NATIONAL COUNCIL MEMBERS

"SEC. 402. (a) Members of the National Council shall be entitled to receive compensation at a rate equal to the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code, including travel time, for each day they are engaged in the performance of their duties as members of the National Council.

"(b) Members of the National Council who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the National Council except for compensation for travel expenses as provided under subsection (c) of this section.

"(c) While away from their homes or regular places of business in the performance of services for the National Council, members of the National Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

"STAFF OF NATIONAL COUNCIL

"SEC. 403. (a)(1) The Chairperson of the National Council may appoint and remove, without regard to the provisions of title 5, United States Code, governing appointments, the provisions of chapter 75 of such title (relating to adverse actions), the provisions of chapter 77 of

such title (relating to appeals), or the provisions of chapter 51 and subchapter III of chapter 53 of such title (relating to classification and General Schedule pay rates), an Executive Director to assist the National Council to carry out its duties. The Executive Director shall be appointed from among individuals who are experienced in the planning or operation of programs for individuals with disabilities.

''(2) The Executive Director is authorized to hire technical and professional employees to assist the National Council to carry out its duties.

''(b)(1) The National Council may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code (but at rates for individuals not to exceed the daily equivalent of the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code).

''(2) The National Council may—

''(A) accept voluntary and uncompensated services, notwithstanding the provisions of section 1342 of title 31, United States Code;

''(B) in the name of the Council, solicit, accept, employ, and dispose of, in furtherance of this Act, any money or property, real or personal, or mixed,

tangible or nontangible, received by gift, devise, bequest, or otherwise; and

"(C) enter into contracts and cooperative agreements with Federal and State agencies, private firms, institutions, and individuals for the conduct of research and surveys, preparation of reports and other activities necessary to the discharge of the Council's duties and responsibilities.

"(3) Not more than 10 per centum of the total amounts available to the National Council in each fiscal year may be used for official representation and reception.

"(c) The Administrator of General Services shall provide to the National Council on a reimbursable basis such administrative support services as the Council may request.

"(d)(1) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts made available under subsection (a)(2)(B) as is not, in the Secretary's judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

"(2) The amounts described in paragraph (1), and the interest on, and the proceeds from the sale or redemp-

tion of, the obligations described in paragraph (1) shall be available to the National Council to carry out this title.

"ADMINISTRATIVE POWERS OF NATIONAL COUNCIL

"SEC. 404. (a) The National Council may prescribe such bylaws and rules as may be necessary to carry out its duties under this title.

"(b) The National Council may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it deems advisable.

"(c) The National Council may appoint advisory committees to assist the National Council in carrying out its duties. The members thereof shall serve without compensation.

"(d) The National Council may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

"(e) The National Council may use, with the consent of the agencies represented on the Interagency Disability Coordinating Council, and as authorized in title V, such services, personnel, information, and facilities as may be needed to carry out its duties under this title, with or without reimbursement to such agencies.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 405. There are authorized to be appropriated to carry out this title such sums as may be necessary for each of the fiscal years 1998 through 2004.".

SEC. 8. RIGHTS AND ADVOCACY.

(a) CONFORMING AMENDMENTS TO RIGHTS AND ADVOCACY PROVISIONS.—

(1) EMPLOYMENT.—Section 501 (29 U.S.C. 791) is amended—

(A) in the third sentence of subsection (a), by striking ''President's Committees on Employment of the Handicapped'' and inserting ''President's Committees on Employment of People With Disabilities''; and

(B) in subsection (e), by striking ''individualized written rehabilitation program'' and inserting ''individualized rehabilitation employment plan''.

(2) ACCESS BOARD.—Section 502 (29 U.S.C. 792) is amended—

(A) in subsection (a)(1), in the sentence following subparagraph (B), by striking ''Chairperson'' and inserting ''chairperson'';

~~(A)~~ *(B)* in subsection (b)—

(i) in paragraph (9), by striking ''; and'' and inserting a semicolon;

(ii) in paragraph (10), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

"(11) carry out the responsibilities specified for the Access Board in section 508";

~~(B)~~ *(C)* in subsection (d)(2)(A), by inserting before the semicolon the following: "and section 508(d)(2)(C)";

~~(C)~~ *(D)* in subsection (g)(2), by striking "Committee on Education and Labor" and inserting "Committee on Education and the Workforce"; and

~~(D)~~ *(E)* in subsection (i), by striking "fiscal years 1993 through 1997" and inserting "fiscal years 1998 through 2004".

~~(3)FEDERAL~~ *(3) FEDERAL* GRANTS AND CONTRACTS.—Section 504(a) (29 U.S.C. *794(a)*) is amended in the first sentence by striking "section 7(8)" and inserting "section 7(20)".

(4) SECRETARIAL RESPONSIBILITIES.—Section 506(a) (29 U.S.C. 794b(a)) is amended—

(A) by striking the second sentence and inserting the following: "Any concurrence of the Access Board under paragraph (2) shall reflect its consideration of cost studies carried out by States."; and

(B) in the second sentence of subsection (c), by striking "provided under this para-

graph'' and inserting ''provided under this subsection''.

(b) ELECTRONIC AND INFORMATION TECHNOLOGY REGULATIONS.—Section 508 (29 U.S.C. 794d) is amended to read as follows:

''SEC. 508. ELECTRONIC AND INFORMATION TECHNOLOGY REGULATIONS.

''(a) DEFINITION.—In this section, the term 'electronic and information technology' includes—

''(1) any equipment, software, interface system, operating system, or interconnected system or subsystem of equipment, whether or not accessed remotely, that is used in the acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information; and

''(2) any related service (including a support service) and any related resource.

''(b) PROMULGATION OF RULES AND REGULATIONS.—

''(1) PROCUREMENT, MAINTENANCE, AND USE OF ELECTRONIC AND INFORMATION TECHNOLOGY.—Consistent with paragraph (2), each Federal agency shall procure, maintain, and use electronic and information technology that allows, regardless of the type

of medium of the technology, individuals with disabilities to produce information and data, and have access to information and data, comparable to the information and data, and access, respectively, of individuals who are not individuals with disabilities.

"(2) REGULATIONS.—

"(A) IN GENERAL.—Not later than 1 year after the date of enactment of the Rehabilitation Act Amendments of 1998, the Access Board, after consultation with the Secretary of Education, the Administrator of the General Services Administration, and the head of any other Federal agency that the Access Board may determine to be appropriate, and after consultation with the electronic and information technology industry and appropriate public or nonprofit agencies or organizations, shall issue regulations, including criteria for procurement of accessible electronic and information technology, to implement this section.

"(B) CRITERIA.—The Access Board shall consult with the Director of the National Institute on Disability and Rehabilitation Research and the heads of other Federal agencies that conduct applicable research, regarding relevant

research findings to assist the Access Board in developing and updating the criteria for procurement of accessible technology required under subparagraph (A).

"(C) REVIEWS AND AMENDMENTS.—The Access Board shall review and amend the regulations periodically to reflect technological advances or changes in electronic and information technology.

"(c) TECHNICAL ASSISTANCE.—The Access Board shall provide technical assistance to individuals and Federal agencies concerning the rights and responsibilities provided under this section. The Administrator of the General Services Administration shall provide technical assistance to Federal agencies concerning the rights and responsibilities provided under this section, in coordination with the activities of the Access Board.

"(d) COMPLIANCE.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Rehabilitation Act Amendments of 1998, the Access Board shall establish, by regulation issued under subsection (b), procedures for ensuring the compliance of Federal agencies with this section (including the regulation).

"(2) PROCEDURES.—At a minimum the regulation shall establish procedures by which—

"(A) the head of each Federal agency shall assess the compliance of the agency with this section and report periodically to the Access Board and the Director of the Office of Management and Budget on such compliance;

"(B) any aggrieved person may file a complaint with the Access Board regarding noncompliance by a Federal agency with this section; and

"(C) the Access Board may, after providing notice and an opportunity for a hearing, issue an order requiring compliance with this section, which shall be final and binding on the affected Federal agency.

"(3) OFFICE OF MANAGEMENT AND BUDGET OVERSIGHT.—

"(A) OVERSIGHT AND COORDINATION.—The Director of the Office of Management and Budget shall oversee and coordinate the procurement, financial management, information, and regulatory policies of the executive branch of the Federal Government relating to electronic and information technology.

"(B) ISSUANCE OF POLICIES.—In issuing circulars, bulletins, directives, memoranda, and other policies affecting the procurement, maintenance, and use of electronic and information technology, by Federal agencies, as appropriate, the Director of the Office of Management and Budget shall require compliance with this section, including the regulations and criteria described in subsection (b).

"(e) RELATIONSHIP TO OTHER LAWS.—This section shall not be construed to limit a remedy, right, or procedure available under any other provision of Federal law (including title V and the Americans with Disabilities Act of 1990), or State or local law (including State common law) that provides greater or equal protection for the rights of individuals with disabilities.".

(c) PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.—Section 509 (29 U.S.C. 794e) is amended to read as follows:

"SEC. 509. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

"(a) PURPOSE.—The purpose of this section is to support a system in each State to protect the legal and human rights of individuals with disabilities who—

"(1) need services that are beyond the scope of services authorized to be provided by the client assistance program under section 112; and

"(2) are ineligible for protection and advocacy programs under part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.) because the individuals do not have a developmental disability, as defined in section 102 of such Act (42 U.S.C. 6002) and the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10801 et seq.) because the individuals are not individuals with mental illness, as defined in section 102 of such Act (42 U.S.C. 10802).

"(b) APPROPRIATIONS LESS THAN $5,500,000.—For any fiscal year in which the amount appropriated to carry out this section is less than $5,500,000, the Commissioner may make grants from such amount to eligible systems within States to plan for, develop outreach strategies for, and carry out protection and advocacy programs authorized under this section for individuals with disabilities who meet the requirements of paragraphs (1) and (2) of subsection (a).

"(c) APPROPRIATIONS OF $5,500,000 OR MORE.—

"(1) RESERVATIONS.—

"(A) TECHNICAL ASSISTANCE.—For any fiscal year in which the amount appropriated to carry out this section equals or exceeds $5,500,000, the Commissioner shall set aside not less than 1.8 percent and not more than 2.2 percent of the amount to provide training and technical assistance to the systems established under this section.

"(B) GRANT FOR THE ELIGIBLE SYSTEM SERVING THE AMERICAN INDIAN CONSORTIUM.—For any fiscal year in which the amount appropriated to carry out this section equals or exceeds $10,500,000, the Commissioner shall reserve a portion, and use the portion to make a grant for the eligible system serving the American Indian consortium. The Commission shall make the grant in an amount of not less than $50,000 for the fiscal year.

"(2) ALLOTMENTS.—For any such fiscal year, after the reservations required by paragraph (1) have been made, the Commissioner shall make allotments from the remainder of such amount in accordance with paragraph (3) to eligible systems within States to enable such systems to carry out protec-

tion and advocacy programs authorized under this section for such individuals.

"(3) SYSTEMS WITHIN STATES.—

"(A) POPULATION BASIS.—Except as provided in subparagraph (B), from such remainder for each such fiscal year, the Commissioner shall make an allotment to the eligible system within a State of an amount bearing the same ratio to such remainder as the population of the State bears to the population of all States.

"(B) MINIMUMS.—Subject to the availability of appropriations to carry out this section, and except as provided in paragraph (4), the allotment to any system under subparagraph (A) shall be not less than $100,000 or one-third of one percent of the remainder for the fiscal year for which the allotment is made, whichever is greater, and the allotment to any system under this section for any fiscal year that is less than $100,000 or one-third of one percent of such remainder shall be increased to the greater of the two amounts.

"(4) SYSTEMS WITHIN OTHER JURISDICTIONS.—

"(A) IN GENERAL.—For the purposes of paragraph (3)(B), Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands shall not be considered to be States.

"(B) ALLOTMENT.—The eligible system within a jurisdiction described in subparagraph (A) shall be allotted under paragraph (3)(A) not less than $50,000 for the fiscal year for which the allotment is made.

"(5) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 1999, in which the total amount appropriated to carry out this section exceeds the total amount appropriated to carry out this section for the preceding fiscal year, the Commissioner shall increase each of the minimum grants or allotments under paragraphs (1)(B), (3)(B), and (4)(B) by a percentage that shall not exceed the percentage increase in the total amount appropriated to carry out this section between the preceding fiscal year and the fiscal year involved.

"(d) PROPORTIONAL REDUCTION.—To provide minimum allotments to systems within States (as increased under subsection (c)(5)) under subsection (c)(3)(B), or to provide minimum allotments to systems within States (as

increased under subsection (c)(5)) under subsection (c)(4)(B), the Commissioner shall proportionately reduce the allotments of the remaining systems within States under subsection (c)(3), with such adjustments as may be necessary to prevent the allotment of any such remaining system within a State from being reduced to less than the minimum allotment for a system within a State (as increased under subsection (c)(5)) under subsection (c)(3)(B), or the minimum allotment for a State (as increased under subsection (c)(5)) under subsection (c)(4)(B), as appropriate.

''(e) REALLOTMENT.—Whenever the Commissioner determines that any amount of an allotment to a system within a State for any fiscal year described in subsection (c)(1) will not be expended by such system in carrying out the provisions of this section, the Commissioner shall make such amount available for carrying out the provisions of this section to one or more of the systems that the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a system for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the system (as determined under the preceding provisions of this section) for such year.

"(f) APPLICATION.—In order to receive assistance under this section, an eligible system shall submit an application to the Commissioner, at such time, in such form and manner, and containing such information and assurances as the Commissioner determines necessary to meet the requirements of this section, including assurances that the eligible system will—

"(1) have in effect a system to protect and advocate the rights of individuals with disabilities;

"(2) have the same general authorities, including access to records and program income, as are set forth in part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.);

"(3) have the authority to pursue legal, administrative, and other appropriate remedies or approaches to ensure the protection of, and advocacy for, the rights of such individuals within the State or the American Indian consortium who are individuals described in subsection (a);

"(4) provide information on and make referrals to programs and services addressing the needs of individuals with disabilities in the State or the American Indian consortium;

"(5) develop a statement of objectives and priorities on an annual basis, and provide to the public, including individuals with disabilities and, as appropriate, the individuals' representatives, an opportunity to comment on the objectives and priorities established by, and activities of, the system including—

"(A) the objectives and priorities for the activities of the system for each year and the rationale for the establishment of such objectives and priorities; and

"(B) the coordination of programs provided through the system under this section with the advocacy programs of the client assistance program under section 112, the State long-term care ombudsman program established under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.), and the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10801 et seq.);

"(6) establish a grievance procedure for clients or prospective clients of the system to ensure that

individuals with disabilities are afforded equal opportunity to access the services of the system;

"(7) provide assurances to the Commissioner that funds made available under this section will be used to supplement and not supplant the non-Federal funds that would otherwise be made available for the purpose for which Federal funds are provided; and

"(8) not use allotments or grants provided under this section in a manner inconsistent with section 5 of the Assisted Suicide Funding Restriction Act of 1997.

"(g) CARRYOVER AND DIRECT PAYMENT.—

"(1) DIRECT PAYMENT.—Notwithstanding any other provision of law, the Commissioner shall pay directly to any system that complies with the provisions of this section, the amount of the allotment of the State or the grant for the eligible system that serves the American Indian consortium involved under this section, unless the State or American Indian consortium provides otherwise.

"(2) CARRYOVER.—Any amount paid to an eligible system that serves a State or American Indian consortium for a fiscal year that remains unobligated at the end of such year shall remain available

to such system that serves the State or American Indian consortium for obligation during the next fiscal year for the purposes for which such amount was paid.

"(h) LIMITATION ON DISCLOSURE REQUIREMENTS.—For purposes of any audit, report, or evaluation of the performance of the program established under this section, the Commissioner shall not require such a program to disclose the identity of, or any other personally identifiable information related to, any individual requesting assistance under such program.

"(i) ADMINISTRATIVE COST.—In any State in which an eligible system is located within a State agency, a State may use a portion of any allotment under subsection (c) for the cost of the administration of the system required by this section. Such portion may not exceed 5 percent of the allotment.

"(j) DELEGATION.—The Commissioner may delegate the administration of this program to the Commissioner of the Administration on Developmental Disabilities within the Department of Health and Human Services.

"(k) REPORT.—The Commissioner shall annually prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate

a report describing the types of services and activities being undertaken by programs funded under this section, the total number of individuals served under this section, the types of disabilities represented by such individuals, and the types of issues being addressed on behalf of such individuals.

"(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1998 through 2004.

"(m) DEFINITIONS.—As used in this section:

"(1) ELIGIBLE SYSTEM.—The term 'eligible system' means a protection and advocacy system that is established under part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.) and that meets the requirements of subsection (f).

"(2) AMERICAN INDIAN CONSORTIUM.—The term 'American Indian consortium' means a consortium established as described in section 142 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6042).".

SEC. 9. EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES.

Title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is amended to read as follows:

"TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

"SEC. 601. SHORT TITLE.

''This title may be cited as the 'Employment Opportunities for Individuals With Disabilities Act'.

"PART A—PROJECTS IN TELECOMMUTING AND SELF-EMPLOYMENT FOR INDIVIDUALS WITH DISABILITIES

"SEC. 611. FINDINGS, POLICIES, AND PURPOSES.

''(a) FINDINGS.—Congress makes the following findings:

''(1) It is in the best interest of the United States to identify and promote increased employment opportunities for individuals with disabilities.

''(2) Telecommuting is one of the most rapidly expanding forms of employment. In 1990 there were 4,000,000 telecommuters and that number has risen to 11,100,000 in 1997.

''(3) It is in the best interest of the United States to ensure that individuals with disabilities have access to telecommuting employment opportu-

nities. It has been estimated that 10 percent of individuals with disabilities, who are unemployed, could benefit from telecommuting opportunities.

''(4) It is in the interest of employers to recognize that individuals with disabilities are excellent candidates for telecommuting employment opportunities.

''(5) Individuals with disabilities, especially those living in rural areas, often do not have access to accessible transportation, and in such cases telecommuting presents an excellent opportunity for the employment of such individuals.

''(6) It is in the best interests of economic development agencies, venture capitalists, and financial institutions for the Federal Government to demonstrate that individuals with disabilities, who wish to become or who are self-employed, can meet the criteria for assistance, investment of capital, and business that other entrepreneurs meet.

''(b) POLICIES.—It is the policy of the United States to—

''(1) promote opportunities for individuals with disabilities to—

''(A) secure, retain, regain, or advance in employment involving telecommuting;

"(B) gain access to employment opportunities; and

"(C) demonstrate their abilities, capabilities, interests, and preferences regarding employment in positions that are increasingly being offered to individuals in the workplace; and

"(2) promote opportunities for individuals with disabilities to engage in self-employment enterprises that permit these individuals to achieve significant levels of independence, participate in and contribute to the life of their communities, and offer employment opportunities to others.

"(c) PURPOSES.—It is the purpose of this part to—

"(1) through the awarding of 1-time, time-limited grants, contracts, or cooperative agreements to public and private entities—

"(A) provide funds, in accordance with section 612, to enable individuals with disabilities to identify and secure employment opportunities involving telecommuting; and

"(B) encourage employers to become partners in providing telecommuting placements for individuals with disabilities through the involvement of such employers in telecommuting

projects that continue and expand opportunities for the provision of telecommuting placements to individuals with disabilities beyond those opportunities that are currently facilitated by the telecommuting projects; and

''(2) through the awarding of 1-time, time-limited grants, contracts, cooperative agreements, or other appropriate mechanisms of providing assistance to public or private entities—

''(A) assist individuals with disabilities to engage in self-employment enterprises in accordance with section 613; and

''(B) encourage entities to assist more individuals with disabilities to engage in self-employment enterprises.

''SEC. 612. PROJECTS IN TELECOMMUTING FOR INDIVIDUALS WITH DISABILITIES.

''(a) IN GENERAL.—The Commissioner shall, on a competitive basis, award 1-time, time-limited grants, contracts, or cooperative agreements to eligible entities for the establishment and operation of projects in telecommuting for individuals with disabilities.

''(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under subsection (a) an entity shall—

"(1) be—

"(A) an entity carrying out a Project With Industry described in part B;

"(B) a designated State agency;

"(C) a statewide workforce investment partnership or local workforce investment partnership;

"(D) a public educational agency;

"(E) a training institution, which may include an institution of higher education;

"(F) a private organization, with priority given to organizations of or for individuals with disabilities;

"(G) a public or private employer;

"(H) any other entity that the Commissioner determines to be appropriate; or

"(I) a combination or consortium of the entities described in subparagraphs (A) through (H);

"(2) have 3 or more years of experience in assisting individuals with disabilities in securing, retaining, regaining, or advancing in employment;

"(3) demonstrate that such entity has the capacity to secure full- and part-time employment in-

volving telecommuting for individuals with disabilities; and

"(4) submit an application that meets the requirements of subsection (c).

"(c) APPLICATION REQUIREMENTS.—To be eligible to receive a grant, contract, or cooperative agreement under subsection (a), an entity shall submit to the Commissioner at such time, in such manner, and containing such information concerning the telecommuting project to be funded under the grant, contract, or agreement as the Commissioner may require, including—

"(1) a description of how and the extent to which the applicant meets the requirement of subsection (b)(2);

"(2) with respect to any partners who will participate in the implementation of activities under the telecommuting project, a description of—

"(A) the identity of such partners; and

"(B) the roles and responsibilities of each partner in preparing the application, and if funded, the roles and responsibility of each partner during the telecommuting project;

"(3) a description of the geographic region that will be the focus of activity under the telecommuting project;

"(4) a projection for each year of a 3-year period of the grant, contract, or agreement, of the number of individuals with disabilities who will be employed as the result of the assistance provided by the telecommuting project;

"(5) with respect to any employers that have indicated an interest in offering telecommuting employment opportunities to individuals with disabilities, a description of—

"(A) the identity of such employers; and

"(B) the manner in which additional employers would be recruited under the telecommuting project;

"(6) a description of the manner in which individuals with disabilities will be identified and selected to participate in the telecommuting project;

"(7) a description of the jobs that will be targeted by the telecommuting project;

"(8) a description of the process by which individuals with disabilities will be matched with employers for telecommuting placements;

"(9) a description of the manner in which the project will become self-sustaining in the third year of the telecommuting project; and

"(10) a description of the nature and amount of funding, including in-kind support, other than funds received under this part, that will be available to be used by the telecommuting project.

"(d) USE OF FUNDS.—Amounts received under a grant, contract, or cooperative agreement under subsection (a) shall be used for—

"(1) the recruitment of individuals with disabilities for telecommuting placements;

"(2) the conduct of marketing activities with respect to employers;

"(3) the purchase of training services for an individual with a disability who is going to assume a telecommuting placement;

"(4) the purchase of equipment, materials, telephone lines, auxiliary aids, and services related to telecommuting placements;

"(5) the provision of orientation services and training to the supervisors of employers participating in the project and to co-workers of individuals with disabilities who are selected for telecommuting placements;

"(6) the provision of technical assistance to employers, including technical assistance regarding reasonable accommodations with regard to individuals

with disabilities participating in telecommuting placements; and

"(7) other uses determined appropriate by the Commissioner.

"(e) PROJECT REQUIREMENTS.—Telecommuting projects funded under this section shall—

"(1) establish criteria for safety with regard to the telecommuting work space, which at a minimum meet guidelines established by the Occupational Safety and Health Administration for a work space of comparable size and function;

"(2) on an annual basis, enter into agreements with the Commissioner that contain goals concerning the number of individuals with disabilities that the project will place in telecommuting positions;

"(3) establish procedures for ensuring that prospective employers and individuals with disabilities, who are to assume telecommuting placements, have a clear understanding of how the individual's work performance will be monitored and evaluated by the employer;

"(4) identify and make available support services for individuals with disabilities in telecommuting placements;

"(5) develop procedures that allow the telecommuting project, the employer, and the individual with a disability to reach agreement on their respective responsibilities with regard to establishing and maintaining the telecommuting placement; *and*

"(6) for each year of a telecommuting project, submit an annual report to the Commissioner concerning—

"(A) the number of individuals with disabilities placed in telecommuting positions and whether the goal described in the agreement entered into *under* paragraph (2) was met;

"(B) the number of individuals with disabilities employed as salaried employees and their annual salaries;

"(C) the number of individuals with disabilities employed as independent contractors and their annual incomes;

"(D) the number of individuals with disabilities that received benefits from their employers;

"(E) the number of individuals with disabilities in telecommuting placements still working after—

"(i) 6 months; and

"(ii) 12 months; and

"(F) any reports filed with the Occupational Safety and Health Administration.

"(f) LIMITATIONS.—

"(1) PERIOD OF AWARD.—A grant, contract, or cooperative agreement under subsection (a) shall be for a 3-year period.

"(2) AMOUNT.—The amount of a grant, contract, or cooperative agreement under subsection (a) shall not be less than $250,000 nor more than $1,000,000.

"SEC. 613. PROJECTS IN SELF-EMPLOYMENT FOR INDIVIDUALS WITH DISABILITIES.

"(a) IN GENERAL.—The Commissioner shall, on a competitive basis, award 1-time, time-limited grants, contracts, or cooperative agreements to eligible entities for the establishment and operation of projects in self-employment for individuals with disabilities.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under subsection (a) an entity shall—

"(1) be—

"(A) a financial institution;

"(B) an economic development agency;

"(C) a venture capitalist;

"(D) an entity carrying out a Project With Industry described in part B;

"(E) a designated State agency, or other public entity;

"(F) a private organization, including employers and organizations related to individuals with disabilities;

"(G) any other entity that the Commissioner determines to be appropriate; or

"(H) a combination or consortium of the entities described in subparagraphs (A) through (G);

"(2) demonstrate that such entity has the capacity to assist clients, including clients with disabilities, to successfully engage in self-employment enterprises; and

"(3) submit an application that meets the requirements of subsection (c).

"(c) APPLICATION REQUIREMENTS.—To be eligible to receive a grant, contract, or cooperative agreement under subsection (a), an entity shall submit to the Commissioner at such time, in such manner, and containing such information concerning the self-employment project to be funded under the grant, contract, or agreement as the Commissioner may require, including—

"(1) a description of how and the extent to which the applicant has assisted individuals, including individuals with disabilities, if appropriate, to successfully engage in self-employment enterprises;

"(2) with respect to any partners who will participate in the implementation of activities under the self-employment project, a description of—

"(A) the identity of such partners; and

"(B) the roles and responsibilities of each partner in preparing the application, and if funded, the roles and responsibility of each partner during the self-employment project;

"(3) a description of the geographic region that will be the focus of activity in the self-employment project;

"(4) a projection for each year of a 3-year period of the grant, contract, or agreement, of the number of clients who will be assisted to engage in self-employment enterprises through the self-employment project;

"(5) a description of the manner in which potential clients will be identified and selected to be assisted by the self-employment project;

"(6) a description of the manner in which self-employment enterprises (or market niches) will be

identified for the geographic areas to be targeted in the self-employment project;

''(7) a description of the process by which prospective clients will be matched with self-employment opportunities;

''(8) a description of the manner in which the project will become self-sustaining in the third year of the self-employment project; and

''(9) a description of the nature and amount of funding, including in-kind support, other than funds received under this part, that will be available to be used during the self-employment project.

''(d) USE OF FUNDS.—Amounts received under a grant, contract, or cooperative agreement under subsection (a) shall be used—

''(1) for the preparation of marketing analyses to identify self-employment opportunities;

''(2) for the conduct of marketing activities with respect to financial institutions or venture capitalists concerning the benefits of investing in individuals with disabilities who are engaged in self-employment enterprises;

''(3) for the conduct of marketing activities with respect to potential clients who engage in or might engage in self-employment enterprises;

"(4) for the provision of training for clients to be assisted through the project who seek to engage or are engaging in self-employment enterprises;

"(5) to cover the costs of business expenses specifically related to an individual's disability;

"(6) to provide assistance for clients in developing business plans for capital investment;

"(7) to provide assistance for clients in securing capital to engage in a self-employment enterprise;

"(8) to provide technical assistance to clients engaged in self-employment enterprises who seek such assistance in order to sustain or expand their enterprises; and

"(9) for other uses as determined appropriate by the Commissioner.

"(e) PROJECT REQUIREMENTS.—Self-employment projects funded under this section shall—

"(1) establish criteria for and apply such criteria in selecting clients to be assisted through the project;

"(2) on an annual basis, enter into agreements with the Commissioner that contain goals concerning the number of individuals with disabilities that the project will assist in starting and sustaining self-employment enterprises;

"(3) establish and apply criteria to determine whether an enterprise is a viable option in which to invest project funds;

"(4) establish and apply criteria to determine when and if the project would provide assistance in sustaining an ongoing enterprise engaged in by a client or potential client;

"(5) establish and apply criteria to determine when and if the project would provide assistance in expanding an ongoing enterprise engaged in by a client or potential client;

"(6) establish and apply procedures to ensure that a potential client has a clear understanding of the scope and limits of assistance from the project that will be applicable in such client's case;

"(7) develop procedures, which include a written agreement, that ~~provides~~ *provide* for the documentation of the respective responsibilities of the self-employment project and any client with regard to the creation, maintenance, or expansion of the client's self-employment enterprise; and

"(8) with respect to the project, submit a report to the Commissioner—

"(A) for each project year, concerning the number of clients assisted by the project who

are engaging in self-employment enterprises and whether the goal described in the agreement entered into under paragraph (2) was met; and

"(B) *concerning* the number of clients assisted by the project who are still engaged in such an enterprise on the date that is—

"(i) 6 months after the date on which assistance provided by the project was terminated; and

"(ii) 12 months after the date ~~of~~ *on* which assistance provided by the project was terminated.

"(f) DURATION OF AWARDS.—A grant, contract, or cooperative agreement under subsection (a) shall be for a 3-year period.

"(g) DEFINITION.—For the purpose of this section, the term 'client' means 1 or more individuals with disabilities who engage in or seek to engage in a self-employment enterprise.

"SEC. 614. DISCRETIONARY AUTHORITY FOR DUAL-PURPOSE APPLICATIONS.

"(a) IN GENERAL.—The Commissioner may establish procedures to permit applicants for grants, contracts, or cooperative agreements under this part to submit applica-

tions that serve dual purposes, so long as such applications meet the requirements of sections 612 and ~~section~~ 613.

"(b) AMOUNT OF ASSISTANCE.—In a case described in subsection (a), the minimum amount of a grant, contract, or cooperative agreement awarded under a dual-purpose application may, at the discretion of the Commissioner, exceed the limitations described in section 612(f)(2).

"SEC. 615. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this part, $10,000,000 for fiscal year 1998, and such sums as may be necessary for each of the fiscal years 1999 through 2004.

"PART B—PROJECTS WITH INDUSTRY

"PROJECTS WITH INDUSTRY

"SEC. 621. (a)(1) The purpose of this part is to create and expand job and career opportunities for individuals with disabilities in the competitive labor market by engaging the talent and leadership of private industry as partners in the rehabilitation process, to identify competitive job and career opportunities and the skills needed to perform such jobs, to create practical job and career readiness and training programs, and to provide job placements and career advancement.

"(2) The Commissioner, in consultation with the Secretary of Labor and with designated State units, may award grants to individual employers, community rehabilitation program providers, labor unions, trade associations, Indian tribes, tribal organizations, designated State units, and other entities to establish jointly financed Projects With Industry to create and expand job and career opportunities for individuals with disabilities, which projects shall—

"(A) provide for the establishment of business advisory councils, ~~which~~ *that* shall—

"(i) be comprised of—

"(I) representatives of private industry, business concerns, and organized labor;

"(II) individuals with disabilities and representatives of individuals with disabilities; and

"(III) a representative of the appropriate designated State unit;

"(ii) identify job and career availability within the community, consistent with the current and projected local employment opportunities identified by the local workforce investment partnership for the community under section

308(e)(6) of the Workforce Investment Partnership Act of 1998;

''(iii) identify the skills necessary to perform the jobs and careers identified; and

''(iv) prescribe training programs designed to develop appropriate job and career skills, or job placement programs designed to identify and develop job placement and career advancement opportunities, for individuals with disabilities in fields related to the job and career availability identified under clause (ii);;

''(B) provide job development, job placement, and career advancement services;

''(C) to the extent appropriate, provide for—

''(i) training in realistic work settings in order to prepare individuals with disabilities for employment and career advancement in the competitive market; and

''(ii) the modification of any facilities or equipment of the employer involved that are used primarily by individuals with disabilities, except that a project shall not be required to provide for such modification if the modification is required as a reasonable accommodation

under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and

"(D) provide individuals with disabilities with such support services as may be required in order to maintain the employment and career advancement for which the individuals have received training under this part.

"(3)(A) An individual shall be eligible for services described in paragraph (2) if the individual is determined to be an individual described in section 102(a)(1), and if the determination is made in a manner consistent with section 102(a).

"(B) Such a determination may be made by the recipient of a grant under this part, to the extent the determination is appropriate and available and consistent with the requirements of section 102(a).

"(4) The Commissioner shall enter into an agreement with the grant recipient regarding the establishment of the project. Any agreement shall be jointly developed by the Commissioner, the grant recipient, and, to the extent practicable, the appropriate designated State unit and the individuals with disabilities (or the individuals' representatives) involved. Such agreements shall specify the terms of training and employment under the project, provide for the payment by the Commissioner of part of the costs of

the project (in accordance with subsection (c)), and contain the items required under subsection (b) and such other provisions as the parties to the agreement consider to be appropriate.

"(5) Any agreement shall include a description of a plan to annually conduct a review and evaluation of the operation of the project in accordance with standards developed by the Commissioner under subsection (d), and, in conducting the review and evaluation, to collect data and information of the type described in subparagraphs (A) through (C) of section 101(a)(10), as determined to be appropriate by the Commissioner.

"(6) The Commissioner may include, as part of agreements with grant recipients, authority for such grant recipients to provide technical assistance to—

"(A) assist employers in hiring individuals with disabilities; or

"(B) improve or develop relationships between—

"(i) grant recipients or prospective grant recipients; and

"(ii) employers or organized labor; or

"(C) assist employers in understanding and meeting the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

as the Act relates to employment of individuals with disabilities.

"(b) No payment shall be made by the Commissioner under any agreement with a grant recipient entered into under subsection (a) unless such agreement—

"(1) provides an assurance that individuals with disabilities placed under such agreement shall receive at least the applicable minimum wage;

"(2) provides an assurance that any individual with a disability placed under this part shall be afforded terms and benefits of employment equal to terms and benefits that are afforded to the similarly situated nondisabled co-workers of the individual, and that such individuals with disabilities shall not be segregated from their co-workers; and

"(3) provides an assurance that an annual evaluation report containing information specified under subsection (a)(5) shall be submitted as determined to be appropriate by the Commissioner.

"(c) Payments under this section with respect to any project may not exceed 80 per centum of the costs of the project.

"(d)(1) The Commissioner shall develop standards for the evaluation described in subsection (a)(5) and shall

review and revise the evaluation standards as necessary, subject to paragraphs (2) and (3).

"(2) In revising the standards for evaluation to be used by the grant recipients, the Commissioner shall obtain and consider recommendations for such standards from State vocational rehabilitation agencies, current and former grant recipients, professional organizations representing business and industry, organizations representing individuals with disabilities, individuals served by grant recipients, organizations representing community rehabilitation program providers, and labor organizations.

"(3) No standards may be established under this subsection unless the standards are approved by the National Council on Disability. The Council shall be afforded adequate time to review and approve the standards.

"(e)(1)(A) A grant may be awarded under this section for a period of up to 5 years and such grant may be renewed.

"(B) Grants under this section shall be awarded on a competitive basis. To be eligible to receive such a grant, a prospective grant recipient shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

"(2) The Commissioner shall, to the extent practicable, ensure an equitable distribution of payments made under this section among the States. To the extent funds are available, the Commissioner shall award grants under this section to new projects that will serve individuals with disabilities in States, portions of States, Indian tribes, or tribal organizations, that are currently unserved or underserved by projects.

"(f)(1) The Commissioner shall, as necessary, develop and publish in the Federal Register, in final form, indicators of what constitutes minimum compliance consistent with the evaluation standards under subsection (d)(1).

"(2) Each grant recipient shall report to the Commissioner at the end of each project year the extent to which the grant recipient is in compliance with the evaluation standards.

"(3)(A) The Commissioner shall annually conduct onsite compliance reviews of at least 15 percent of grant recipients. The Commissioner shall select grant recipients for review on a random basis.

"(B) The Commissioner shall use the indicators in determining compliance with the evaluation standards.

"(C) The Commissioner shall ensure that at least one member of a team conducting such a review shall be an individual who—

"(i) is not an employee of the Federal Government; and

"(ii) has experience or expertise in conducting projects.

"(D) The Commissioner shall ensure that—

"(i) a representative of the appropriate designated State unit shall participate in the review; and

"(ii) no person shall participate in the review of a grant recipient if—

"(I) the grant recipient provides any direct financial benefit to the reviewer; or

"(II) participation in the review would give the appearance of a conflict of interest.

"(4) In making a determination concerning any subsequent grant under this section, the Commissioner shall consider the past performance of the applicant, if applicable. The Commissioner shall use compliance indicators developed under this subsection that are consistent with program evaluation standards developed under subsection (d) to assess minimum project performance for purposes of making continuation awards in the third, fourth, and fifth years.

"(5) Each fiscal year the Commissioner shall include in the annual report to Congress required by section 13

an analysis of the extent to which grant recipients have complied with the evaluation standards. The Commissioner may identify individual grant recipients in the analysis. In addition, the Commissioner shall report the results of ~~on-site~~ *onsite* compliance reviews, identifying individual grant recipients.

"(g) The Commissioner may provide, directly or by way of grant, contract, or cooperative agreement, technical assistance to—

"(1) entities conducting projects for the purpose of assisting such entities in—

"(A) the improvement of or the development of relationships with private industry or labor; or

"(B) the improvement of relationships with State vocational rehabilitation agencies; and

"(2) entities planning the development of new projects.

"(h) As used in this section:

"(1) The term 'agreement' means an agreement described in subsection (a)(4).

"(2) The term 'project' means a Project With Industry established under subsection (a)(2).

"(3) The term 'grant recipient' means a recipient of a grant under subsection (a)(2).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 622. There are authorized to be appropriated to carry out the provisions of this part, such sums as may be necessary for each of fiscal years 1998 through 2004.

"PART C—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES

"SEC. 631. PURPOSE.

"It is the purpose of this part to authorize allotments, in addition to grants for vocational rehabilitation services under title I, to assist States in developing collaborative programs with appropriate entities to provide supported employment services for individuals with the most significant disabilities to enable such individuals to achieve the employment outcome of supported employment.

"SEC. 632. ALLOTMENTS.

"(a) IN GENERAL.—

"(1) STATES.—The Secretary shall allot the sums appropriated for each fiscal year to carry out this part among the States on the basis of relative population of each State, except that—

"(A) no State shall receive less than $250,000, or one-third of one percent of the sums appropriated for the fiscal year for which the allotment is made, whichever is greater; and

"(B) if the sums appropriated to carry out this part for the fiscal year exceed by $1,000,000 or more the sums appropriated to carry out this part in fiscal year 1992, no State shall receive less than $300,000, or one-third of one percent of the sums appropriated for the fiscal year for which the allotment is made, whichever is greater.

"(2) CERTAIN TERRITORIES.—

"(A) IN GENERAL.—For the purposes of this subsection, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands shall not be considered to be States.

"(B) ALLOTMENT.—Each jurisdiction described in subparagraph (A) shall be allotted not less than one-eighth of one percent of the amounts appropriated for the fiscal year for which the allotment is made.

"(b) REALLOTMENT.—Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State for carrying out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States that the

Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the State (as determined under the preceding provisions of this section) for such year.

"SEC. 633. AVAILABILITY OF SERVICES.

''Funds provided under this part may be used to provide supported employment services to individuals who are eligible under this part. Funds provided under this part, or title I, may not be used to provide extended services to individuals who are eligible under this part or title I.

"SEC. 634. ELIGIBILITY.

''An individual shall be eligible under this part to receive supported employment services authorized under this Act if—

''(1) the individual is eligible for vocational rehabilitation services;

''(2) the individual is determined to be an individual with a most significant disability; and

''(3) a comprehensive assessment of rehabilitation needs of the individual described in section 7(2)(B), including an evaluation of rehabilitation, career, and job needs, identifies supported employ-

ment as the appropriate employment outcome for the individual.

"SEC. 635. STATE PLAN.

"(a) STATE PLAN SUPPLEMENTS.—To be eligible for an allotment under this part, a State shall submit to the Commissioner, as part of the State plan under section 101, a State plan supplement for providing supported employment services authorized under this Act to individuals who are eligible under this Act to receive the services. Each State shall make such annual revisions in the plan supplement as may be necessary.

"(b) CONTENTS.—Each such plan supplement shall—

"(1) designate each designated State agency as the agency to administer the program assisted under this part;

"(2) summarize the results of the comprehensive, statewide assessment conducted under section 101(a)(15)(A)(i), with respect to the rehabilitation needs of individuals with significant disabilities and the need for supported employment services, including needs related to coordination;

"(3) describe the quality, scope, and extent of supported employment services authorized under this Act to be provided to individuals who are eligible

under this Act to receive the services and specify the goals and plans of the State with respect to the distribution of funds received under section 632;

''(4) demonstrate evidence of the efforts of the designated State agency to identify and make arrangements (including entering into cooperative agreements) with other State agencies and other appropriate entities to assist in the provision of supported employment services;

''(5) demonstrate evidence of the efforts of the designated State agency to identify and make arrangements (including entering into cooperative agreements) with other public or nonprofit agencies or organizations within the State, employers, natural supports, and other entities with respect to the provision of extended services;

''(6) provide assurances that—

''(A) funds made available under this part will only be used to provide supported employment services authorized under this Act to individuals who are eligible under this part to receive the services;

''(B) the comprehensive assessments of individuals with significant disabilities conducted under section 102(b)(1) and funded under title

I will include consideration of supported employment as an appropriate employment outcome;

"(C) an individualized rehabilitation employment plan, as required by section 102, will be developed and updated using funds under title I in order to—

"(i) specify the supported employment services to be provided;

"(ii) specify the expected extended services needed; and

"(iii) identify the source of extended services, which may include natural supports, or to the extent that it is not possible to identify the source of extended services at the time the individualized rehabilitation employment plan is developed, a statement describing the basis for concluding that there is a reasonable expectation that such sources will become available;

"(D) the State will use funds provided under this part only to supplement, and not supplant, the funds provided under title I, in providing supported employment services speci-

fied in the individualized rehabilitation employment plan;

"(E) services provided under an individualized rehabilitation employment plan will be coordinated with services provided under other individualized plans established under other Federal or State programs;

"(F) to the extent jobs skills training is provided, the training will be provided ~~on-site~~ *onsite*; and

"(G) supported employment services will include placement in an integrated setting for the maximum number of hours possible based on the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice of individuals with the most significant disabilities;

"(7) provide assurances that the State agencies designated under paragraph (1) will expend not more than 5 percent of the allotment of the State under this part for administrative costs of carrying out this part; and

"(8) contain such other information and be submitted in such manner as the Commissioner may require.

"SEC. 636. RESTRICTION.

''Each State agency designated under section 635(b)(1) shall collect the information required by section 101(a)(10) separately for eligible individuals receiving supported employment services under this part and for eligible individuals receiving supported employment services under title I.

"SEC. 637. SAVINGS PROVISION.

''(a) SUPPORTED EMPLOYMENT SERVICES.—Nothing in this Act shall be construed to prohibit a State from providing supported employment services in accordance with the State plan submitted under section 101 by using funds made available through a State allotment under section 110.

''(b) POSTEMPLOYMENT SERVICES.—Nothing in this part shall be construed to prohibit a State from providing discrete postemployment services in accordance with the State plan submitted under section 101 by using funds made available through a State allotment under section 110 to an individual who is eligible under this part.

"SEC. 638. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part such sums as may be necessary for each of fiscal years 1998 through 2004.''.

SEC. 10. INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING.

Title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796 et seq.) is amended to read as follows:

"TITLE VII—INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING

"CHAPTER 1—INDIVIDUALS WITH SIGNIFICANT DISABILITIES

"PART A—GENERAL PROVISIONS

"SEC. 701. PURPOSE.

''The purpose of this chapter is to promote a philosophy of independent living, including a philosophy of consumer control, peer support, self-help, self-determination, equal access, and individual and system advocacy, in order to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities, and the integration and full inclusion of individuals with disabilities into the mainstream of American society, by—

''(1) providing financial assistance to States for providing, expanding, and improving the provision of independent living services;

''(2) providing financial assistance to develop and support statewide networks of centers for independent living; and

"(3) providing financial assistance to States for improving working relationships among State independent living rehabilitation service programs, centers for independent living, Statewide Independent Living Councils established under section 705, State vocational rehabilitation programs receiving assistance under title I, State programs of supported employment services receiving assistance under part C of title VI, client assistance programs receiving assistance under section 112, programs funded under other titles of this Act, programs funded under other Federal law, and programs funded through non-Federal sources.

"SEC. 702. DEFINITIONS.

"As used in this chapter:

"(1) CENTER FOR INDEPENDENT LIVING.—The term 'center for independent living' means a consumer-controlled, community-based, cross-disability, nonresidential private nonprofit agency that—

"(A) is designed and operated within a local community by individuals with disabilities; and

"(B) provides an array of independent living services.

"(2) CONSUMER CONTROL.—The term 'consumer control' means, with respect to a center for independent living, that the center vests power and authority in individuals with disabilities.

"SEC. 703. ELIGIBILITY FOR RECEIPT OF SERVICES.

"Services may be provided under this chapter to any individual with a significant disability, as defined in section 7(21)(B).

"SEC. 704. STATE PLAN.

"(a) IN GENERAL.—

"(1) REQUIREMENT.—To be eligible to receive financial assistance under this chapter, a State shall submit to the Commissioner, and obtain approval of, a State plan containing such provisions as the Commissioner may require, including, at a minimum, the provisions required in this section.

"(2) JOINT DEVELOPMENT.—The plan under paragraph (1) shall be jointly developed and signed by—

"(A) the director of the designated State unit; and

"(B) the chairperson of the Statewide Independent Living Council, acting on behalf of and at the direction of the Council.

"(3) PERIODIC REVIEW AND REVISION.—The plan shall provide for the review and revision of the plan, not less than once every 3 years, to ensure the existence of appropriate planning, financial support and coordination, and other assistance to appropriately address, on a statewide and comprehensive basis, needs in the State for—

"(A) the provision of State independent living services;

"(B) the development and support of a statewide network of centers for independent living; and

"(C) working relationships between—

"(i) programs providing independent living services and independent living centers; and

"(ii) the vocational rehabilitation program established under title I, and other programs providing services for individuals with disabilities.

"(4) DATE OF SUBMISSION.—The State shall submit the plan to the Commissioner 90 days before the completion date of the preceding plan. If a State fails to submit such a plan that complies with the requirements of this section, the Commissioner may

withhold financial assistance under this chapter until such time as the State submits such a plan.

"(b) STATEWIDE INDEPENDENT LIVING COUNCIL.—The plan shall provide for the establishment of a Statewide Independent Living Council in accordance with section 705.

"(c) DESIGNATION OF STATE UNIT.—The plan shall designate the designated State unit of such State as the agency that, on behalf of the State, shall—

"(1) receive, account for, and disburse funds received by the State under this chapter based on the plan;

"(2) provide administrative support services for a program under part B, and a program under part C in a case in which the program is administered by the State under section 723;

"(3) keep such records and afford such access to such records as the Commissioner finds to be necessary with respect to the programs; and

"(4) submit such additional information or provide such assurances as the Commissioner may require with respect to the programs.

"(d) OBJECTIVES.—The plan shall—

"(1) specify the objectives to be achieved under the plan and establish timelines for the achievement of the objectives; and

"(2) explain how such objectives are consistent with and further the purpose of this chapter.

"(e) INDEPENDENT LIVING SERVICES.—The plan shall provide that the State will provide independent living services under this chapter to individuals with significant disabilities, and will provide the services to such an individual in accordance with an independent living plan mutually agreed upon by an appropriate staff member of the service provider and the individual, unless the individual signs a waiver stating that such a plan is unnecessary.

"(f) SCOPE AND ARRANGEMENTS.—The plan shall describe the extent and scope of independent living services to be provided under this chapter to meet such objectives. If the State makes arrangements, by grant or contract, for providing such services, such arrangements shall be described in the plan.

"(g) NETWORK.—The plan shall set forth a design for the establishment of a statewide network of centers for independent living that comply with the standards and assurances set forth in section 725.

"(h) CENTERS.—In States in which State funding for centers for independent living equals or exceeds the

amount of funds allotted to the State under part C, as provided in section 723, the plan shall include policies, practices, and procedures governing the awarding of grants to centers for independent living and oversight of such centers consistent with section 723.

"(i) COOPERATION, COORDINATION, AND WORKING RELATIONSHIPS AMONG VARIOUS ENTITIES.—The plan shall set forth the steps that will be taken to maximize the cooperation, coordination, and working relationships among—

"(1) the independent living rehabilitation service program, the Statewide Independent Living Council, and centers for independent living; and

"(2) the designated State unit, other State agencies represented on such Council, other councils that address the needs of specific disability populations and issues, and other public and private entities determined to be appropriate by the Council.

"(j) COORDINATION OF SERVICES.—The plan shall describe how services funded under this chapter will be coordinated with, and complement, other services, in order to avoid unnecessary duplication with other Federal, State, and local programs.

"(k) COORDINATION BETWEEN FEDERAL AND STATE SOURCES.—The plan shall describe efforts to co-

ordinate Federal and State funding for centers for independent living and independent living services.

"(l) OUTREACH.—With respect to services and centers funded under this chapter, the plan shall set forth steps to be taken regarding outreach to populations that are unserved or underserved by programs under this title, including minority groups and urban and rural populations.

"(m) REQUIREMENTS.—The plan shall provide satisfactory assurances that all recipients of financial assistance under this chapter will—

"(1) notify all individuals seeking or receiving services under this chapter about the availability of the client assistance program under section 112, the purposes of the services provided under such program, and how to contact such program;

"(2) take affirmative action to employ and advance in employment qualified individuals with disabilities on the same terms and conditions required with respect to the employment of such individuals under the provisions of section 503;

"(3) adopt such fiscal control and fund accounting procedures as may be necessary to ensure the proper disbursement of and accounting for funds paid to the State under this chapter;

"(4)(A) maintain records that fully disclose—

"(i) the amount and disposition by such recipient of the proceeds of such financial assistance;

"(ii) the total cost of the project or undertaking in connection with which such financial assistance is given or used; and

"(iii) the amount of that portion of the cost of the project or undertaking supplied by other sources;

"(B) maintain such other records as the Commissioner determines to be appropriate to facilitate an effective audit;

"(C) afford such access to records maintained under subparagraphs (A) and (B) as the Commissioner determines to be appropriate; and

"(D) submit such reports with respect to such records as the Commissioner determines to be appropriate;

"(5) provide access to the Commissioner and the Comptroller General or any of their duly authorized representatives, for the purpose of conducting audits and examinations, of any books, documents, papers, and records of the recipients that are perti-

nent to the financial assistance received under this chapter; and

"(6) provide for public hearings regarding the contents of the plan during both the formulation and review of the plan.

"(n) EVALUATION.—The plan shall establish a method for the periodic evaluation of the effectiveness of the plan in meeting the objectives established in subsection (d), including evaluation of satisfaction by individuals with disabilities.

"SEC. 705. STATEWIDE INDEPENDENT LIVING COUNCIL.

"(a) ESTABLISHMENT.—To be eligible to receive financial assistance under this chapter, each State shall establish a Statewide Independent Living Council (referred to in this section as the 'Council'). The Council shall not be established as an entity within a State agency.

"(b) COMPOSITION AND APPOINTMENT.—

"(1) APPOINTMENT.—Members of the Council shall be appointed by the Governor or the appropriate entity within the State responsible for making appointments. The appointing authority shall select members after soliciting recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in individuals with disabilities.

"(2) COMPOSITION.—The Council shall include—

"(A) at least one director of a center for independent living chosen by the directors of centers for independent living within the State;

"(B) as ex officio, nonvoting members—

"(i) a representative from the designated State unit; and

"(ii) representatives from other State agencies that provide services for individuals with disabilities; and

"(C) in a State in which 1 or more projects are carried out under section 121, at least 1 representative of the directors of the projects.

"(3) ADDITIONAL MEMBERS.—The Council may include—

"(A) other representatives from centers for independent living;

"(B) parents and guardians of individuals with disabilities;

"(C) advocates of and for individuals with disabilities;

"(D) representatives from private businesses;

"(E) representatives from organizations that provide services for individuals with disabilities; and

"(F) other appropriate individuals.

"(4) QUALIFICATIONS.—

"(A) IN GENERAL.—The Council shall be composed of members—

"(i) who provide statewide representation;

"(ii) who represent a broad range of individuals with disabilities from diverse backgrounds;

"(iii) who are knowledgeable about centers for independent living and independent living services; and

"(iv) a majority of whom are persons who are—

"(I) individuals with disabilities described in section 7(20)(B); and

"(II) not employed by any State agency or center for independent living.

"(B) VOTING MEMBERS.—A majority of the voting members of the Council shall be—

"(i) individuals with disabilities described in section 7(20)(B); and

"(ii) not employed by any State agency or center for independent living.

"(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.

"(6) TERMS OF APPOINTMENT.—

"(A) LENGTH OF TERM.—Each member of the Council shall serve for a term of 3 years, except that—

"(i) a member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed, shall be appointed for the remainder of such term; and

"(ii) the terms of service of the members initially appointed shall be (as specified by the appointing authority) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

"(B) NUMBER OF TERMS.—No member of the Council may serve more than two consecutive full terms.

"(7) VACANCIES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

"(B) DELEGATION.—The Governor (including an entity described in paragraph (1)) may delegate the authority to fill such a vacancy to the remaining voting members of the Council after making the original appointment.

"(c) DUTIES.—The Council shall—

"(1) jointly develop and sign (in conjunction with the designated State unit) the State plan required in section 704;

"(2) monitor, review, and evaluate the implementation of the State plan;

"(3) coordinate activities with the State Rehabilitation Council established under section 105, if the State has such a Council, or the commission described in section 101(a)(21)(A), if the State has such a commission, and councils that address the

needs of specific disability populations and issues under other Federal law;

"(4) ensure that all regularly scheduled meetings of the Statewide Independent Living Council are open to the public and sufficient advance notice is provided; and

"(5) submit to the Commissioner such periodic reports as the Commissioner may reasonably request, and keep such records, and afford such access to such records, as the Commissioner finds necessary to verify such reports.

"(d) HEARINGS AND FORUMS.—The Council is authorized to hold such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council.

"(e) PLAN.—

"(1) IN GENERAL.—The Council shall prepare, in conjunction with the designated State unit, a plan for the provision of such resources, including such staff and personnel, as may be necessary and sufficient to carry out the functions of the Council under this section, with funds made available under this chapter, and under section 110 (consistent with section 101(a)(18)), and from other public and private sources. The resource plan shall, to the maximum

extent possible, rely on the use of resources in existence during the period of implementation of the plan.

"(2) SUPERVISION AND EVALUATION.—Each Council shall, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out the functions of the Council under this section.

"(3) CONFLICT OF INTEREST.—While assisting the Council in carrying out its duties, staff and other personnel shall not be assigned duties by the designated State agency or any other agency or office of the State, that would create a conflict of interest.

"(f) COMPENSATION AND EXPENSES.—The Council may use such resources to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing Council duties.

"SEC. 706. RESPONSIBILITIES OF THE COMMISSIONER.

"(a) APPROVAL OF STATE PLANS.—

"(1) IN GENERAL.—The Commissioner shall approve any State plan submitted under section 704 that the Commissioner determines meets the requirements of section 704, and shall disapprove any such plan that does not meet such requirements, as soon as practicable after receiving the plan. Prior to such disapproval, the Commissioner shall notify the State of the intention to disapprove the plan, and shall afford such State reasonable notice and opportunity for a hearing.

"(2) PROCEDURES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the provisions of subsections (c) and (d) of section 107 shall apply to any State plan submitted to the Commissioner under section 704.

"(B) APPLICATION.—For purposes of the application described in subparagraph (A), all references in such provisions—

"(i) to the Secretary shall be deemed to be references to the Commissioner; and

"(ii) to section 101 shall be deemed to be references to section 704.

"(b) INDICATORS.—Not later than October 1, 1993, the Commissioner shall develop and publish in the Federal

Register indicators of minimum compliance consistent with the standards set forth in section 725.

"(c) ~~ON-SITE~~ *ONSITE* COMPLIANCE REVIEWS.—

"(1) REVIEWS.—The Commissioner shall annually conduct ~~on-site~~ *onsite* compliance reviews of at least 15 percent of the centers for independent living that receive funds under section 722 and shall periodically conduct such a review of each such center. ~~The Commissioner shall select such centers for review on a random basis.~~ The Commissioner shall annually conduct onsite compliance reviews of at least one-third of the designated State units that receive funding under section 723, and, to the extent necessary to determine the compliance of such a State unit with subsections (f) and (g) of section 723, centers that receive funding under section 723 in such State. *The Commissioner shall select the centers and State units described in this paragraph for review on a random basis.*

"(2) QUALIFICATIONS OF EMPLOYEES CONDUCTING REVIEWS.—The Commissioner shall—

"(A) to the maximum extent practicable, carry out such a review by using employees of the Department who are knowledgeable about the provision of independent living services;

"(B) ensure that the employee of the Department with responsibility for supervising such a review shall have such knowledge; and

"(C) ensure that at least one member of a team conducting such a review shall be an individual who—

"(i) is not a government employee; and

"(ii) has experience in the operation of centers for independent living.

"(d) REPORTS.—The Commissioner shall include, in the annual report required under section 13, information on the extent to which centers for independent living receiving funds under part C have complied with the standards and assurances set forth in section 725. The Commissioner may identify individual centers for independent living in the analysis. The Commissioner shall report the results of ~~on-site~~ *onsite* compliance reviews, identifying individual centers for independent living and other recipients of assistance under this chapter.

"PART B—INDEPENDENT LIVING SERVICES

"SEC. 711. ALLOTMENTS.

"(a) IN GENERAL.—

"(1) STATES.—

"(A) POPULATION BASIS.—Except as provided in subparagraphs (B) and (C), from sums appropriated for each fiscal year to carry out this part, the Commissioner shall make an allotment to each State whose State plan has been approved under section 706 of an amount bearing the same ratio to such sums as the population of the State bears to the population of all States.

"(B) MAINTENANCE OF 1992 AMOUNTS.—Subject to the availability of appropriations to carry out this part, the amount of any allotment made under subparagraph (A) to a State for a fiscal year shall not be less than the amount of an allotment made to the State for fiscal year 1992 under part A of this title, as in effect on the day before the date of enactment of the Rehabilitation Act Amendments of 1992.

"(C) MINIMUMS.—Subject to the availability of appropriations to carry out this part, and except as provided in subparagraph (B), the allotment to any State under subparagraph (A) shall be not less than $275,000 or one-third of one percent of the sums made available for the

fiscal year for which the allotment is made, whichever is greater, and the allotment of any State under this section for any fiscal year that is less than $275,000 or one-third of one percent of such sums shall be increased to the greater of the two amounts.

"(2) CERTAIN TERRITORIES.—

"(A) IN GENERAL.—For the purposes of paragraph (1)(C), Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands shall not be considered to be States.

"(B) ALLOTMENT.—Each jurisdiction described in subparagraph (A) shall be allotted under paragraph (1)(A) not less than one-eighth of one percent of the amounts made available for purposes of this part for the fiscal year for which the allotment is made.

"(3) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 1999, in which the total amount appropriated to carry out this part exceeds the total amount appropriated to carry out this part for the preceding fiscal year, the Commissioner shall increase the minimum allotment under paragraph (1)(C) by a percentage that shall not ex-

ceed the percentage increase in the total amount appropriated to carry out this part between the preceding fiscal year and the fiscal year involved.

"(b) PROPORTIONAL REDUCTION.—To provide allotments to States in accordance with subsection (a)(1)(B), to provide minimum allotments to States (as increased under subsection (a)(3)) under subsection (a)(1)(C), or to provide minimum allotments to States under subsection (a)(2)(B), the Commissioner shall proportionately reduce the allotments of the remaining States under subsection (a)(1)(A), with such adjustments as may be necessary to prevent the allotment of any such remaining State from being reduced to less than the amount required by subsection (a)(1)(B).

"(c) REALLOTMENT.—Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State in carrying out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States that the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the

allotment of the State (as determined under the preceding provisions of this section) for such year.

"SEC. 712. PAYMENTS TO STATES FROM ALLOTMENTS.

"(a) PAYMENTS.—From the allotment of each State for a fiscal year under section 711, the State shall be paid the Federal share of the expenditures incurred during such year under its State plan approved under section 706. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Commissioner may determine.

"(b) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share with respect to any State for any fiscal year shall be 90 percent of the expenditures incurred by the State during such year under its State plan approved under section 706.

"(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of any project that receives assistance through an allotment under this part may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

"SEC. 713. AUTHORIZED USES OF FUNDS.

"The State may use funds received under this part to provide the resources described in section 705(e), relating to the Statewide Independent Living Council, and may use funds received under this part—

"(1) to provide independent living services to individuals with significant disabilities;

"(2) to demonstrate ways to expand and improve independent living services;

"(3) to support the operation of centers for independent living that are in compliance with the standards and assurances set forth in subsections (b) and (c) of section 725;

"(4) to support activities to increase the capacities of public or nonprofit agencies and organizations and other entities to develop comprehensive approaches or systems for providing independent living services;

"(5) to conduct studies and analyses, gather information, develop model policies and procedures, and present information, approaches, strategies, findings, conclusions, and recommendations to Federal, State, and local policymakers in order to enhance independent living services for individuals with disabilities;

"(6) to train individuals with disabilities and individuals providing services to individuals with disabilities and other persons regarding the independent living philosophy; and

"(7) to provide outreach to populations that are unserved or underserved by programs under this title, including minority groups and urban and rural populations.

"SEC. 714. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part such sums as may be necessary for each of the fiscal years 1998 through 2004.

"PART C—CENTERS FOR INDEPENDENT LIVING

"SEC. 721. PROGRAM AUTHORIZATION.

"(a) IN GENERAL.—From the funds appropriated for fiscal year 1998 and for each subsequent fiscal year to carry out this part, the Commissioner shall allot such sums as may be necessary to States and other entities in accordance with subsections (b) through (d).

"(b) TRAINING.—

"(1) GRANTS; CONTRACTS; OTHER ARRANGEMENTS.—For any fiscal year in which the funds appropriated to carry out this part exceed the funds appropriated to carry out this part for fiscal year 1993, the Commissioner shall first reserve from such

excess, to provide training and technical assistance to eligible agencies, centers for independent living, and Statewide Independent Living Councils for such fiscal year, not less than 1.8 percent, and not more than 2 percent, of the funds appropriated to carry out this part for the fiscal year involved.

"(2) ALLOCATION.—From the funds reserved under paragraph (1), the Commissioner shall make grants to, and enter into contracts and other arrangements with, entities ~~who~~ *that* have experience in the operation of centers for independent living to provide such training and technical assistance with respect to planning, developing, conducting, administering, and evaluating centers for independent living.

"(3) FUNDING PRIORITIES.—The Commissioner shall conduct a survey of Statewide Independent Living Councils and centers for independent living regarding training and technical assistance needs in order to determine funding priorities for such grants, contracts, and other arrangements.

"(4) REVIEW.—To be eligible to receive a grant or enter into a contract or other arrangement under this subsection, such an entity shall submit an application to the Commissioner at such time, in such

manner, and containing a proposal to provide such training and technical assistance, and containing such additional information as the Commissioner may require. The Commissioner shall provide for peer review of grant applications by panels that include persons who are not government employees and who have experience in the operation of centers for independent living.

"(5) PROHIBITION ON COMBINED FUNDS.—No funds reserved by the Commissioner under this subsection may be combined with funds appropriated under any other Act or part of this Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such funds appropriated under this chapter are separately identified in such grant or payment and are used for the purposes of this chapter.

"(c) IN GENERAL.—

"(1) STATES.—

"(A) POPULATION BASIS.—After the reservation required by subsection (b) has been made, and except as provided in subparagraphs (B) and (C), from the remainder of the amounts appropriated for each such fiscal year to carry out this part, the Commissioner shall

make an allotment to each State whose State plan has been approved under section 706 of an amount bearing the same ratio to such remainder as the population of the State bears to the population of all States.

"(B) MAINTENANCE OF 1992 AMOUNTS.—Subject to the availability of appropriations to carry out this part, the amount of any allotment made under subparagraph (A) to a State for a fiscal year shall not be less than the amount of financial assistance received by centers for independent living in the State for fiscal year 1992 under part B of this title, as in effect on the day before the date of enactment of the Rehabilitation Act Amendments of 1992.

"(C) MINIMUMS.—Subject to the availability of appropriations to carry out this part and except as provided in subparagraph (B), for a fiscal year in which the amounts appropriated to carry out this part exceed the amounts appropriated for fiscal year 1992 to carry out part B of this title, as in effect on the day before the date of enactment of the Rehabilitation Act Amendments of 1992—

"(i) if such excess is not less than $8,000,000, the allotment to any State under subparagraph (A) shall be not less than $450,000 or one-third of one percent of the sums made available for the fiscal year for which the allotment is made, whichever is greater, and the allotment of any State under this section for any fiscal year that is less than $450,000 or one-third of one percent of such sums shall be increased to the greater of the two amounts;

"(ii) if such excess is not less than $4,000,000 and is less than $8,000,000, the allotment to any State under subparagraph (A) shall be not less than $400,000 or one-third of one percent of the sums made available for the fiscal year for which the allotment is made, whichever is greater, and the allotment of any State under this section for any fiscal year that is less than $400,000 or one-third of one percent of such sums shall be increased to the greater of the two amounts; and

"(iii) if such excess is less than $4,000,000, the allotment to any State under subparagraph (A) shall approach, as nearly as possible, the greater of the two amounts described in clause (ii).

"(2) CERTAIN TERRITORIES.—

"(A) IN GENERAL.—For the purposes of paragraph (1)(C), Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands shall not be considered to be States.

"(B) ALLOTMENT.—Each jurisdiction described in subparagraph (A) shall be allotted under paragraph (1)(A) not less than one-eighth of one percent of the remainder for the fiscal year for which the allotment is made.

"(3) ADJUSTMENT FOR INFLATION.—For any fiscal year, beginning in fiscal year 1999, in which the total amount appropriated to carry out this part exceeds the total amount appropriated to carry out this part for the preceding fiscal year, the Commissioner shall increase the minimum allotment under paragraph (1)(C) by a percentage that shall not exceed the percentage increase in the total amount ap-

propriated to carry out this part between the preceding fiscal year and the fiscal year involved.

"(4) PROPORTIONAL REDUCTION.—To provide allotments to States in accordance with paragraph (1)(B), to provide minimum allotments to States (as increased under paragraph (3)) under paragraph (1)(C), or to provide minimum allotments to States under paragraph (2)(B), the Commissioner shall proportionately reduce the allotments of the remaining States under paragraph (1)(A), with such adjustments as may be necessary to prevent the allotment of any such remaining State from being reduced to less than the amount required by paragraph (1)(B).

"(d) REALLOTMENT.—Whenever the Commissioner determines that any amount of an allotment to a State for any fiscal year will not be expended by such State for carrying out the provisions of this part, the Commissioner shall make such amount available for carrying out the provisions of this part to one or more of the States that the Commissioner determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the

allotment of the State (as determined under the preceding provisions of this section) for such year.

"SEC. 722. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH FEDERAL FUNDING EXCEEDS STATE FUNDING.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Unless the director of a designated State unit awards grants under section 723 to eligible agencies in a State for a fiscal year, the Commissioner shall award grants under this section to such eligible agencies for such fiscal year from the amount of funds allotted to the State under subsection (c) or (d) of section 721 for such year.

"(2) GRANTS.—The Commissioner shall award such grants, from the amount of funds so allotted, to such eligible agencies for the planning, conduct, administration, and evaluation of centers for independent living that comply with the standards and assurances set forth in section 725.

"(b) ELIGIBLE AGENCIES.—In any State in which the Commissioner has approved the State plan required by section 704, the Commissioner may make a grant under this section to any eligible agency that—

"(1) has the power and authority to carry out the purpose of this part and perform the functions set forth in section 725 within a community and to receive and administer funds under this part, funds and contributions from private or public sources that may be used in support of a center for independent living, and funds from other public and private programs;

"(2) is determined by the Commissioner to be able to plan, conduct, administer, and evaluate a center for independent living consistent with the standards and assurances set forth in section 725; and

"(3) submits an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

"(c) EXISTING ELIGIBLE AGENCIES.—In the administration of the provisions of this section, the Commissioner shall award grants to any eligible agency that has been awarded a grant under this part by September 30, 1997, unless the Commissioner makes a finding that the agency involved fails to meet program and fiscal standards and assurances set forth in section 725.

"(d) NEW CENTERS FOR INDEPENDENT LIVING.—

"(1) IN GENERAL.—If there is no center for independent living serving a region of the State or a region is underserved, and the increase in the allotment of the State is sufficient to support an additional center for independent living in the State, the Commissioner may award a grant under this section to the most qualified applicant proposing to serve such region, consistent with the provisions in the State plan setting forth the design of the State for establishing a statewide network of centers for independent living.

"(2) SELECTION.—In selecting from among applicants for a grant under this section for a new center for independent living, the Commissioner—

"(A) shall consider comments regarding the application, if any, by the Statewide Independent Living Council in the State in which the applicant is located;

"(B) shall consider the ability of each such applicant to operate a center for independent living based on—

"(i) evidence of the need for such a center;

"(ii) any past performance of such applicant in providing services comparable to independent living services;

"(iii) the plan for satisfying or demonstrated success in satisfying the standards and the assurances set forth in section 725;

"(iv) the quality of key personnel and the involvement of individuals with significant disabilities;

"(v) budgets and cost-effectiveness;

"(vi) an evaluation plan; and

"(vii) the ability of such applicant to carry out the plans; and

"(C) shall give priority to applications from applicants proposing to serve geographic areas within each State that are currently unserved or underserved by independent living programs, consistent with the provisions of the State plan submitted under section 704 regarding establishment of a statewide network of centers for independent living.

"(3) CURRENT CENTERS.—Notwithstanding paragraphs (1) and (2), a center for independent living that receives assistance under part B for a fiscal

year shall be eligible for a grant for the subsequent fiscal year under this subsection.

"(e) ORDER OF PRIORITIES.—The Commissioner shall be guided by the following order of priorities in allocating funds among centers for independent living within a State, to the extent funds are available:

"(1) The Commissioner shall support existing centers for independent living, as described in subsection (c), that comply with the standards and assurances set forth in section 725, at the level of funding for the previous year.

"(2) The Commissioner shall provide for a cost-of-living increase for such existing centers for independent living.

"(3) The Commissioner shall fund new centers for independent living, as described in subsection (d), that comply with the standards and assurances set forth in section 725.

"(f) NONRESIDENTIAL AGENCIES.—A center that provides or manages residential housing after October 1, 1994, shall not be considered to be an eligible agency under this section.

"(g) REVIEW.—

"(1) IN GENERAL.—The Commissioner shall periodically review each center receiving funds under

this section to determine whether such center is in compliance with the standards and assurances set forth in section 725. If the Commissioner determines that any center receiving funds under this section is not in compliance with the standards and assurances set forth in section 725, the Commissioner shall immediately notify such center that it is out of compliance.

"(2) ENFORCEMENT.—The Commissioner shall terminate all funds under this section to such center 90 days after the date of such notification unless the center submits a plan to achieve compliance within 90 days of such notification and such plan is approved by the Commissioner.

"SEC. 723. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH STATE FUNDING EQUALS OR EXCEEDS FEDERAL FUNDING.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) INITIAL YEAR.—

"(i) DETERMINATION.—The director of a designated State unit, as provided in paragraph (2), or the Commissioner, as provided in paragraph (3), shall award grants under this section for an initial fis-

cal year if the Commissioner determines that the amount of State funds that were earmarked by a State for a preceding fiscal year to support the general operation of centers for independent living meeting the requirements of this part equaled or exceeded the amount of funds allotted to the State under subsection (c) or (d) of section 721 for such year.

''(ii) GRANTS.—The director or the Commissioner, as appropriate, shall award such grants, from the amount of funds so allotted for the initial fiscal year, to eligible agencies in the State for the planning, conduct, administration, and evaluation of centers for independent living that comply with the standards and assurances set forth in section 725.

''(iii) REGULATION.—The Commissioner shall by regulation specify the preceding fiscal year with respect to which the Commissioner will make the determinations described in clause (i) and subparagraph (B), making such adjustments as may be necessary to accommodate State

funding cycles such as 2-year funding cycles or State fiscal years that do not coincide with the Federal fiscal year.

"(B) SUBSEQUENT YEARS.—For each year subsequent to the initial fiscal year described in subparagraph (A), the director of the designated State unit shall continue to have the authority to award such grants under this section if the Commissioner determines that the State continues to earmark the amount of State funds described in subparagraph (A)(i). If the State does not continue to earmark such an amount for a fiscal year, the State shall be ineligible to make grants under this section after a final year following such fiscal year, as defined in accordance with regulations established by the Commissioner, and for each subsequent fiscal year.

"(2) GRANTS BY DESIGNATED STATE UNITS.—In order for the designated State unit to be eligible to award the grants described in paragraph (1) and carry out this section for a fiscal year with respect to a State, the designated State agency shall submit an application to the Commissioner at such time, and in such manner as the Commissioner may re-

quire, including information about the amount of State funds described in paragraph (1) for the preceding fiscal year. If the Commissioner makes a determination described in subparagraph (A)(i) or (B), as appropriate, of paragraph (1), the Commissioner shall approve the application and designate the director of the designated State unit to award the grant and carry out this section.

"(3) GRANTS BY COMMISSIONER.—If the designated State agency of a State described in paragraph (1) does not submit and obtain approval of an application under paragraph (2), the Commissioner shall award the grant described in paragraph (1) to eligible agencies in the State in accordance with section 722.

"(b) ELIGIBLE AGENCIES.—In any State in which the Commissioner has approved the State plan required by section 704, the director of the designated State unit may award a grant under this section to any eligible agency that—

"(1) has the power and authority to carry out the purpose of this part and perform the functions set forth in section 725 within a community and to receive and administer funds under this part, funds and contributions from private or public sources that

may be used in support of a center for independent living, and funds from other public and private programs;

"(2) is determined by the director to be able to plan, conduct, administer, and evaluate a center for independent living, consistent with the standards and assurances set forth in section 725; and

"(3) submits an application to the director at such time, in such manner, and containing such information as the head of the designated State unit may require.

"(c) EXISTING ELIGIBLE AGENCIES.—In the administration of the provisions of this section, the director of the designated State unit shall award grants under this section to any eligible agency that has been awarded a grant under this part by September 30, 1997, unless the director makes a finding that the agency involved fails to comply with the standards and assurances set forth in section 725.

"(d) NEW CENTERS FOR INDEPENDENT LIVING.—

"(1) IN GENERAL.—If there is no center for independent living serving a region of the State or the region is unserved or underserved, and the increase in the allotment of the State is sufficient to support an additional center for independent living

in the State, the director of the designated State unit may award a grant under this section from among eligible agencies, consistent with the provisions of the State plan under section 704 setting forth the design of the State for establishing a statewide network of centers for independent living.

"(2) SELECTION.—In selecting from among eligible agencies in awarding a grant under this part for a new center for independent living—

"(A) the director of the designated State unit and the chairperson of, or other individual designated by, the Statewide Independent Living Council acting on behalf of and at the direction of the Council, shall jointly appoint a peer review committee that shall rank applications in accordance with the standards and assurances set forth in section 725 and criteria jointly established by such director and such chairperson or individual;

"(B) the peer review committee shall consider the ability of each such applicant to operate a center for independent living, and shall recommend an applicant to receive a grant under this section, based on—

"(i) evidence of the need for a center for independent living, consistent with the State plan;

"(ii) any past performance of such applicant in providing services comparable to independent living services;

"(iii) the plan for complying with, or demonstrated success in complying with, the standards and the assurances set forth in section 725;

"(iv) the quality of key personnel of the applicant and the involvement of individuals with significant disabilities by the applicant;

"(v) the budgets and cost-effectiveness of the applicant;

"(vi) the evaluation plan of the applicant; and

"(vii) the ability of such applicant to carry out the plans; and

"(C) the director of the designated State unit shall award the grant on the basis of the recommendations of the peer review committee if the actions of the committee are consistent with Federal and State law.

"(3) CURRENT CENTERS.—Notwithstanding paragraphs (1) and (2), a center for independent living that receives assistance under part B for a fiscal year shall be eligible for a grant for the subsequent fiscal year under this subsection.

"(e) ORDER OF PRIORITIES.—Unless the director of the designated State unit and the chairperson of the Council or other individual designated by the Council acting on behalf of and at the direction of the Council jointly agree on another order of priority, the director shall be guided by the following order of priorities in allocating funds among centers for independent living within a State, to the extent funds are available:

"(1) The director of the designated State unit shall support existing centers for independent living, as described in subsection (c), that comply with the standards and assurances set forth in section 725, at the level of funding for the previous year.

"(2) The director of the designated State unit shall provide for a cost-of-living increase for such existing centers for independent living.

"(3) The director of the designated State unit shall fund new centers for independent living, as described in subsection (d), that comply with the standards and assurances set forth in section 725.

"(f) NONRESIDENTIAL AGENCIES.—A center that provides or manages residential housing after October 1, 1994, shall not be considered to be an eligible agency under this section.

"(g) REVIEW.—

"(1) IN GENERAL.—The director of the designated State unit shall periodically review each center receiving funds under this section to determine whether such center is in compliance with the standards and assurances set forth in section 725. If the director of the designated State unit determines that any center receiving funds under this section is not in compliance with the standards and assurances set forth in section 725, the director of the designated State unit shall immediately notify such center that it is out of compliance.

"(2) ENFORCEMENT.—The director of the designated State unit shall terminate all funds under this section to such center 90 days after—

"(A) the date of such notification; or

"(B) in the case of a center that requests an appeal under subsection (i), the date of any final decision under subsection (i),

unless the center submits a plan to achieve compliance within 90 days and such plan is approved by the director, or if appealed, by the Commissioner.

"(h) ~~ON-SITE~~ *ONSITE* COMPLIANCE REVIEW.—The director of the designated State unit shall annually conduct onsite compliance reviews of at least 15 percent of the centers for independent living that receive funding under this section in the State. Each team that conducts ~~on-site~~ *onsite* compliance review of centers for independent living shall include at least one person who is not an employee of the designated State agency, who has experience in the operation of centers for independent living, and who is jointly selected by the director of the designated State unit and the chairperson of or other individual designated by the Council acting on behalf of and at the direction of the Council. A copy of this review shall be provided to the Commissioner.

"(i) ADVERSE ACTIONS.—If the director of the designated State unit proposes to take a significant adverse action against a center for independent living, the center may seek mediation and conciliation to be provided by an individual or individuals who are free of conflicts of interest identified by the chairperson of or other individual designated by the Council. If the issue is not resolved through the mediation and conciliation, the center may appeal the

proposed adverse action to the Commissioner for a final decision.

"SEC. 724. CENTERS OPERATED BY STATE AGENCIES.

"A State that receives assistance for fiscal year 1993 with respect to a center in accordance with subsection (a) of this section (as in effect on the day before the date of enactment of the Rehabilitation Act Amendments of 1998) may continue to receive assistance under this part for fiscal year 1994 or a succeeding fiscal year if, for such fiscal year—

"(1) no nonprofit private agency—

"(A) submits an acceptable application to operate a center for independent living for the fiscal year before a date specified by the Commissioner; and

"(B) obtains approval of the application under section 722 or 723; or

"(2) after funding all applications so submitted and approved, the Commissioner determines that funds remain available to provide such assistance.

"SEC. 725. STANDARDS AND ASSURANCES FOR CENTERS FOR INDEPENDENT LIVING.

"(a) IN GENERAL.—Each center for independent living that receives assistance under this part shall comply with the standards set out in subsection (b) and provide

and comply with the assurances set out in subsection (c) in order to ensure that all programs and activities under this part are planned, conducted, administered, and evaluated in a manner consistent with the purposes of this chapter and the objective of providing assistance effectively and efficiently.

"(b) STANDARDS.—

"(1) PHILOSOPHY.—The center shall promote and practice the independent living philosophy of—

"(A) consumer control of the center regarding decisionmaking, service delivery, management, and establishment of the policy and direction of the center;

"(B) self-help and self-advocacy;

"(C) development of peer relationships and peer role models; and

"(D) equal access of individuals with significant disabilities to society and to all services, programs, activities, resources, and facilities, whether public or private and regardless of the funding source.

"(2) PROVISION OF SERVICES.—The center shall provide services to individuals with a range of significant disabilities. The center shall provide services on a cross-disability basis (for individuals with

all different types of significant disabilities, including individuals with significant disabilities who are members of populations that are unserved or underserved by programs under this title). Eligibility for services at any center for independent living shall be determined by the center, and shall not be based on the presence of any one or more specific significant disabilities.

"(3) INDEPENDENT LIVING GOALS.—The center shall facilitate the development and achievement of independent living goals selected by individuals with significant disabilities who seek such assistance by the center.

"(4) COMMUNITY OPTIONS.—The center shall work to increase the availability and improve the quality of community options for independent living in order to facilitate the development and achievement of independent living goals by individuals with significant disabilities.

"(5) INDEPENDENT LIVING CORE SERVICES.—The center shall provide independent living core services and, as appropriate, a combination of any other independent living services.

"(6) ACTIVITIES TO INCREASE COMMUNITY CAPACITY.—The center shall conduct activities to in-

crease the capacity of communities within the service area of the center to meet the needs of individuals with significant disabilities.

"(7) RESOURCE DEVELOPMENT ACTIVITIES.—The center shall conduct resource development activities to obtain funding from sources other than this chapter.

"(c) ASSURANCES.—The eligible agency shall provide at such time and in such manner as the Commissioner may require, such satisfactory assurances as the Commissioner may require, including satisfactory assurances that—

"(1) the applicant is an eligible agency;

"(2) the center will be designed and operated within local communities by individuals with disabilities, including an assurance that the center will have a Board that is the principal governing body of the center and a majority of which shall be composed of individuals with significant disabilities;

"(3) the applicant will comply with the standards set forth in subsection (b);

"(4) the applicant will establish clear priorities through annual and 3-year program and financial planning objectives for the center, including overall goals or a mission for the center, a work plan for

achieving the goals or mission, specific objectives, service priorities, and types of services to be provided, and a description that shall demonstrate how the proposed activities of the applicant are consistent with the most recent 3-year State plan under section 704;

''(5) the applicant will use sound organizational and personnel assignment practices, including taking affirmative action to employ and advance in employment qualified individuals with significant disabilities on the same terms and conditions required with respect to the employment of individuals with disabilities under section 503;

''(6) the applicant will ensure that the majority of the staff, and individuals in decisionmaking positions, of the applicant are individuals with disabilities;

''(7) the applicant will practice sound fiscal management, including making arrangements for an annual independent fiscal audit, notwithstanding section 7502(a)(2)(A) of title 31, United States Code;

''(8) the applicant will conduct annual self-evaluations, prepare an annual report, and maintain records adequate to measure performance with re-

spect to the standards, containing information regarding, at a minimum—

"(A) the extent to which the center is in compliance with the standards;

"(B) the number and types of individuals with significant disabilities receiving services through the center;

"(C) the types of services provided through the center and the number of individuals with significant disabilities receiving each type of service;

"(D) the sources and amounts of funding for the operation of the center;

"(E) the number of individuals with significant disabilities who are employed by, and the number who are in management and decisionmaking positions in, the center; and

"(F) a comparison, when appropriate, of the activities of the center in prior years with the activities of the center in the most recent year;

"(9) individuals with significant disabilities who are seeking or receiving services at the center will be notified by the center of the existence of, the avail-

ability of, and how to contact, the client assistance program;

''(10) aggressive outreach regarding services provided through the center will be conducted in an effort to reach populations of individuals with significant disabilities that are unserved or underserved by programs under this title, especially minority groups and urban and rural populations;

''(11) staff at centers for independent living will receive training on how to serve such unserved and underserved populations, including minority groups and urban and rural populations;

''(12) the center will submit to the Statewide Independent Living Council a copy of its approved grant application and the annual report required under paragraph (8);

''(13) the center will prepare and submit a report to the designated State unit or the Commissioner, as the case may be, at the end of each fiscal year that contains the information described in paragraph (8) and information regarding the extent to which the center is in compliance with the standards set forth in subsection (b); and

''(14) an independent living plan described in section 704(e) will be developed unless the individual

who would receive services under the plan signs a waiver stating that such a plan is unnecessary.

"SEC. 726. DEFINITIONS.

''As used in this part, the term 'eligible agency' means a consumer-controlled, community-based, cross-disability, nonresidential private nonprofit agency.

"SEC. 727. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part such sums as may be necessary for each of the fiscal years 1998 through 2004.

"CHAPTER 2—INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND

"SEC. 751. DEFINITION.

''For purposes of this chapter, the term 'older individual who is blind' means an individual age 55 or older whose significant visual impairment makes competitive employment extremely difficult to attain but for whom independent living goals are feasible.

"SEC. 752. PROGRAM OF GRANTS.

''(a) IN GENERAL.—

''(1) AUTHORITY FOR GRANTS.—Subject to subsections (b) and (c), the Commissioner may make grants to States for the purpose of providing the

services described in subsection (d) to older individuals who are blind.

"(2) DESIGNATED STATE AGENCY.—The Commissioner may not make a grant under subsection (a) unless the State involved agrees that the grant will be administered solely by the agency described in section 101(a)(2)(A)(i).

"(b) CONTINGENT COMPETITIVE GRANTS.—Beginning with fiscal year 1993, in the case of any fiscal year for which the amount appropriated under section 753 is less than $13,000,000, grants made under subsection (a) shall be—

"(1) discretionary grants made on a competitive basis to States; or

"(2) grants made on a noncompetitive basis to pay for the continuation costs of activities for which a grant was awarded—

"(A) under this chapter; or

"(B) under part C, as in effect on the day before the date of enactment of the Rehabilitation Act Amendments of 1992.

"(c) CONTINGENT FORMULA GRANTS.—

"(1) IN GENERAL.—In the case of any fiscal year for which the amount appropriated under section 753 is equal to or greater than $13,000,000,

grants under subsection (a) shall be made only to States and shall be made only from allotments under paragraph (2).

"(2) ALLOTMENTS.—For grants under subsection (a) for a fiscal year described in paragraph (1), the Commissioner shall make an allotment to each State in an amount determined in accordance with subsection (j), and shall make a grant to the State of the allotment made for the State if the State submits to the Commissioner an application in accordance with subsection (i).

"(d) SERVICES GENERALLY.—The Commissioner may not make a grant under subsection (a) unless the State involved agrees that the grant will be expended only for purposes of—

"(1) providing independent living services to older individuals who are blind;

"(2) conducting activities that will improve or expand services for such individuals; and

"(3) conducting activities to help improve public understanding of the problems of such individuals.

"(e) INDEPENDENT LIVING SERVICES.—Independent living services for purposes of subsection (d)(1) include—

"(1) services to help correct blindness, such as—

"(A) outreach services;

"(B) visual screening;

"(C) surgical or therapeutic treatment to prevent, correct, or modify disabling eye conditions; and

"(D) hospitalization related to such services;

"(2) the provision of eyeglasses and other visual aids;

"(3) the provision of services and equipment to assist an older individual who is blind to become more mobile and more self-sufficient;

"(4) mobility training, ~~Braille~~ *braille* instruction, and other services and equipment to help an older individual who is blind adjust to blindness;

"(5) guide services, reader services, and transportation;

"(6) any other appropriate service designed to assist an older individual who is blind in coping with daily living activities, including supportive services and rehabilitation teaching services;

"(7) independent living skills training, information and referral services, peer counseling, and individual advocacy training; and

"(8) other independent living services.

"(f) MATCHING FUNDS.—

"(1) IN GENERAL.—The Commissioner may not make a grant under subsection (a) unless the State involved agrees, with respect to the costs of the program to be carried out by the State pursuant to such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount that is not less than $1 for each $9 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(g) CERTAIN EXPENDITURES OF GRANTS.—A State may expend a grant under subsection (a) to carry out the purposes specified in subsection (d) through grants to public and nonprofit private agencies or organizations.

"(h) REQUIREMENT REGARDING STATE PLAN.—The Commissioner may not make a grant under subsection (a)

unless the State involved agrees that, in carrying out subsection (d)(1), the State will seek to incorporate into the State plan under section 704 any new methods and approaches relating to independent living services for older individuals who are blind.

"(i) APPLICATION FOR GRANT.—

"(1) IN GENERAL.—The Commissioner may not make a grant under subsection (a) unless an application for the grant is submitted to the Commissioner and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Commissioner determines to be necessary to carry out this section (including agreements, assurances, and information with respect to any grants under subsection (j)(4)).

"(2) CONTENTS.—An application for a grant under this section shall contain—

"(A) an assurance that the agency described in subsection (a)(2) will prepare and submit to the Commissioner a report, at the end of each fiscal year, with respect to each project or program the agency operates or administers under this section, whether directly or through a grant or contract, which report shall contain, at a minimum, information on—

"(i) the number and types of older individuals who are blind and are receiving services;

"(ii) the types of services provided and the number of older individuals who are blind and are receiving each type of service;

"(iii) the sources and amounts of funding for the operation of each project or program;

"(iv) the amounts and percentages of resources committed to each type of service provided;

"(v) data on actions taken to employ, and advance in employment, qualified individuals with significant disabilities, including older individuals who are blind; and

"(vi) a comparison, if appropriate, of prior year activities with the activities of the most recent year;

"(B) an assurance that the agency will—

"(i) provide services that contribute to the maintenance of, or the increased independence of, older individuals who are blind; and

"(ii) engage in—

"(I) capacity-building activities, including collaboration with other agencies and organizations;

"(II) activities to promote community awareness, involvement, and assistance; and

"(III) outreach efforts; and

"(C) an assurance that the application is consistent with the State plan for providing independent living services required by section 704.

"(j) AMOUNT OF FORMULA GRANT.—

"(1) IN GENERAL.—Subject to the availability of appropriations, the amount of an allotment under subsection (a) for a State for a fiscal year shall be the greater of—

"(A) the amount determined under paragraph (2); or

"(B) the amount determined under paragraph (3).

"(2) MINIMUM ALLOTMENT.—

"(A) STATES.—In the case of the several States, the District of Columbia, and the Commonwealth of Puerto Rico, the amount referred

to in subparagraph (A) of paragraph (1) for a fiscal year is the greater of—

"(i) $225,000; or

"(ii) an amount equal to one-third of one percent of the amount appropriated under section 753 for the fiscal year and available for allotments under subsection (a).

"(B) CERTAIN TERRITORIES.—In the case of Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, the amount referred to in subparagraph (A) of paragraph (1) for a fiscal year is $40,000.

"(3) FORMULA.—The amount referred to in subparagraph (B) of paragraph (1) for a State for a fiscal year is the product of—

"(A) the amount appropriated under section 753 and available for allotments under subsection (a); and

"(B) a percentage equal to the quotient of—

"(i) an amount equal to the number of individuals residing in the State who are not less than 55 years of age; divided by

"(ii) an amount equal to the number of individuals residing in the United States who are not less than 55 years of age.

"(4) DISPOSITION OF CERTAIN AMOUNTS.—

"(A) GRANTS.—From the amounts specified in subparagraph (B), the Commissioner may make grants to States whose population of older individuals who are blind has a substantial need for the services specified in subsection (d) relative to the populations in other States of older individuals who are blind.

"(B) AMOUNTS.—The amounts referred to in subparagraph (A) are any amounts that are not paid to States under subsection (a) as a result of—

"(i) the failure of any State to submit an application under subsection (i);

"(ii) the failure of any State to prepare within a reasonable period of time such application in compliance with such subsection; or

"(iii) any State informing the Commissioner that the State does not intend to expend the full amount of the allotment made for the State under subsection (a).

"(C) CONDITIONS.—The Commissioner may not make a grant under subparagraph (A) unless the State involved agrees that the grant is subject to the same conditions as grants made under subsection (a).

"SEC. 753. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter such sums as may be necessary for each of the fiscal years 1998 through 2004.".

SEC. 11. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking "1993 through 1997" and inserting "1998 through ~~2000~~ *2004*".

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of such Act (29 U.S.C. 1907(h)) is amended by striking "1993 through 1997" and inserting "1998 through ~~2000~~ *2004*".

(c) REGISTRY.—Such Act (29 U.S.C. 1901 et seq.) is amended by adding at the end the following:

"SEC. 209. NATIONAL REGISTRY AND AUTHORIZATION OF APPROPRIATIONS.

"(a) *REGISTRY.*—The Center shall establish and maintain a national registry of individuals who are deaf-blind, using funds made available under subsection (b).

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (a) such sums as may be necessary for each of fiscal years 1998 through ~~2000~~ *2004*.".

~~**SEC. 12. PRESIDENT'S COMMITTEE ON NATIONAL EMPLOY THE PHYSICALLY HANDICAPPED WEEK.**~~

~~Section 2(2) of the Joint Resolution entitled "Joint Resolution authorizing an appropriation for the work of the President's Committee on National Employ the Physically Handicapped Week", approved July 11, 1949 (36 U.S.C. 155b(2)) is amended by inserting "solicit," before "accept,".~~

SEC. 12. PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES.

Section 2(2) of the joint resolution approved July 11, 1949 (63 Stat. 409, chapter 302; 36 U.S.C. 155b(2)) is amended by inserting "solicit," before "accept,".

~~**SEC. 13. PEER REVIEW.**~~

~~Part B of title IV of the Department of Education Organization Act (20 U.S.C. 3471 et seq.) is amended by inserting before section 427 the following:~~

~~**"SEC. 426A. PEER REVIEW.**~~

~~"The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to peer review panels established by the Secretary to evaluate applications for financial assistance awarded on a competitive basis.".~~

SEC. ~~14.~~ *13.* CONFORMING AMENDMENTS.

(a) PREPARATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Secretary of Education shall prepare recommended legislation containing technical and conforming amendments to reflect the changes made by this Act.

(b) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary of Education shall submit to Congress the recommended legislation referred to under subsection (a).