

***In the Senate of the United States,***

*October 11 (legislative day, October 10), 1995.*

*Resolved,* That the bill from the House of Representatives (H.R. 1617) entitled “An Act to consolidate and reform workforce development and literacy programs, and for other purposes”, do pass with the following

**AMENDMENTS:**

Strike out all after the enacting clause and insert:

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

2 (a) *SHORT TITLE.*—*This Act may be cited as the*  
3 *“Workforce Development Act of 1995”.*

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

*Sec. 1. Short title; table of contents.*

*Sec. 2. Findings and purposes.*

*Sec. 3. Definitions.*

*TITLE I—WORKFORCE DEVELOPMENT AND WORKFORCE  
PREPARATION ACTIVITIES*

*Subtitle A—Statewide Workforce Development Systems*

*CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES*

*Sec. 101. Statewide workforce development systems established.*

*Sec. 102. State allotments.*

*Sec. 103. State apportionment by activity.*

- Sec. 104. State plans.*
- Sec. 105. State workforce development boards.*
- Sec. 106. Use of funds.*
- Sec. 107. Indian workforce development activities.*
- Sec. 108. Migrant or seasonal farmworker program.*
- Sec. 109. Grants to outlying areas.*

*CHAPTER 2—LOCAL PROVISIONS*

- Sec. 111. Local apportionment by activity.*
- Sec. 112. Distribution for secondary school vocational education.*
- Sec. 113. Distribution for postsecondary and adult vocational education.*
- Sec. 114. Distribution for adult education.*
- Sec. 115. Special rule for minimal allocation.*
- Sec. 116. Redistribution.*
- Sec. 117. Local application for workforce education activities.*
- Sec. 118. Local partnerships, agreements, and workforce development boards.*
- Sec. 119. Construction.*

*CHAPTER 3—ADMINISTRATION*

- Sec. 121. Accountability.*
- Sec. 122. Incentives and sanctions.*
- Sec. 123. Unemployment trust fund.*
- Sec. 124. Authorization of appropriations.*
- Sec. 125. Effective date.*

*Subtitle B—Job Corps and Other Workforce Preparation Activities for At-Risk Youth*

*CHAPTER 1—GENERAL PROVISIONS*

- Sec. 131. Definitions.*

*CHAPTER 2—JOB CORPS*

- Sec. 141. Purposes.*
- Sec. 142. Establishment.*
- Sec. 143. Individuals eligible for the Job Corps.*
- Sec. 144. Screening and selection of applicants.*
- Sec. 145. Enrollment and assignment.*
- Sec. 146. Job Corps Centers.*
- Sec. 147. Program activities.*
- Sec. 148. Support.*
- Sec. 149. Operating plan.*
- Sec. 150. Standards of conduct.*
- Sec. 151. Community participation.*
- Sec. 152. Counseling and placement.*
- Sec. 153. Advisory committees.*
- Sec. 154. Application of provisions of Federal law.*
- Sec. 155. Special provisions.*
- Sec. 156. Review of Job Corps centers.*
- Sec. 157. Administration.*
- Sec. 158. Effective date.*

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK  
YOUTH

Sec. 161. *Workforce preparation activities for at-risk youth.*

*Subtitle C—Transition Provisions*

Sec. 171. *Waivers.*

Sec. 172. *Flexibility demonstration program.*

Sec. 173. *Interim State plans.*

Sec. 174. *Applications and plans under covered Acts.*

Sec. 175. *Interim administration of school-to-work programs.*

Sec. 176. *Interim authorizations of appropriations.*

*Subtitle D—National Activities*

Sec. 181. *Federal Partnership.*

Sec. 182. *National Workforce Development Board and personnel.*

Sec. 183. *Labor market and occupational information.*

Sec. 184. *National discretionary grants.*

Sec. 185. *National Center for Research in Education and Workforce Development.*

Sec. 186. *National assessment of vocational education programs.*

Sec. 187. *Transfers to Federal Partnership.*

Sec. 188. *Transfers to other Federal agencies and offices.*

Sec. 189. *Elimination of certain offices.*

*Subtitle E—Repeals of Employment and Training and Vocational and Adult  
Education Programs*

Sec. 191. *Repeals.*

Sec. 192. *Conforming amendments.*

TITLE II—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

*Subtitle A—Amendments to the Rehabilitation Act of 1973*

Sec. 201. *References.*

Sec. 202. *Findings and purposes.*

Sec. 203. *Consolidated rehabilitation plan.*

Sec. 204. *Definitions.*

Sec. 205. *Administration.*

Sec. 206. *Reports.*

Sec. 207. *Evaluation.*

Sec. 208. *Declaration of policy.*

Sec. 209. *State plans.*

Sec. 210. *Individualized employment plans.*

Sec. 211. *Scope of vocational rehabilitation services.*

Sec. 212. *State Rehabilitation Advisory Council.*

Sec. 213. *Evaluation standards and performance indicators.*

Sec. 214. *Repeals.*

Sec. 215. *Effective date.*

*Subtitle B—Amendments to the Wagner-Peyser Act*

Sec. 221. *General program requirements.*

Sec. 222. *Definitions.*

Sec. 223. *Functions.*

Sec. 224. *Designation of State agencies.*

*Sec. 225. Appropriations.*  
*Sec. 226. Disposition of allotted funds.*  
*Sec. 227. State plans.*  
*Sec. 228. Federal Advisory Council.*

*Subtitle C—Amendments to the Immigration and Nationality Act*

*Sec. 231. Prohibition on use of funds for certain employment activities.*

*Subtitle D—Amendments to the National Literacy Act of 1991*

*Sec. 241. National Institute for Literacy.*  
*Sec. 242. State literacy resource centers.*  
*Sec. 243. National Workforce Literacy Assistance Collaborative.*  
*Sec. 244. Family literacy public broadcasting program.*  
*Sec. 245. Mandatory literacy program.*

*TITLE III—MUSEUMS AND LIBRARIES*

*Sec. 301. Museum and library services.*  
*Sec. 302. National Commission on Libraries and Information Science.*  
*Sec. 303. Transfer of functions from Institute of Museum Services.*  
*Sec. 304. Service of individuals serving on date of enactment.*  
*Sec. 305. Consideration.*  
*Sec. 306. Repeals and technical and conforming amendments.*  
*Sec. 307. Arts and artifacts.*

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) *FINDINGS.*—Congress finds that—

3 (1) *increasing international competition, techno-*  
 4 *logical advances, and structural changes in the Unit-*  
 5 *ed States economy present new challenges to private*  
 6 *businesses and public policymakers in creating a*  
 7 *skilled workforce with the ability to adapt to change*  
 8 *and technological progress;*

9 (2) *despite more than 60 years of federally fund-*  
 10 *ed employment training programs, the Federal Gov-*  
 11 *ernment has no single, coherent policy guiding em-*  
 12 *ployment training efforts;*

13 (3) *according to the General Accounting Office,*  
 14 *there are over 100 federally funded employment train-*

1     *ing programs, which are administered by 15 different*  
2     *Federal agencies and cost more than \$20,000,000,000*  
3     *annually;*

4             *(4) many of the programs fail to collect enough*  
5     *performance data to determine the relative effective-*  
6     *ness of each of the programs or the effectiveness of the*  
7     *programs as a whole;*

8             *(5) because of the fragmentation, duplication,*  
9     *and lack of accountability that currently exist within*  
10    *and among Federal employment training programs it*  
11    *is often difficult for workers, jobseekers, and businesses*  
12    *to easily access the services they need;*

13            *(6) high quality, innovative vocational education*  
14    *programs provide youth with skills and knowledge on*  
15    *which to build successful careers and, in providing*  
16    *the skills and knowledge, vocational education serves*  
17    *as the foundation of a successful workforce develop-*  
18    *ment system;*

19            *(7) in recent years, several States and commu-*  
20    *nities have begun to develop promising new initia-*  
21    *tives such as—*

22                    *(A) school-to-work programs to better inte-*  
23                    *grate youth employment and education pro-*  
24                    *grams; and*

1           (B) one-stop systems to make workforce de-  
2           velopment activities more accessible to workers,  
3           jobseekers, and businesses; and

4           (8) Federal, State, and local governments have  
5           failed to adequately allow for private sector leadership  
6           in designing workforce development activities that are  
7           responsive to local labor market needs.

8           (b) *PURPOSES.*—The purposes of this Act are—

9           (1) to make the United States more competitive  
10          in the world economy by eliminating the fragmenta-  
11          tion in Federal employment training efforts and cre-  
12          ating coherent, integrated statewide workforce devel-  
13          opment systems designed to develop more fully the  
14          academic, occupational, and literacy skills of all seg-  
15          ments of the workforce;

16          (2) to ensure that all segments of the workforce  
17          will obtain the skills necessary to earn wages suffi-  
18          cient to maintain the highest quality of living in the  
19          world; and

20          (3) to promote the economic development of each  
21          State by developing a skilled workforce that is respon-  
22          sive to the labor market needs of the businesses of each  
23          State.

24       **SEC. 3. DEFINITIONS.**

25       As used in this Act:

1           (1) *ADULT EDUCATION.*—

2                   (A) *IN GENERAL.*—The term “adult edu-  
3 cation” means services or instruction below the  
4 college level for adults who—

5                           (i) lack sufficient education or literacy  
6 skills to enable the adults to function effec-  
7 tively in society; or

8                           (ii) do not have a certificate of gradua-  
9 tion from a school providing secondary edu-  
10 cation (as determined under State law) and  
11 who have not achieved an equivalent level of  
12 education.

13                   (B) *ADULT.*—As used in subparagraph (A),  
14 the term “adult” means an individual who is  
15 age 16 or older, or beyond the age of compulsory  
16 school attendance under State law, and who is  
17 not enrolled in secondary school.

18           (2) *APPROPRIATE SECRETARY.*—The term “ap-  
19 propriate Secretary” means, as determined under sec-  
20 tion 187(c)—

21                           (A) the Secretary of Labor;

22                           (B) the Secretary of Education; or

23                           (C) the Secretary of Labor and the Sec-  
24 retary of Education, acting jointly.

1           (3) *AREA VOCATIONAL EDUCATION SCHOOL.*—

2           The term “area vocational education school” means—

3                   (A) a specialized secondary school used ex-  
4                   clusively or principally for the provision of voca-  
5                   tional education to individuals who are available  
6                   for study in preparation for entering the labor  
7                   market;

8                   (B) the department of a secondary school  
9                   exclusively or principally used for providing vo-  
10                  cational education in not fewer than 5 different  
11                  occupational fields to individuals who are avail-  
12                  able for study in preparation for entering the  
13                  labor market;

14                  (C) a technical institute or vocational school  
15                  used exclusively or principally for the provision  
16                  of vocational education to individuals who have  
17                  completed or left secondary school and who are  
18                  available for study in preparation for entering  
19                  the labor market, if the institute or school admits  
20                  as regular students both individuals who have  
21                  completed secondary school and individuals who  
22                  have left secondary school; or

23                  (D) the department or division of a junior  
24                  college, community college, or university that  
25                  provides vocational education in not fewer than

1           5 different occupational fields leading to imme-  
2           diate employment but not necessarily leading to  
3           a baccalaureate degree, if the department or divi-  
4           sion admits as regular students both individuals  
5           who have completed secondary school and indi-  
6           viduals who have left secondary school.

7           (4) *AT-RISK YOUTH*.—The term “at-risk youth”  
8           means an individual who—

9                   (A) is not less than age 15 and not more  
10                  than age 24; and

11                  (B)(i) is determined under guidelines devel-  
12                  oped by the Federal Partnership to be low-in-  
13                  come, using the most recent available data pro-  
14                  vided by the Bureau of the Census, prior to the  
15                  determination; or

16                  (ii) is a dependent of a family that is deter-  
17                  mined under guidelines developed by the Federal  
18                  Partnership to be low-income, using such data.

19           (5) *CHIEF ELECTED OFFICIAL*.—The term “chief  
20           elected official” means the chief elected officer of a  
21           unit of general local government in a substate area.

22           (6) *COMMUNITY-BASED ORGANIZATION*.—The  
23           term “community-based organization” means a pri-  
24           vate nonprofit organization of demonstrated effective-  
25           ness that is representative of a community or a sig-

1        *nificant segment of a community and that provides*  
2        *workforce development activities.*

3            (7) *COVERED ACTIVITY.*—*The term “covered ac-*  
4        *tivity” means an activity authorized to be carried out*  
5        *under a provision described in section 191(b) (as such*  
6        *provision was in effect on the day before the date of*  
7        *enactment of this Act).*

8            (8) *DISLOCATED WORKER.*—*The term “dislocated*  
9        *worker” means an individual who—*

10            (A) *has been terminated from employment*  
11            *and is eligible for unemployment compensation;*

12            (B) *has received a notice of termination of*  
13            *employment as a result of any permanent clo-*  
14            *sure, or any layoff of 50 or more people, at a*  
15            *plant, facility, or enterprise, or as a result of a*  
16            *closure or realignment of a military installation;*

17            (C) *is long-term unemployed;*

18            (D) *was self-employed (including a farmer*  
19            *and a rancher) but is unemployed due to local*  
20            *economic conditions;*

21            (E) *is a displaced homemaker; or*

22            (F) *has become unemployed as a result of a*  
23            *Federal action that limits the use of, or restricts*  
24            *access to, a marine natural resource.*

1           (9) *DISPLACED HOMEMAKER*.—The term “dis-  
2           placed homemaker” means an individual who was a  
3           full-time homemaker for a substantial number of  
4           years, as determined under guidelines developed by  
5           the Federal Partnership, and who no longer receives  
6           financial support previously provided by a spouse or  
7           by public assistance.

8           (10) *ECONOMIC DEVELOPMENT ACTIVITIES*.—The  
9           term “economic development activities” means the ac-  
10          tivities described in section 106(e).

11          (11) *EDUCATIONAL SERVICE AGENCY*.—The term  
12          “educational service agency” means a regional public  
13          multiservice agency authorized by State statute to de-  
14          velop and manage a service or program, and provide  
15          the service or program to a local educational agency.

16          (12) *ELEMENTARY SCHOOL; LOCAL EDUCATIONAL*  
17          *AGENCY; SECONDARY SCHOOL*.—The terms “elemen-  
18          tary school”, “local educational agency” and “second-  
19          ary school” have the meanings given the terms in sec-  
20          tion 14101 of the Elementary and Secondary Edu-  
21          cation Act of 1965 (20 U.S.C. 8801).

22          (13) *FEDERAL PARTNERSHIP*.—The term “Fed-  
23          eral Partnership” means the Workforce Development  
24          Partnership established in section 181, acting under  
25          the direction of the National Board.

1           (14) *FLEXIBLE WORKFORCE ACTIVITIES.*—The  
2 term “flexible workforce activities” means the activi-  
3 ties described in section 106(d).

4           (15) *INDIVIDUAL WITH A DISABILITY.*—

5           (A) *IN GENERAL.*—The term “individual  
6 with a disability” means an individual with  
7 any disability (as defined in section 3 of the  
8 Americans with Disabilities Act of 1990 (42  
9 U.S.C. 12102)).

10          (B) *INDIVIDUALS WITH DISABILITIES.*—The  
11 term “individuals with disabilities” means more  
12 than 1 individual with a disability.

13          (16) *LOCAL ENTITY.*—The term “local entity”  
14 means a public or private entity responsible for local  
15 workforce development activities or workforce prepa-  
16 ration activities for at-risk youth.

17          (17) *LOCAL PARTNERSHIP.*—The term “local  
18 partnership” means a partnership referred to in sec-  
19 tion 118(a).

20          (18) *NATIONAL BOARD.*—The term “National  
21 Board” means the National Board of the Federal  
22 Partnership.

23          (19) *OUTLYING AREA.*—The term “outlying  
24 area” means the United States Virgin Islands, Guam,  
25 American Samoa, the Commonwealth of the Northern

1 *Mariana Islands, the Republic of the Marshall Is-*  
2 *lands, the Federated States of Micronesia, and the Re-*  
3 *public of Palau.*

4 (20) *PARTICIPANT.*—*The term “participant”*  
5 *means an individual participating in workforce de-*  
6 *velopment activities or workforce preparation activi-*  
7 *ties for at-risk youth, provided through a statewide*  
8 *system.*

9 (21) *POSTSECONDARY EDUCATIONAL INSTITU-*  
10 *TION.*—*The term “postsecondary educational institu-*  
11 *tion” means an institution of higher education, as de-*  
12 *finied in section 481(a) of the Higher Education Act*  
13 *of 1965 (20 U.S.C. 1088(a)), that offers—*

14 (A) *a 2-year program of instruction leading*  
15 *to an associate’s degree or a certificate of mas-*  
16 *tery; or*

17 (B) *a 4-year program of instruction leading*  
18 *to a bachelor’s degree.*

19 (22) *RAPID RESPONSE ASSISTANCE.*—*The term*  
20 *“rapid response assistance” means workforce employ-*  
21 *ment assistance provided in the case of a permanent*  
22 *closure, or layoff of 50 or more people, at a plant, fa-*  
23 *ility, or enterprise, including the establishment of*  
24 *on-site contact with employers and employee rep-*  
25 *resentatives immediately after the State is notified of*

1       *a current or projected permanent closure, or layoff of*  
2       *50 or more people.*

3               (23) *SCHOOL-TO-WORK ACTIVITIES.*—*The term*  
4       *“school-to-work activities” means activities for youth*  
5       *that—*

6                       (A) *integrate school-based learning and*  
7                       *work-based learning;*

8                       (B) *integrate academic and occupational*  
9                       *learning;*

10                      (C) *establish effective linkages between sec-*  
11                      *ondary education and postsecondary education;*

12                      (D) *provide each youth participant with the*  
13                      *opportunity to complete a career major;*

14                      (E) *provide assistance in the form of con-*  
15                      *necting activities that link each youth partici-*  
16                      *part with an employer in an industry or occu-*  
17                      *pation relating to the career major of the youth*  
18                      *participant; and*

19                      (F) *are designed and carried out by local*  
20                      *partnerships that include representatives of busi-*  
21                      *ness and industry, education providers, and the*  
22                      *community in which the activities are carried*  
23                      *out.*

1           (24) *STATE*.—The term “State” means each of  
2           the several States of the United States, the District of  
3           Columbia, and the Commonwealth of Puerto Rico.

4           (25) *STATE BENCHMARKS*.—The term “State  
5           benchmarks”, used with respect to a State, means—

6                   (A) the quantifiable indicators established  
7                   under section 121(c) and identified in the report  
8                   submitted under section 121(a); and

9                   (B) such other quantifiable indicators of the  
10                  statewide progress of the State toward meeting  
11                  the State goals as the State may identify in the  
12                  report submitted under section 121(a).

13          (26) *STATE EDUCATIONAL AGENCY*.—The term  
14          “State educational agency” means the State board of  
15          education or other agency or officer primarily respon-  
16          sible for the State supervision of public elementary or  
17          secondary schools, or, if there is no such officer or  
18          agency, an officer or agency designated by the Gov-  
19          ernor or by State law.

20          (27) *STATE GOALS*.—The term “State goals”,  
21          used with respect to a State, means—

22                   (A) the goals specified in section 121(b);  
23                  and

1           (B) such other major goals of the statewide  
2           system of the State as the State may identify in  
3           the report submitted under section 121(a).

4           (28) STATEWIDE SYSTEM.—The term “statewide  
5           system” means a statewide workforce development  
6           system, referred to in section 101, that is designed to  
7           integrate workforce employment activities, workforce  
8           education activities, flexible workforce activities, eco-  
9           nomic development activities (in a State that is eligi-  
10          ble to carry out such activities), vocational rehabilita-  
11          tion program activities, and workforce preparation  
12          activities for at-risk youth in the State in order to en-  
13          hance and develop more fully the academic, occupa-  
14          tional, and literacy skills of all segments of the popu-  
15          lation of the State and assist participants in obtain-  
16          ing meaningful unsubsidized employment.

17          (29) SUBSTATE AREA.—The term “substate  
18          area” means a geographic area designated by a Gov-  
19          ernor that reflects, to the extent feasible, a local labor  
20          market in a State.

21          (30) TECH-PREP PROGRAM.—The term “tech-  
22          prep program” means a program of study that—

23                  (A) combines at least 2 years of secondary  
24                  education (as determined under State law) and

1           2 years of postsecondary education in a  
2           nonduplicative sequence;

3           (B) integrates academic and vocational in-  
4           struction and utilizes worksite learning where  
5           appropriate;

6           (C) provides technical preparation in an  
7           area such as engineering technology, applied  
8           science, a mechanical, industrial, or practical  
9           art or trade, agriculture, a health occupation,  
10          business, or applied economics;

11          (D) builds student competence in mathe-  
12          matics, science, communications, economics, and  
13          workplace skills, through applied academics and  
14          integrated instruction in a coherent sequence of  
15          courses;

16          (E) leads to an associate degree or a certifi-  
17          cate in a specific career field; and

18          (F) leads to placement in appropriate em-  
19          ployment or further education.

20          (31) *VETERAN*.—The term “veteran” has the  
21          meaning given the term in section 101(2) of title 38,  
22          United States Code.

23          (32) *VOCATIONAL EDUCATION*.—The term “voca-  
24          tional education” means organized educational pro-  
25          grams that—

1           (A) offer a sequence of courses that provide  
2 individuals with the academic knowledge and  
3 skills the individuals need to prepare for further  
4 education and careers in current or emerging  
5 employment sectors; and

6           (B) include competency-based applied learn-  
7 ing that contributes to the academic knowledge,  
8 higher-order reasoning and problem-solving  
9 skills, work attitudes, general employability  
10 skills, and occupation-specific skills, of an indi-  
11 vidual.

12           (33) VOCATIONAL REHABILITATION PROGRAM.—  
13 The term “vocational rehabilitation program” means  
14 a program assisted under title I of the Rehabilitation  
15 Act of 1973 (29 U.S.C. 720 et seq.).

16           (34) WELFARE ASSISTANCE.—The term “welfare  
17 assistance” means—

18           (A) assistance provided under part A of  
19 title IV of the Social Security Act; and

20           (B) assistance provided under the Food  
21 Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

22           (35) WELFARE RECIPIENT.—The term “welfare  
23 recipient” means an individual who receives welfare  
24 assistance.

1           (36) *WORKFORCE DEVELOPMENT ACTIVITIES.*—  
2           The term “workforce development activities” means  
3           workforce education activities, workforce employment  
4           activities, school-to-work activities, and economic de-  
5           velopment activities (within a State that is eligible to  
6           carry out such activities).

7           (37) *WORKFORCE EDUCATION ACTIVITIES.*—The  
8           term “workforce education activities” means the ac-  
9           tivities described in section 106(b).

10          (38) *WORKFORCE EMPLOYMENT ACTIVITIES.*—  
11          The term “workforce employment activities” means  
12          the activities described in paragraphs (2) through (8)  
13          of section 106(a), including activities described in sec-  
14          tion 106(a)(6) provided through a voucher described  
15          in section 106(a)(9).

16          (39) *WORKFORCE PREPARATION ACTIVITIES FOR*  
17          *AT-RISK YOUTH.*—The term “workforce preparation  
18          activities for at-risk youth” means the activities de-  
19          scribed in section 161(b), carried out for at-risk  
20          youth.

1 **TITLE I—WORKFORCE DEVELOP-**  
2 **MENT AND WORKFORCE**  
3 **PREPARATION ACTIVITIES**

4 **Subtitle A—Statewide Workforce**  
5 **Development Systems**

6 **CHAPTER 1—PROVISIONS FOR STATES**  
7 **AND OTHER ENTITIES**

8 **SEC. 101. STATEWIDE WORKFORCE DEVELOPMENT SYS-**  
9 **TEMS ESTABLISHED.**

10 *For program year 1998 and each subsequent program*  
11 *year, the Secretary of Labor and the Secretary of Edu-*  
12 *cation, acting jointly on the advice of the Federal Partner-*  
13 *ship, shall make allotments under section 102 to States to*  
14 *assist the States in paying for the cost of establishing and*  
15 *carrying out activities through statewide workforce develop-*  
16 *ment systems, in accordance with this subtitle.*

17 **SEC. 102. STATE ALLOTMENTS.**

18 *(a) IN GENERAL.—The Secretary of Labor and the*  
19 *Secretary of Education, acting jointly on the advice of the*  
20 *Federal Partnership, shall allot to each State with a State*  
21 *plan approved under section 104 an amount equal to the*  
22 *total of the amounts made available under subparagraphs*  
23 *(A), (B), (C), and (D) of subsection (b)(2), adjusted in ac-*  
24 *cordance with subsections (c) and (d).*

25 *(b) ALLOTMENTS BASED ON POPULATIONS.—*

1 (1) *DEFINITIONS.*—As used in this subsection:

2 (A) *ADULT RECIPIENT OF ASSISTANCE.*—

3 The term “adult recipient of assistance” means  
4 a recipient of assistance under a State program  
5 funded under part A of title IV of the Social Se-  
6 curity Act who is not a minor child (as defined  
7 in section 402(c)(1) of such Act).

8 (B) *INDIVIDUAL IN POVERTY.*—The term  
9 “individual in poverty” means an individual  
10 who—

11 (i) is not less than age 18;

12 (ii) is not more than age 64; and

13 (iii) is a member of a family (of 1 or  
14 more members) with an income at or below  
15 the poverty line.

16 (C) *POVERTY LINE.*—The term “poverty  
17 line” means the poverty line (as defined by the  
18 Office of Management and Budget, and revised  
19 annually in accordance with section 673(2) of  
20 the Community Services Block Grant Act (42  
21 U.S.C. 9902(2)) applicable to a family of the size  
22 involved, using the most recent available data  
23 provided by the Bureau of the Census, prior to  
24 the program year for which the allotment is  
25 made, and applying the definition of poverty

1           used by the Bureau of the Census in compiling  
2           the 1990 decennial census.

3           (2) *CALCULATION.*—Except as provided in sub-  
4           sections (c) and (d), from the amount reserved under  
5           section 124(b)(1), the Secretary of Labor and the Sec-  
6           retary of Education, acting jointly on the advice of  
7           the Federal Partnership—

8                   (A) using funds equal to 60 percent of such  
9                   reserved amount, shall make available to each  
10                  State an amount that bears the same relation-  
11                  ship to such funds as the total number of indi-  
12                  viduals who are not less than age 15 and not  
13                  more than age 65 (as determined by the Federal  
14                  Partnership using the most recent available data  
15                  provided by the Bureau of the Census, prior to  
16                  the program year for which the allotment is  
17                  made) in the State bears to the total number of  
18                  such individuals in all States;

19                   (B) using funds equal to 20 percent of such  
20                   reserved amount, shall make available to each  
21                  State an amount that bears the same relation-  
22                  ship to such funds as the total number of indi-  
23                  viduals in poverty in the State bears to the total  
24                  number of individuals in poverty in all States;

1           (C) using funds equal to 10 percent of such  
2 reserved amount, shall make available to each  
3 State an amount that bears the same relation-  
4 ship to such funds as the average number of un-  
5 employed individuals (as determined by the Sec-  
6 retary of Labor for the most recent 24-month pe-  
7 riod for which data are available, prior to the  
8 program year for which the allotment is made)  
9 in the State bears to the average number of un-  
10 employed individuals (as so determined) in all  
11 States; and

12           (D) using funds equal to 10 percent of such  
13 reserved amount, shall make available to each  
14 State an amount that bears the same relation-  
15 ship to such funds as the average monthly num-  
16 ber of adult recipients of assistance (as deter-  
17 mined by the Secretary of Health and Human  
18 Services for the most recent 12-month period for  
19 which data are available, prior to the program  
20 year for which the allotment is made) in the  
21 State bears to the average monthly number of  
22 adult recipients of assistance (as so determined)  
23 in all States.

24           (c) *MINIMUM STATE ALLOTMENT.*—

1           (1) *DEFINITION.*—As used in this subsection, the  
2 term “national average per capita payment”, used  
3 with respect to a program year, means the amount  
4 obtained by dividing—

5                   (A) the amount reserved under section  
6 124(b)(1) for the program year; by

7                   (B) the total number of individuals who are  
8 not less than age 15 and not more than age 65  
9 (as determined by the Federal Partnership using  
10 the most recent available data provided by the  
11 Bureau of the Census, prior to the program year  
12 for which the allotment is made) in all States.

13           (2) *MINIMUM ALLOTMENT.*—Except as provided  
14 in paragraph (3) and subsection (d), no State shall  
15 receive an allotment under this section for a program  
16 year in an amount that is less than 0.5 percent of the  
17 amount reserved under section 124(b)(1) for the pro-  
18 gram year.

19           (3) *LIMITATION.*—No State that receives an in-  
20 crease in an allotment under this section for a pro-  
21 gram year as a result of the application of paragraph  
22 (2) shall receive an allotment under this section for  
23 the program year in an amount that is more than the  
24 product obtained by multiplying—

1           (A) the total number of individuals who are  
2           not less than age 15 and not more than age 65  
3           (as determined by the Federal Partnership using  
4           the most recent available data provided by the  
5           Bureau of the Census, prior to the program year  
6           for which the allotment is made) in the State;  
7           and

8           (B) the product obtained by multiplying—

9                   (i) 1.5; and

10                   (ii) the national average per capita  
11           payment for the program year.

12           (4) ADJUSTMENTS.—In order to increase the al-  
13           lotments of States as a result of the application of  
14           paragraph (2), the Secretary of Labor and the Sec-  
15           retary of Education, acting jointly, shall reduce, on  
16           a pro rata basis, the allotments of the other States  
17           (except as provided in subsection (d)).

18           (d) OVERALL LIMITATIONS.—

19           (1) DEFINITION.—As used in this subsection, the  
20           term “State percentage” means—

21                   (A) with respect to the program year pre-  
22           ceding program year 1998, the percentage that a  
23           State receives of the financial assistance made  
24           available to States to carry out covered activities  
25           for the year ending on June 30, 1998; and

1           (B) with respect to program year 1998 and  
2 each subsequent program year, the percentage  
3 that a State receives of the amount reserved  
4 under section 124(b)(1) for the program year.

5           (2) *LIMITATIONS.*—No State shall receive an al-  
6 lotment under this section for a program year in an  
7 amount that would make the State percentage for the  
8 program year—

9           (A) less than the product obtained by mul-  
10 tipling—

11                   (i) 0.95; and

12                   (ii) the State percentage of the State  
13 for the preceding program year; or

14           (B) greater than the product obtained by  
15 multiplying—

16                   (i) 1.05; and

17                   (ii) the State percentage of the State  
18 for the preceding program year.

19 **SEC. 103. STATE APPORTIONMENT BY ACTIVITY.**

20           (a) *ACTIVITIES.*—From the sum of the funds made  
21 available to a State through an allotment received under  
22 section 102 and through funds received under section 6 of  
23 the Wagner-Peyser Act (29 U.S.C. 49e) to carry out this  
24 subtitle for a program year—

1           (1) a portion equal to 25 percent of such sum  
2           (which portion shall include the funds received by the  
3           State under section 6 of the Wagner-Peyser Act) shall  
4           be made available for workforce employment activities  
5           or activities carried out under the Wagner-Peyser Act  
6           (29 U.S.C. 49 et seq.);

7           (2) a portion equal to 25 percent of such sum  
8           shall be made available for workforce education ac-  
9           tivities; and

10           (3) a portion (referred to in this title as the “flex  
11           account”) equal to 50 percent of such sum shall be  
12           made available for flexible workforce activities.

13           (b) *RECIPIENTS.*—In making an allotment under sec-  
14           tion 102 to a State, the Secretary of Labor and the Sec-  
15           retary of Education, acting jointly, shall make a pay-  
16           ment—

17           (1) to the Governor of the State for the portion  
18           described in subsection (a)(1), and such part of the  
19           flex account as the Governor may be eligible to re-  
20           ceive, as determined under the State plan of the State  
21           submitted under section 104; and

22           (2) to the State educational agency of the State  
23           for the portion described in subsection (a)(2), and  
24           such part of the flex account as the State educational  
25           agency may be eligible to receive, as determined under

1        *the State plan of the State submitted under section*  
2        *104.*

3        **SEC. 104. STATE PLANS.**

4        *(a) IN GENERAL.—For a State to be eligible to receive*  
5        *an allotment under section 102, the Governor of the State*  
6        *shall submit to the Federal Partnership, and obtain ap-*  
7        *proval of, a single comprehensive State workforce develop-*  
8        *ment plan (referred to in this section as a “State plan”),*  
9        *outlining a 3-year strategy for the statewide system of the*  
10       *State.*

11       *(b) PARTS.—*

12                *(1) IN GENERAL.—The State plan shall contain*  
13        *3 parts.*

14                *(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE*  
15        *ACTIVITIES.—The first part of the State plan shall de-*  
16        *scribe a strategic plan for the statewide system, in-*  
17        *cluding the flexible workforce activities, and, if appro-*  
18        *priate, economic development activities, that are de-*  
19        *signed to meet the State goals and reach the State*  
20        *benchmarks and are to be carried out with the allot-*  
21        *ment. The Governor shall develop the first part of the*  
22        *State plan, using procedures that are consistent with*  
23        *the procedures described in subsection (d).*

24                *(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The*  
25        *second part of the State plan shall describe the*

1     *workforce employment activities that are designed to*  
2     *meet the State goals and reach the State benchmarks*  
3     *and are to be carried out with the allotment. The*  
4     *Governor shall develop the second part of the State*  
5     *plan.*

6             (4) *WORKFORCE EDUCATION ACTIVITIES.—The*  
7     *third part of the State plan shall describe the*  
8     *workforce education activities that are designed to*  
9     *meet the State goals and reach the State benchmarks*  
10    *and are to be carried out with the allotment. The*  
11    *State educational agency of the State shall develop the*  
12    *third part of the State plan in collaboration with the*  
13    *State postsecondary education agency and with rep-*  
14    *resentatives of vocational education and community*  
15    *colleges.*

16            (5) *STATE OPTION FOR INTEGRATED PLAN.—*  
17    *Notwithstanding any other provision of this sub-*  
18    *section, with the express written agreement of the*  
19    *Governor, the State educational agency, the State*  
20    *postsecondary education agency, and representatives*  
21    *of vocational education and community colleges, of a*  
22    *State, the Governor may develop all parts of the State*  
23    *plan, using procedures that are consistent with the*  
24    *procedures described in subsection (d). Nothing in this*  
25    *section shall be construed to require a Governor who*

1        *develops an integrated State plan under this para-*  
2        *graph to duplicate any information contained in 1*  
3        *part of the plan in another part of the plan.*

4        *(c) CONTENTS OF THE PLAN.—The State plan shall*  
5        *include—*

6            *(1) with respect to the strategic plan for the*  
7        *statewide system—*

8            *(A) information describing how the State*  
9            *will identify the current and future workforce de-*  
10          *velopment needs of the industry sectors most im-*  
11          *portant to the economic competitiveness of the*  
12          *State;*

13          *(B) information describing how the State*  
14          *will identify the current and future workforce de-*  
15          *velopment needs of all segments of the population*  
16          *of the State;*

17          *(C) information identifying the State goals*  
18          *and State benchmarks and how the goals and*  
19          *benchmarks will make the statewide system rel-*  
20          *evant and responsive to labor market and edu-*  
21          *cation needs at the local level;*

22          *(D) information describing how the State*  
23          *will coordinate workforce development activities*  
24          *to meet the State goals and reach the State*  
25          *benchmarks;*

1           (E) information describing the allocation  
2 within the State of the funds made available  
3 through the flex account for the State, and how  
4 the flexible workforce activities, including school-  
5 to-work activities, to be carried out with such  
6 funds will be carried out to meet the State goals  
7 and reach the State benchmarks;

8           (F) information identifying how the State  
9 will obtain the active and continuous participa-  
10 tion of business, industry, and labor in the devel-  
11 opment and continuous improvement of the  
12 statewide system;

13           (G) information identifying how the State  
14 will obtain the active and continuous participa-  
15 tion of local partnerships (or, where established,  
16 local workforce development boards described in  
17 section 118(b)) in the development and continu-  
18 ous improvement of the statewide system;

19           (H) information identifying how any funds  
20 that a State receives under this subtitle will be  
21 leveraged with other public and private resources  
22 to maximize the effectiveness of such resources for  
23 all workforce development activities, and expand  
24 the participation of business, industry, labor,  
25 and individuals in the statewide system;

1           (I) information identifying how the  
2 workforce development activities to be carried out  
3 with funds received through the allotment will be  
4 coordinated with programs carried out by the  
5 Veterans' Employment and Training Service  
6 with funds received under title 38, United States  
7 Code, in order to meet the State goals and reach  
8 the State benchmarks related to veterans;

9           (J) information describing how the State  
10 will eliminate duplication in the administration  
11 and delivery of services under this subtitle;

12           (K) information describing the process the  
13 State will use to independently evaluate and  
14 continuously improve the performance of the  
15 statewide system, on a yearly basis, including  
16 the development of specific performance indica-  
17 tors to measure progress toward meeting the  
18 State goals;

19           (L) an assurance that the funds made avail-  
20 able under this subtitle will supplement and not  
21 supplant other public funds expended to provide  
22 workforce development activities;

23           (M) information identifying the steps that  
24 the State will take over the 3 years covered by  
25 the plan to establish common data collection and

1           *reporting requirements for workforce development*  
2           *activities and vocational rehabilitation program*  
3           *activities;*

4           (N) *with respect to economic development*  
5           *activities, information—*

6                   (i) *describing the activities to be car-*  
7                   *ried out with the funds made available*  
8                   *under this subtitle;*

9                   (ii) *describing how the activities will*  
10                  *lead directly to increased earnings of*  
11                  *nonmanagerial employees in the State; and*

12                  (iii) *describing whether the labor orga-*  
13                  *nization, if any, representing the*  
14                  *nonmanagerial employees supports the ac-*  
15                  *tivities;*

16           (O) *the description referred to in subsection*  
17           *(d)(1); and*

18                   (P)(i) *information demonstrating the sup-*  
19                   *port of individuals and entities described in sub-*  
20                   *section (d)(1) for the plan; or*

21                   (ii) *in a case in which the Governor is un-*  
22                   *able to obtain the support of such individuals*  
23                   *and entities as provided in subsection (d)(2), the*  
24                   *comments referred to in subsection (d)(2)(B);*

1           (2) *with respect to workforce employment activi-*  
2 *ties, information—*

3                   (A)(i) *identifying and designating substate*  
4 *areas, including urban and rural areas, to which*  
5 *funds received through the allotment will be dis-*  
6 *tributed, which areas shall, to the extent feasible,*  
7 *reflect local labor market areas; or*

8                   (ii) *stating that the State will be treated as*  
9 *a substate area for purposes of the application of*  
10 *this subtitle, if the State receives an increase in*  
11 *an allotment under section 102 for a program*  
12 *year as a result of the application of section*  
13 *102(c)(2);*

14                  (B) *describing the basic features of one-stop*  
15 *delivery of core services described in section*  
16 *106(a)(2) in the State, including information re-*  
17 *garding—*

18                           (i) *the strategy of the State for develop-*  
19 *ing fully operational one-stop delivery of*  
20 *core services described in section 106(a)(2);*

21                           (ii) *the time frame for achieving the*  
22 *strategy;*

23                           (iii) *the estimated cost of achieving the*  
24 *strategy;*

1           (iv) the steps that the State will take  
2 over the 3 years covered by the plan to pro-  
3 vide individuals with access to one-stop de-  
4 livery of core services described in section  
5 106(a)(2);

6           (v) the steps that the State will take  
7 over the 3 years covered by the plan to en-  
8 sure that all publicly funded labor exchange  
9 services described in section 106(a)(2)(B),  
10 and all such services described in the Wag-  
11 ner-Peyser Act (29 U.S.C. 49 et seq.), are  
12 provided through the one-stop career center  
13 system of the State;

14           (vi) the steps that the State will take  
15 over the 3 years covered by the plan to pro-  
16 vide information through the one-stop deliv-  
17 ery to individuals on the quality of  
18 workforce employment activities, workforce  
19 education activities, and vocational reha-  
20 bilitation program activities, provided  
21 through the statewide system;

22           (vii) the steps that the State will take  
23 over the 3 years covered by the plan to link  
24 services provided through the one-stop deliv-

1            *ery with services provided through State*  
2            *welfare agencies; and*

3            *(viii) in a case in which the State*  
4            *chooses to use vouchers to deliver workforce*  
5            *employment activities, the steps that the*  
6            *State will take over the 3 years covered by*  
7            *the plan to comply with the requirements in*  
8            *section 106(a)(9) and the information re-*  
9            *quired in such section;*

10           *(C) identifying performance indicators that*  
11           *relate to the State goals, and to the State bench-*  
12           *marks, concerning workforce employment activi-*  
13           *ties;*

14           *(D) describing the workforce employment*  
15           *activities to be carried out with funds received*  
16           *through the allotment;*

17           *(E) describing the steps that the State will*  
18           *take over the 3 years covered by the plan to es-*  
19           *tablish a statewide comprehensive labor market*  
20           *and occupational information system described*  
21           *in section 183(c) that will be utilized by all the*  
22           *providers of one-stop delivery of core services de-*  
23           *scribed in section 106(a)(2), providers of other*  
24           *workforce employment activities, and providers*  
25           *of workforce education activities, in the State;*

1           (F) describing the steps that the State will  
2 take over the 3 years covered by the plan to es-  
3 tablish a job placement accountability system de-  
4 scribed in section 121(d); and

5           (G) describing the process the State will use  
6 to approve all providers of workforce employment  
7 activities through the statewide system; and

8           (3) with respect to workforce education activities,  
9 information—

10           (A) describing how funds received through  
11 the allotment will be allocated among—

12           (i) secondary school vocational edu-  
13 cation, or postsecondary and adult voca-  
14 tional education, or both; and

15           (ii) adult education;

16           (B) identifying performance indicators that  
17 relate to the State goals, and to the State bench-  
18 marks, concerning workforce education activities;

19           (C) describing the workforce education ac-  
20 tivities that will be carried out with funds re-  
21 ceived through the allotment;

22           (D) describing how the State will address  
23 the adult education needs of the State;

24           (E) describing how the State will  
25 disaggregate data relating to at-risk youth in

1           order to adequately measure the progress of at-  
2           risk youth toward accomplishing the results  
3           measured by the State goals and the State bench-  
4           marks;

5                   (F) describing how the State will adequately  
6           address the needs of both at-risk youth who are  
7           in school, and out-of-school youth, in alternative  
8           education programs that teach to the same chal-  
9           lenging academic, occupational, and skill pro-  
10          ficiencies as are provided for in-school youth;

11                   (G) describing how the workforce education  
12          activities described in the State plan and the  
13          State allocation of funds received through the al-  
14          lotment for such activities are an integral part  
15          of comprehensive efforts of the State to improve  
16          education for all students and adults;

17                   (H) describing how the State will annually  
18          evaluate the effectiveness of the State plan with  
19          respect to workforce education activities;

20                   (I) describing how the State will address the  
21          professional development needs of the State with  
22          respect to workforce education activities;

23                   (J) describing how the State will provide  
24          local educational agencies in the State with tech-  
25          nical assistance;

1           (K) describing how the State will assess the  
2 progress of the State in implementing student  
3 performance measures; and

4           (L) describing how the State will encourage  
5 the participation of parents of secondary school  
6 students involved in workforce education activi-  
7 ties carried out under this subtitle in State and  
8 local decisions regarding workforce education ac-  
9 tivities carried out under this subtitle.

10       (d) *PROCEDURE FOR DEVELOPMENT OF PART OF*  
11 *PLAN RELATING TO STRATEGIC PLAN.*—

12           (1) *DESCRIPTION OF DEVELOPMENT.*—The part  
13 of the State plan relating to the strategic plan shall  
14 include a description of the manner in which—

15           (A) the Governor;

16           (B) the State educational agency;

17           (C) representatives of business and indus-  
18 try, including representatives of key industry  
19 sectors, and of small, medium-size, and large em-  
20 ployers, in the State;

21           (D) representatives of labor and workers;

22           (E) local elected officials from throughout  
23 the State;

24           (F) the State agency officials responsible for  
25 vocational education;

1           (G) the State agency officials responsible for  
2           postsecondary education and community colleges;

3           (H) the State agency officials responsible  
4           for adult education;

5           (I) the State agency officials responsible for  
6           vocational rehabilitation;

7           (J) such other State agency officials, includ-  
8           ing officials responsible for economic develop-  
9           ment and employment, as the Governor may des-  
10          ignate;

11          (K) the representative of the Veterans' Em-  
12          ployment and Training Service assigned to the  
13          State under section 4103 of title 38, United  
14          States Code; and

15          (L) other appropriate officials, including  
16          members of the State workforce development  
17          board described in section 105, if the State has  
18          established such a board;

19          collaborated in the development of such part of the  
20          plan.

21          (2) *FAILURE TO OBTAIN SUPPORT.*—If, after a  
22          reasonable effort, the Governor is unable to obtain the  
23          support of the individuals and entities described in  
24          paragraph (1) for the strategic plan the Governor  
25          shall—

1           (A) *provide such individuals and entities*  
2           *with copies of the strategic plan;*

3           (B) *allow such individuals and entities to*  
4           *submit to the Governor, not later than the end*  
5           *of the 30-day period beginning on the date on*  
6           *which the Governor provides such individuals*  
7           *and entities with copies of such plan under sub-*  
8           *paragraph (A), comments on such plan; and*

9           (C) *include any such comments in such*  
10          *plan.*

11          (e) *APPROVAL.—The Secretary of Labor and the Sec-*  
12          *retary of Education, acting jointly on the advice of the Fed-*  
13          *eral Partnership, shall approve a State plan if—*

14               (1) *the Federal Partnership determines that the*  
15               *plan contains the information described in subsection*  
16               *(c);*

17               (2) *the Federal Partnership determines that the*  
18               *State has prepared the plan in accordance with the*  
19               *requirements of this section, including the require-*  
20               *ments relating to development of any part of the plan;*  
21               *and*

22               (3) *the State benchmarks for the State have been*  
23               *negotiated and approved in accordance with section*  
24               *121(c).*

1       (f) *NO ENTITLEMENT TO A SERVICE.*—Nothing in this  
2 Act shall be construed to provide any individual with an  
3 entitlement to a service provided under this Act.

4 **SEC. 105. STATE WORKFORCE DEVELOPMENT BOARDS.**

5       (a) *ESTABLISHMENT.*—A Governor of a State that re-  
6 ceives an allotment under section 102 may establish a State  
7 workforce development board—

8           (1) on which a majority of the members are rep-  
9 resentatives of business and industry;

10          (2) on which not less than 25 percent of the  
11 members shall be representatives of labor, workers,  
12 and community-based organizations;

13          (3) that shall include representatives of veterans;

14          (4) that shall include a representative of the  
15 State educational agency and a representative from  
16 the State agency responsible for vocational rehabilita-  
17 tion;

18          (5) that may include any other individual or en-  
19 tity that participates in the collaboration described in  
20 section 104(d)(1); and

21          (6) that may include any other individual or en-  
22 tity the Governor may designate.

23       (b) *CHAIRPERSON.*—The State workforce development  
24 board shall select a chairperson from among the members

1 *of the board who are representatives of business and indus-*  
2 *try.*

3 *(c) FUNCTIONS.—The functions of the State workforce*  
4 *development board shall include—*

5 *(1) advising the Governor on the development of*  
6 *the statewide system, the State plan described in sec-*  
7 *tion 104, and the State goals and State benchmarks;*

8 *(2) assisting in the development of specific per-*  
9 *formance indicators to measure progress toward meet-*  
10 *ing the State goals and reaching the State bench-*  
11 *marks and providing guidance on how such progress*  
12 *may be improved;*

13 *(3) serving as a link between business, industry,*  
14 *labor, and the statewide system;*

15 *(4) assisting the Governor in preparing the an-*  
16 *ual report to the Federal Partnership regarding*  
17 *progress in reaching the State benchmarks, as de-*  
18 *scribed in section 121(a);*

19 *(5) receiving and commenting on the State plan*  
20 *developed under section 101 of the Rehabilitation Act*  
21 *of 1973 (29 U.S.C. 721);*

22 *(6) assisting the Governor in developing the*  
23 *statewide comprehensive labor market and occupa-*  
24 *tional information system described in section 183(c)*  
25 *to provide information that will be utilized by job-*

1     *seekers, employers, providers of one-stop delivery of*  
2     *core services described in section 106(a)(2), providers*  
3     *of other workforce employment activities, and provid-*  
4     *ers of workforce education activities, in the State; and*  
5             *(7) assisting in the monitoring and continuous*  
6     *improvement of the performance of the statewide sys-*  
7     *tem, including evaluation of the effectiveness of*  
8     *workforce development activities funded under this*  
9     *subtitle.*

10     **SEC. 106. USE OF FUNDS.**

11             *(a) WORKFORCE EMPLOYMENT ACTIVITIES.—*

12                     *(1) IN GENERAL.—Funds made available to a*  
13     *State under this subtitle to carry out workforce em-*  
14     *ployment activities through a statewide system—*

15                             *(A) shall be used to carry out the activities*  
16                     *described in paragraphs (2), (3), and (4); and*

17                             *(B) may be used to carry out the activities*  
18                     *described in paragraphs (5), (6), (7), and (8),*  
19                     *including providing activities described in para-*  
20                     *graph (6) through vouchers described in para-*  
21                     *graph (9).*

22                     *(2) ONE-STOP DELIVERY OF CORE SERVICES.—*

23                             *(A) ACCESS.—The State shall use a portion*  
24                     *of the funds described in paragraph (1) to estab-*  
25                     *lish a means of providing access to the statewide*

1           system through core services described in sub-  
2           paragraph (B) available—

3                   (i) through multiple, connected access  
4                   points, linked electronically or otherwise;

5                   (ii) through a network that assures  
6                   participants that such core services will be  
7                   available regardless of where the partici-  
8                   pants initially enter the statewide system;

9                   (iii) at not less than 1 physical loca-  
10                  tion in each substate area of the State; or

11                  (iv) through some combination of the  
12                  options described in clauses (i), (ii), and  
13                  (iii).

14           (B) *CORE SERVICES*.—The core services re-  
15           ferred to in subparagraph (A) shall, at a mini-  
16           mum, include—

17                   (i) outreach, intake, and orientation to  
18                   the information and other services available  
19                   through one-stop delivery of core services de-  
20                   scribed in this subparagraph;

21                   (ii) initial assessment of skill levels,  
22                   aptitudes, abilities, and supportive service  
23                   needs;

1                   (iii) job search and placement assist-  
2                   ance and, where appropriate, career coun-  
3                   seling;

4                   (iv) customized screening and referral  
5                   of qualified applicants to employment;

6                   (v) provision of accurate information  
7                   relating to local labor market conditions,  
8                   including employment profiles of growth in-  
9                   dustries and occupations within a substate  
10                  area, the educational and skills require-  
11                  ments of jobs in the industries and occupa-  
12                  tions, and the earnings potential of the jobs;

13                  (vi) provision of accurate information  
14                  relating to the quality and availability of  
15                  other workforce employment activities,  
16                  workforce education activities, and voca-  
17                  tional rehabilitation program activities;

18                  (vii) provision of information regard-  
19                  ing how the substate area is performing on  
20                  the State benchmarks;

21                  (viii) provision of initial eligibility in-  
22                  formation on forms of public financial as-  
23                  sistance that may be available in order to  
24                  enable persons to participate in workforce  
25                  employment activities, workforce education

1            *activities, or vocational rehabilitation pro-*  
2            *gram activities; and*

3            *(ix) referral to other appropriate*  
4            *workforce employment activities, workforce*  
5            *education activities, and vocational reha-*  
6            *bilitation employment activities.*

7            *(3) LABOR MARKET AND OCCUPATIONAL INFOR-*  
8            *MATION SYSTEM.—The State shall use a portion of the*  
9            *funds described in paragraph (1) to establish a state-*  
10           *wide comprehensive labor market and occupational*  
11           *information system described in section 183(c).*

12           *(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—*  
13           *The State shall use a portion of the funds described*  
14           *in paragraph (1) to establish a job placement ac-*  
15           *countability system described in section 121(d).*

16           *(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVI-*  
17           *TIES.—The State may provide, through one-stop de-*  
18           *livery—*

19           *(A) co-location of services related to*  
20           *workforce development activities, such as unem-*  
21           *ployment insurance, vocational rehabilitation*  
22           *program activities, welfare assistance, veterans’*  
23           *employment services, or other public assistance;*

24           *(B) intensive services for participants who*  
25           *are unable to obtain employment through the*

1           *core services described in paragraph (2)(B), as*  
2           *determined by the State; and*

3                   *(C) dissemination to employers of informa-*  
4           *tion on activities carried out through the state-*  
5           *wide system.*

6           *(6) OTHER PERMISSIBLE ACTIVITIES.—The State*  
7           *may use a portion of the funds described in para-*  
8           *graph (1) to provide services through the statewide*  
9           *system that may include—*

10                   *(A) on-the-job training;*

11                   *(B) occupational skills training;*

12                   *(C) entrepreneurial training;*

13                   *(D) training to develop work habits to help*  
14           *individuals obtain and retain employment;*

15                   *(E) customized training conducted with a*  
16           *commitment by an employer or group of employ-*  
17           *ers to employ an individual after successful com-*  
18           *pletion of the training;*

19                   *(F) rapid response assistance for dislocated*  
20           *workers;*

21                   *(G) skill upgrading and retraining for per-*  
22           *sons not in the workforce;*

23                   *(H) preemployment and work maturity*  
24           *skills training for youth;*

1           (I) connecting activities that organize con-  
2           sortia of small- and medium-size businesses to  
3           provide work-based learning opportunities for  
4           youth participants in school-to-work programs;

5           (J) programs for adults that combine work-  
6           place training with related instruction;

7           (K) services to assist individuals in attain-  
8           ing certificates of mastery with respect to indus-  
9           try-based skill standards;

10          (L) case management services;

11          (M) supportive services, such as transpor-  
12          tation and financial assistance, that enable indi-  
13          viduals to participate in the statewide system;  
14          and

15          (N) followup services for participants who  
16          are placed in unsubsidized employment.

17          (7) *STAFF DEVELOPMENT AND TRAINING.*—The  
18          State may use a portion of the funds described in  
19          paragraph (1) for the development and training of  
20          staff of providers of one-stop delivery of core services  
21          described in paragraph (2), including development  
22          and training relating to principles of quality man-  
23          agement.

24          (8) *INCENTIVE GRANT AWARDS.*—The State may  
25          use a portion of the funds described in paragraph (1)

1 *to award incentive grants to substate areas that reach*  
2 *or exceed the State benchmarks established under sec-*  
3 *tion 121(c), with an emphasis on benchmarks estab-*  
4 *lished under section 121(c)(3). A substate area that*  
5 *receives such a grant may use the funds made avail-*  
6 *able through the grant to carry out any workforce de-*  
7 *velopment activities authorized under this subtitle.*

8 (9) *VOUCHERS.—*

9 (A) *IN GENERAL.—A State may deliver, to*  
10 *persons age 18 or older who are unable to obtain*  
11 *Pell Grants under title IV of the Higher Edu-*  
12 *cation Act of 1965 (20 U.S.C. 1070 et seq.), some*  
13 *or all of the workforce employment activities de-*  
14 *scribed in paragraph (6) that are provided*  
15 *under this subtitle through a system of vouchers*  
16 *administered through the one-stop delivery of*  
17 *core services described in paragraph (2) in the*  
18 *State.*

19 (B) *ELIGIBILITY REQUIREMENTS.—*

20 (i) *IN GENERAL.—A State that chooses*  
21 *to deliver the activities described in sub-*  
22 *paragraph (A) through vouchers shall indi-*  
23 *cate in the State plan described in section*  
24 *104 the criteria that will be used to deter-*  
25 *mine—*

1                   (I) which workforce employment  
2                   activities described in paragraph (6)  
3                   will be delivered through the voucher  
4                   system;

5                   (II) eligibility requirements for  
6                   participants to receive the vouchers  
7                   and the amount of funds that partici-  
8                   pants will be able to access through the  
9                   voucher system; and

10                  (III) which employment, training,  
11                  and education providers are eligible to  
12                  receive payment through the vouchers.

13                  (ii) *CONSIDERATIONS.*—In establishing  
14                  State criteria for service providers eligible  
15                  to receive payment through the vouchers  
16                  under clause (i)(III), the State shall take  
17                  into account industry-recognized skills  
18                  standards promoted by the National Skills  
19                  Standards Board.

20                  (C) *ACCOUNTABILITY REQUIREMENTS.*—A  
21                  State that chooses to deliver the activities de-  
22                  scribed in paragraph (6) through vouchers shall  
23                  indicate in the State plan—

24                  (i) information concerning how the  
25                  State will utilize the statewide comprehen-

1            *sive labor market and occupational infor-*  
2            *mation system described in section 183(c)*  
3            *and the job placement accountability system*  
4            *established under section 121(d) to provide*  
5            *timely and accurate information to partici-*  
6            *pants about the performance of eligible em-*  
7            *ployment, training, and education provid-*  
8            *ers;*

9            *(ii) other information about the per-*  
10           *formance of eligible providers of services*  
11           *that the State believes is necessary for par-*  
12           *ticipants receiving the vouchers to make in-*  
13           *formed career choices; and*

14           *(iii) the timeframe in which the infor-*  
15           *mation developed under clauses (i) and (ii)*  
16           *will be widely available through the one-*  
17           *stop delivery of core services described in*  
18           *paragraph (2) in the State.*

19           *(D) INFORMATION.—A State that deter-*  
20           *mines that a need exists to train persons age 18*  
21           *or older through activities authorized under*  
22           *paragraph (6) shall indicate in the State plan*  
23           *described in section 104 for the State, or the an-*  
24           *nual report described in section 121(a) for the*  
25           *State, the extent, if any, to which the State will*

1           *use the authority of this paragraph to deliver*  
2           *some or all of such activities through a system*  
3           *of vouchers, including indicating the information*  
4           *and timeframes required under subparagraph*  
5           *(C).*

6           *(b) WORKFORCE EDUCATION ACTIVITIES.—The State*  
7           *educational agency shall use the funds made available to*  
8           *the State educational agency under this subtitle for*  
9           *workforce education activities to carry out, through the*  
10          *statewide system, activities that include—*

11           *(1) integrating academic and vocational edu-*  
12          *cation;*

13           *(2) linking secondary education (as determined*  
14          *under State law) and postsecondary education, in-*  
15          *cluding implementing tech-prep programs;*

16           *(3) providing career guidance and counseling for*  
17          *students at the earliest possible age, including the*  
18          *provision of career awareness, exploration, planning,*  
19          *and guidance information to students and their par-*  
20          *ents that is, to the extent possible, in a language and*  
21          *form that the students and their parents understand;*

22           *(4) providing literacy and basic education serv-*  
23          *ices for adults and out-of-school youth, including*  
24          *adults and out-of-school youth in correctional institu-*  
25          *tions;*

1           (5) *providing programs for adults and out-of-*  
2 *school youth to complete their secondary education;*

3           (6) *expanding, improving, and modernizing*  
4 *quality vocational education programs; and*

5           (7) *improving access to quality vocational edu-*  
6 *cation programs for at-risk youth.*

7           (c) *FISCAL REQUIREMENTS FOR WORKFORCE EDU-*  
8 *CATION ACTIVITIES.—*

9           (1) *SUPPLEMENT NOT SUPPLANT.—Funds made*  
10 *available under this subtitle for workforce education*  
11 *activities shall supplement, and may not supplant,*  
12 *other public funds expended to carry out workforce*  
13 *education activities.*

14           (2) *MAINTENANCE OF EFFORT.—*

15           (A) *DETERMINATION.—No payments shall*  
16 *be made under this subtitle for any program*  
17 *year to a State for workforce education activities*  
18 *unless the Federal Partnership determines that*  
19 *the fiscal effort per student or the aggregate ex-*  
20 *penditures of such State for workforce education*  
21 *for the program year preceding the program year*  
22 *for which the determination is made, equaled or*  
23 *exceeded such effort or expenditures for workforce*  
24 *education for the second program year preceding*

1           *the fiscal year for which the determination is*  
2           *made.*

3           (B) *WAIVER.*—*The Federal Partnership*  
4           *may waive the requirements of this section (with*  
5           *respect to not more than 5 percent of expendi-*  
6           *tures by any State educational agency) for 1*  
7           *program year only, on making a determination*  
8           *that such waiver would be equitable due to excep-*  
9           *tional or uncontrollable circumstances affecting*  
10           *the ability of the applicant to meet such require-*  
11           *ments, such as a natural disaster or an unfore-*  
12           *seen and precipitous decline in financial re-*  
13           *sources. No level of funding permitted under such*  
14           *a waiver may be used as the basis for computing*  
15           *the fiscal effort or aggregate expenditures re-*  
16           *quired under this section for years subsequent to*  
17           *the year covered by such waiver. The fiscal effort*  
18           *or aggregate expenditures for the subsequent*  
19           *years shall be computed on the basis of the level*  
20           *of funding that would, but for such waiver, have*  
21           *been required.*

22           (d) *FLEXIBLE WORKFORCE ACTIVITIES.*—

23           (1) *CORE FLEXIBLE WORKFORCE ACTIVITIES.*—  
24           *The State shall use a portion of the funds made avail-*  
25           *able to the State under this subtitle through the flex*

1     *account to carry out school-to-work activities through*  
2     *the statewide system, except that any State that re-*  
3     *ceived a grant under subtitle B of title II of the*  
4     *School-to-Work Opportunities Act of 1994 (20 U.S.C.*  
5     *6141 et seq.) shall use such portion to support the*  
6     *continued development of the statewide School-to-*  
7     *Work Opportunities system of the State through the*  
8     *continuation of activities that are carried out in ac-*  
9     *cordance with the terms of such grant.*

10           (2) *PERMISSIBLE FLEXIBLE WORKFORCE ACTIVI-*  
11     *TIES.—The State may use a portion of the funds*  
12     *made available to the State under this subtitle*  
13     *through the flex account—*

14           (A) *to carry out workforce employment ac-*  
15     *tivities through the statewide system; and*

16           (B) *to carry out workforce education activi-*  
17     *ties through the statewide system.*

18           (e) *ECONOMIC DEVELOPMENT ACTIVITIES.—In the*  
19     *case of a State that meets the requirements of section 118(c),*  
20     *the State may use not more than 50 percent of the funds*  
21     *made available to the State under this subtitle through the*  
22     *flex account to supplement other funds provided by the*  
23     *State or private sector—*

1           (1) to provide services to upgrade the skills of  
2 employed workers who are at risk of being perma-  
3 nently laid off;

4           (2) to retrain employed workers in new tech-  
5 nologies and work processes that will facilitate the  
6 conversion and restructuring of businesses to assist in  
7 the avoidance of closures, or layoffs of 50 or more peo-  
8 ple, at a plant, facility, or enterprise;

9           (3) to provide customized assessments of the  
10 skills of workers and an analysis of the skill needs of  
11 employers;

12           (4) to assist consortia of small- and medium-size  
13 employers in upgrading the skills of their workforces;

14           (5) to provide productivity and quality improve-  
15 ment training programs for the workforces of small-  
16 and medium-size employers;

17           (6) to provide recognition and use of voluntary  
18 industry-developed skills standards by employers,  
19 schools, and training institutions;

20           (7) to carry out training activities in companies  
21 that are developing modernization plans in conjunc-  
22 tion with State industrial extension service offices;  
23 and

1           (8) to provide on-site, industry-specific training  
2           programs supportive of industrial and economic de-  
3           velopment;  
4 through the statewide system.

5           (f) LIMITATIONS.—

6           (1) WAGES.—No funds provided under this sub-  
7           title shall be used to pay the wages of incumbent  
8           workers during their participation in economic devel-  
9           opment activities provided through the statewide sys-  
10          tem.

11          (2) RELOCATION.—No funds provided under this  
12          subtitle shall be used or proposed for use to encourage  
13          or induce the relocation, of a business or part of a  
14          business, that results in a loss of employment for any  
15          employee of such business at the original location.

16          (3) TRAINING AND ASSESSMENTS FOLLOWING RE-  
17          LOCATION.—No funds provided under this subtitle  
18          shall be used for customized or skill training, on-the-  
19          job training, or company-specific assessments of job  
20          applicants or workers, for any business or part of a  
21          business, that has relocated, until 120 days after the  
22          date on which such business commences operations at  
23          the new location, if the relocation of such business or  
24          part of a business, results in a loss of employment for  
25          any worker of such business at the original location.

1           (4) *DISPLACEMENT.*—

2                   (A) *IN GENERAL.*—No currently employed  
3 worker shall be displaced (including partial dis-  
4 placement such as a reduction in hours of non-  
5 overtime work, wages, or employment benefits)  
6 by any participant in an activity carried out  
7 under this subtitle.

8                   (B) *EXISTING CONTRACT FOR SERVICES OR*  
9 *COLLECTIVE BARGAINING AGREEMENT.*—No ac-  
10 tivity carried out under this subtitle shall im-  
11 pair an existing contract for services or a collec-  
12 tive bargaining agreement.

13                  (C) *LAYOFF OR TERMINATION.*—No partici-  
14 pant shall be employed or job opening filled for  
15 an activity carried out under this subtitle—

16                           (i) when any other individual is on  
17 layoff from the same or a substantially  
18 equivalent job; or

19                           (ii) when the employer has terminated  
20 the employment of any regular employee or  
21 otherwise reduced the workforce of the em-  
22 ployer with the intention of filling the va-  
23 cancy so created by hiring a participant  
24 whose wages are subsidized under this sub-  
25 title.

1           (5) *HEALTH AND SAFETY.*—Health and safety  
2 standards established under Federal and State law  
3 otherwise applicable to working conditions of employ-  
4 ees shall be equally applicable to working conditions  
5 of participants engaged in work-related activities  
6 pursuant to this subtitle. Appropriate workers' com-  
7 pensation shall be provided to the participants on the  
8 same basis as the compensation is provided to other  
9 individuals in the State in similar employment (as  
10 determined under regulations issued by the Secretary  
11 of Labor).

12           (6) *EMPLOYMENT CONDITIONS.*—Participants  
13 employed or assigned to work in positions subsidized  
14 under this subtitle shall be provided benefits and  
15 working conditions at the same level and to the same  
16 extent as other employees working a similar length of  
17 time and doing the same type of work.

18           (7) *NONDISCRIMINATION.*—Except as otherwise  
19 permitted in law, no individual may be excluded  
20 from participation in workforce development activi-  
21 ties carried out under this subtitle because of race,  
22 color, religion, sex, national origin, disability, or age.

23           (8) *GRIEVANCE PROCEDURE.*—The State shall es-  
24 tablish and maintain (pursuant to regulations issued  
25 by the Secretary of Labor) a grievance procedure for

1     *resolving complaints alleging violations of any of the*  
2     *prohibitions or requirements described in this sub-*  
3     *section. Such procedure shall include an opportunity*  
4     *for a hearing and shall be completed not later than*  
5     *the 90th day after the date of the submission of a*  
6     *complaint, by which day the complainant shall be*  
7     *provided a written decision by the State. A decision*  
8     *of the State under such procedure, or a failure of the*  
9     *State to issue a decision within the 90-day period,*  
10    *may be appealed to the Secretary of Labor, who shall*  
11    *investigate the allegations contained in the complaint*  
12    *and make a determination not later than 60 days*  
13    *after the date of the appeal as to whether a violation*  
14    *of a prohibition or requirement of this subsection has*  
15    *occurred.*

16           (9) *REMEDIES.—*

17                   (A) *IN GENERAL.—Except as provided in*  
18                   *subparagraphs (B) and (C), remedies that may*  
19                   *be imposed under this paragraph for violations*  
20                   *of the prohibitions and requirements described in*  
21                   *this subsection shall be limited to—*

22                           (i) *suspension or termination of pay-*  
23                           *ments under this subtitle;*

24                           (ii) *prohibition of placement of any*  
25                           *participant, for an appropriate period of*

1           *time, with an employer that has violated*  
2           *this subsection; and*

3                     *(iii) appropriate equitable relief (other*  
4                     *than backpay).*

5           *(B) EXCEPTIONS.—*

6                     *(i) REPAYMENT.—If the Secretary of*  
7                     *Labor determines that a violation of para-*  
8                     *graph (2) or (3) has occurred, the Secretary*  
9                     *of Labor shall require the State or substate*  
10                    *recipient of funds that has violated para-*  
11                    *graph (2) or (3), respectively, to repay to*  
12                    *the United States an amount equal to the*  
13                    *amount expended in violation of paragraph*  
14                    *(2) or (3), respectively.*

15                    *(ii) ADDITIONAL REMEDIES.—In addi-*  
16                    *tion to the remedies available under sub-*  
17                    *paragraph (A), remedies available under*  
18                    *this paragraph for violations of paragraph*  
19                    *(4) may include—*

20                             *(I) reinstatement of the displaced*  
21                             *employee to the position held by such*  
22                             *employee prior to displacement;*

23                             *(II) payment of lost wages and*  
24                             *benefits of the employee; and*

1                   (III) reestablishment of other rel-  
2                   evant terms, conditions, and privileges  
3                   of employment of the employee.

4                   (C) OTHER LAWS OR CONTRACTS.—Nothing  
5                   in this paragraph shall be construed to prohibit  
6                   a complainant from pursuing a remedy author-  
7                   ized under another Federal, State, or local law  
8                   or a contract or collective bargaining agreement  
9                   for a violation of the prohibitions or require-  
10                  ments described in this subsection.

11               (g) LIMITATIONS ON PARTICIPANTS.—

12                   (1) DIPLOMA OR EQUIVALENT.—

13                   (A) IN GENERAL.—No individual may par-  
14                   ticipate in workforce employment activities de-  
15                   scribed in subparagraph (A), (B), (C), (E), (G),  
16                   (J), or (K) of subsection (a)(6) until the individ-  
17                   ual has obtained a secondary school diploma or  
18                   its recognized equivalent, or is enrolled in a pro-  
19                   gram or course of study to obtain a secondary  
20                   school diploma or its recognized equivalent.

21                   (B) EXCEPTION.—Nothing in subparagraph  
22                   (A) shall prevent participation in workforce em-  
23                   ployment activities described under subpara-  
24                   graph (A), (B), (C), (E), (G), (J), or (K) of sub-  
25                   section (a)(6) by individuals who, after testing

1           *and in the judgment of medical, psychiatric,*  
2           *academic, or other appropriate professionals,*  
3           *lack the requisite capacity to complete success-*  
4           *fully a course of study that would lead to a sec-*  
5           *ondary school diploma or its recognized equiva-*  
6           *lent.*

7           (2) *SERVICES.—*

8                 (A) *REFERRAL.—If an individual who has*  
9                 *not obtained a secondary school diploma or its*  
10                *recognized equivalent applies to participate in*  
11                *workforce employment activities described under*  
12                *subparagraph (A), (B), (C), (E), (G), (J), or (K)*  
13                *of subsection (a)(6), such individual shall be re-*  
14                *ferred to State approved adult education services*  
15                *that provide instruction designed to help such*  
16                *individual obtain a secondary school diploma or*  
17                *its recognized equivalent.*

18                (B) *STATE PROVISION OF SERVICES.—Not-*  
19                *withstanding any other provision of this title, a*  
20                *State may use funds made available under this*  
21                *subtitle for workforce employment activities to*  
22                *provide State approved adult education services*  
23                *that provide instruction designed to help indi-*  
24                *viduals obtain a secondary school diploma or its*  
25                *recognized equivalent, to individuals who—*

1                   (i) are seeking to participate in  
2                   workforce employment activities described  
3                   under subparagraph (A), (B), (C), (E), (G),  
4                   (J), or (K) of subsection (a)(6); and  
5                   (ii) are otherwise unable to obtain such  
6                   services.

7           (h) *LAWS AND PROCEDURES APPLICABLE TO EXPENDI-*  
8 *TURE OF STATE FUNDS.*—Any funds received by a State  
9 under this subtitle shall be expended only in accordance  
10 with the laws and procedures applicable to expenditures of  
11 the State’s own revenues, subject to the terms and conditions  
12 required under this subtitle, particularly section 104, sec-  
13 tion 105, and chapter 2.

14           (i) *LIMITATIONS ON PARTICIPANTS.*—

15                   (1) *FINDING.*—Congress finds that—

16                           (A) the possession, distribution, and use of  
17                           drugs by participants in workforce employment  
18                           activities should not be tolerated, and that such  
19                           use prevents participants from making full use  
20                           of the benefits extended through such activities at  
21                           the expense of taxpayers; and

22                           (B) applicants and participants should be  
23                           tested for illegal drug use, in order to maximize  
24                           the training and assistance provided under this  
25                           Act.

1           (2) *DRUG TESTS.*—Each local entity carrying  
2           out workforce employment activities described in sub-  
3           paragraph (A), (B), (C), (D), (E), (G), (H), (J), or  
4           (K) of subsection (a)(6) shall administer a drug  
5           test—

6                   (A) on a random basis, to individuals who  
7                   apply to participate in such activities; and

8                   (B) to a participant in such activities, on  
9                   reasonable suspicion of drug use by the partici-  
10                  pant.

11           (3) *ELIGIBILITY OF APPLICANTS.*—In order for  
12           such an applicant to be eligible to participate in  
13           workforce employment activities, the applicant shall  
14           agree to submit to a drug test administered as de-  
15           scribed in paragraph (2) and, if the test is adminis-  
16           tered to the applicant, shall pass the test.

17           (4) *ELIGIBILITY OF PARTICIPANTS.*—In order for  
18           such a participant to be eligible to participate in  
19           workforce employment activities described in subpara-  
20           graph (A), (B), (C), (D), (E), (G), (H), (J), or (K)  
21           of subsection (a)(6), the individual shall agree to sub-  
22           mit to a drug test administered as described in para-  
23           graph (2) and, if the test is administered to the par-  
24           ticipant, shall pass the test. If a participant refuses  
25           to submit to the drug test, or fails the drug test, the

1        *local entity shall dismiss the participant from par-*  
2        *ticipation in the activities.*

3            (5) *REAPPLICATION.*—

4            (A) *IN GENERAL.*—*Except as provided in*  
5        *subparagraph (B), an individual who is an ap-*  
6        *plicant and is disqualified from eligibility under*  
7        *paragraph (3), or who is a participant and is*  
8        *dismissed under paragraph (4), may reapply,*  
9        *not earlier than 6 months after the date of the*  
10       *disqualification or dismissal, to participate in*  
11       *the workforce employment activities described in*  
12       *subparagraph (A), (B), (C), (D), (E), (G), (H),*  
13       *(J), or (K) of subsection (a)(6). If the individual*  
14       *demonstrates that the individual has completed a*  
15       *drug treatment program and passed a drug test*  
16       *within the past 30 days, the individual may*  
17       *participate in such activities, under the same*  
18       *terms and conditions as apply to other appli-*  
19       *cants and participants, including submission to*  
20       *drug tests administered as described in para-*  
21       *graph (2).*

22            (B) *SECOND DISQUALIFICATION OR DISMIS-*  
23        *SAL.*—*If the individual reapplies to participate*  
24        *in the activities and fails a drug test adminis-*  
25        *tered under paragraph (2) by the local entity,*

1           *while the individual is an applicant or a partic-*  
2           *ipant, the local entity shall disqualify the indi-*  
3           *vidual from eligibility for, or dismiss the indi-*  
4           *vidual from participation in, the workforce em-*  
5           *ployment activities. The individual shall not be*  
6           *eligible to reapply for participation in the ac-*  
7           *tivities for 2 years after such disqualification or*  
8           *dismissal.*

9           (6) *APPEAL.*—*A decision by a local entity to dis-*  
10          *qualify an individual from eligibility for participa-*  
11          *tion in workforce employment activities under para-*  
12          *graph (3) or (5), or to dismiss a participant as de-*  
13          *scribed in paragraph (4) or (5), shall be subject to ex-*  
14          *peditious appeal in accordance with procedures estab-*  
15          *lished by the State in which the local entity is lo-*  
16          *cated.*

17          (7) *DEFINITIONS.*—*As used in this section:*

18                (A) *DRUG.*—*The term “drug” means a con-*  
19                *trolled substance, as defined in section 102(6) of*  
20                *the Controlled Substance Act (21 U.S.C. 802(6)).*

21                (B) *DRUG TEST.*—*The term “drug test”*  
22                *means a biochemical drug test carried out by a*  
23                *facility that is approved by the local entity ad-*  
24                *ministering the test.*

1 **SEC. 107. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.**

2 (a) *PURPOSE.*—

3 (1) *IN GENERAL.*—*The purpose of this section is*  
4 *to support workforce development activities for Indian*  
5 *and Native Hawaiian individuals in order—*

6 (A) *to develop more fully the academic, oc-*  
7 *cupational, and literacy skills of such individ-*  
8 *uals;*

9 (B) *to make such individuals more competi-*  
10 *tive in the workforce; and*

11 (C) *to promote the economic and social de-*  
12 *velopment of Indian and Native Hawaiian com-*  
13 *munities in accordance with the goals and values*  
14 *of such communities.*

15 (2) *INDIAN POLICY.*—*All programs assisted*  
16 *under this section shall be administered in a manner*  
17 *consistent with the principles of the Indian Self-De-*  
18 *termination and Education Assistance Act (25 U.S.C.*  
19 *450 et seq.) and the government-to-government rela-*  
20 *tionship between the Federal Government and Indian*  
21 *tribal governments.*

22 (b) *DEFINITIONS.*—*As used in this section:*

23 (1) *ALASKA NATIVE.*—*The term “Alaska Native”*  
24 *means a Native as such term is defined in section*  
25 *3(b) of the Alaska Native Claims Settlement Act (43*  
26 *U.S.C. 1602(b)).*

1           (2) *INDIAN, INDIAN TRIBE, AND TRIBAL ORGANI-*  
2           *ZATION.—The terms “Indian”, “Indian tribe”, and*  
3           *“tribal organization” have the same meanings given*  
4           *such terms in subsections (d), (e), and (l), respec-*  
5           *tively, of section 4 of the Indian Self-Determination*  
6           *and Education Assistance Act (25 U.S.C. 450b).*

7           (3) *INSTITUTION OF HIGHER EDUCATION.—The*  
8           *term “institution of higher education” has the mean-*  
9           *ing given the term in section 1201(a) of the Higher*  
10           *Education Act of 1965 (20 U.S.C. 1141(a)).*

11           (4) *NATIVE HAWAIIAN AND NATIVE HAWAIIAN OR-*  
12           *GANIZATION.—The terms “Native Hawaiian” and*  
13           *“Native Hawaiian organization” have the same*  
14           *meanings given such terms in paragraphs (1) and*  
15           *(3), respectively, of section 9212 of the Native Hawai-*  
16           *ian Education Act (20 U.S.C. 7912).*

17           (5) *TRIBALLY CONTROLLED COMMUNITY COL-*  
18           *LEGE.—The term “tribally controlled community col-*  
19           *lege” has the same meaning given such term in sec-*  
20           *tion 2(a)(4) of the Tribally Controlled Community*  
21           *College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).*

22           (6) *TRIBALLY CONTROLLED POSTSECONDARY VO-*  
23           *CATIONAL INSTITUTION.—The term “tribally con-*  
24           *trolled postsecondary vocational institution” means*  
25           *an institution of higher education that—*

1           (A) is formally controlled, or has been for-  
2 mally sanctioned or chartered, by the governing  
3 body of an Indian tribe or Indian tribes;

4           (B) offers a technical degree or certificate  
5 granting program;

6           (C) is governed by a board of directors or  
7 trustees, a majority of whom are Indians;

8           (D) demonstrates adherence to stated goals,  
9 a philosophy, or a plan of operation, that fosters  
10 individual Indian economic and self-sufficiency  
11 opportunity, including programs that are appro-  
12 priate to stated tribal goals of developing indi-  
13 vidual entrepreneurships and self-sustaining eco-  
14 nomic infrastructures on reservations;

15           (E) has been in operation for at least 3  
16 years;

17           (F) holds accreditation with or is a can-  
18 didate for accreditation by a nationally recog-  
19 nized accrediting authority for postsecondary vo-  
20 cational education; and

21           (G) enrolls the full-time equivalent of not  
22 fewer than 100 students, of whom a majority are  
23 Indians.

24           (c) PROGRAM AUTHORIZED.—

1           (1) *ASSISTANCE AUTHORIZED.*—From amounts  
2           made available under section 124(b)(2), the Secretary  
3           of Labor and the Secretary of Education, acting  
4           jointly on the advice of the Federal Partnership, shall  
5           make grants to, or enter into contracts or cooperative  
6           agreements with, Indian tribes, tribal organizations,  
7           Alaska Native entities, tribally controlled community  
8           colleges, tribally controlled postsecondary vocational  
9           institutions, Indian-controlled organizations serving  
10          Indians, or Native Hawaiian organizations to carry  
11          out the authorized activities described in subsection  
12          (d).

13          (2) *FORMULA.*—The Secretary of Labor and the  
14          Secretary of Education, acting jointly on the advice  
15          of the Federal Partnership, shall make grants to, or  
16          enter into contracts and cooperative agreements with,  
17          entities as described in paragraph (1) to carry out the  
18          activities described in paragraphs (2) and (3) of sub-  
19          section (d) on the basis of a formula developed by the  
20          Federal Partnership in consultation with entities de-  
21          scribed in paragraph (1).

22          (d) *AUTHORIZED ACTIVITIES.*—

23                 (1) *IN GENERAL.*—Funds made available under  
24                 this section shall be used to carry out the activities  
25                 described in paragraphs (2) and (3) that—

1           (A) are consistent with this section; and

2           (B) are necessary to meet the needs of Indi-  
3           ans or Native Hawaiians preparing to enter, re-  
4           enter, or retain unsubsidized employment.

5           (2) *WORKFORCE DEVELOPMENT ACTIVITIES AND*  
6           *SUPPLEMENTAL SERVICES.*—

7           (A) *IN GENERAL.*—Funds made available  
8           under this section shall be used for—

9                   (i) comprehensive workforce develop-  
10                  ment activities for Indians or Native Ha-  
11                  waiians;

12                  (ii) supplemental services for Indian or  
13                  Native Hawaiian youth on or near Indian  
14                  reservations in Oklahoma, Alaska, or Ha-  
15                  waii; or

16                  (iii) supplemental services for recipi-  
17                  ents of public assistance on or near Indian  
18                  reservations or former reservation areas in  
19                  Oklahoma or in Alaska.

20           (B) *SPECIAL RULE.*—Notwithstanding any  
21           other provision of this section, individuals who  
22           were eligible to participate in programs under  
23           section 401 of the Job Training Partnership Act  
24           (29 U.S.C. 1671) (as such section was in effect  
25           on the day before the date of enactment of this

1           Act) shall be eligible to participate in an activ-  
2           ity assisted under subparagraph (A)(i).

3           (3) VOCATIONAL EDUCATION, ADULT EDUCATION,  
4           AND LITERACY SERVICES.—Funds made available  
5           under this section shall be used for—

6                   (A) workforce education activities conducted  
7                   by entities described in subsection (c)(1); or

8                   (B) the support of tribally controlled post-  
9                   secondary vocational institutions in order to en-  
10                  sure continuing and expanded educational op-  
11                  portunities for Indian students.

12          (e) PROGRAM PLAN.—In order to receive a grant or  
13          enter into a contract or cooperative agreement under this  
14          section an entity described in subsection (c)(1) shall submit  
15          to the Federal Partnership a plan that describes a 3-year  
16          strategy for meeting the needs of Indian or Native Hawai-  
17          ian individuals, as appropriate, in the area served by such  
18          entity. Such plan shall—

19                   (1) be consistent with the purposes of this sec-  
20                   tion;

21                   (2) identify the population to be served;

22                   (3) identify the education and employment needs  
23                   of the population to be served and the manner in  
24                   which the services to be provided will strengthen the

1 *ability of the individuals served to obtain or retain*  
2 *unsubsidized employment;*

3 *(4) describe the services to be provided and the*  
4 *manner in which such services are to be integrated*  
5 *with other appropriate services; and*

6 *(5) describe the goals and benchmarks to be used*  
7 *to assess the performance of entities in carrying out*  
8 *the activities assisted under this section.*

9 *(f) FURTHER CONSOLIDATION OF FUNDS.—Each en-*  
10 *tity receiving assistance under this section may consolidate*  
11 *such assistance with assistance received from related pro-*  
12 *grams in accordance with the provisions of the Indian Em-*  
13 *ployment, Training and Related Services Demonstration*  
14 *Act of 1992 (25 U.S.C. 3401 et seq.).*

15 *(g) NONDUPLICATIVE AND NONEXCLUSIVE SERV-*  
16 *ICES.—Nothing in this section shall be construed—*

17 *(1) to limit the eligibility of any entity described*  
18 *in subsection (c)(1) to participate in any program of-*  
19 *fered by a State or local entity under this title; or*

20 *(2) to preclude or discourage any agreement, be-*  
21 *tween any entity described in subsection (c)(1) and*  
22 *any State or local entity, to facilitate the provision*  
23 *of services by such entity or to the population served*  
24 *by such entity.*

25 *(h) PARTNERSHIP PROVISIONS.—*

1           (1) *OFFICE ESTABLISHED.*—*There shall be estab-*  
2 *lished within the Federal Partnership an office to ad-*  
3 *minister the activities assisted under this section.*

4           (2) *CONSULTATION REQUIRED.*—

5           (A) *IN GENERAL.*—*The Federal Partner-*  
6 *ship, through the office established under para-*  
7 *graph (1), shall develop regulations and policies*  
8 *for activities assisted under this section in con-*  
9 *sultation with tribal organizations and Native*  
10 *Hawaiian organizations. Such regulations and*  
11 *policies shall take into account the special cir-*  
12 *cumstances under which such activities operate.*

13           (B) *ADMINISTRATIVE SUPPORT.*—*The Fed-*  
14 *eral Partnership shall provide such administra-*  
15 *tive support to the office established under para-*  
16 *graph (1) as the Federal Partnership determines*  
17 *to be necessary to carry out the consultation re-*  
18 *quired by subparagraph (A).*

19           (3) *TECHNICAL ASSISTANCE.*—*The Federal Part-*  
20 *nership, through the office established under para-*  
21 *graph (1), is authorized to provide technical assist-*  
22 *ance to entities described in subsection (c)(1) that re-*  
23 *ceive assistance under this section to enable such enti-*  
24 *ties to improve the workforce development activities*  
25 *provided by such entities.*

1 **SEC. 108. MIGRANT OR SEASONAL FARMWORKER PROGRAM.**

2 (a) *GENERAL AUTHORITY.*—Using funds made avail-  
3 able under section 124(b)(3), the Secretary of Labor and  
4 the Secretary of Education, acting jointly on the advice of  
5 the Federal Partnership, shall make grants to, or enter into  
6 contracts with, entities to carry out the activities described  
7 in subsection (d).

8 (b) *ELIGIBLE ENTITIES.*—To be eligible to receive a  
9 grant or enter into a contract under this section, an entity  
10 shall have an understanding of the problems of migrant or  
11 seasonal farmworkers, a familiarity with the area to be  
12 served, and a previously demonstrated capacity to admin-  
13 ister effectively a diversified program of workforce develop-  
14 ment activities for migrant or seasonal farmworkers.

15 (c) *PROGRAM PLAN.*—

16 (1) *IN GENERAL.*—To be eligible to receive a  
17 grant or enter into a contract under this section, an  
18 entity described in subsection (b) shall submit to the  
19 Federal Partnership a plan that describes a 3-year  
20 strategy for meeting the needs of migrant or seasonal  
21 farmworkers in the area to be served by such entity.

22 (2) *CONTENTS.*—Such plan shall—

23 (A) identify the education and employment  
24 needs of the population to be served and the  
25 manner in which the services to be provided will  
26 strengthen the ability of the individuals served to

1           *obtain or be retained in unsubsidized employ-*  
2           *ment;*

3                   *(B) describe the services to be provided and*  
4           *the manner in which such services are to be inte-*  
5           *grated with other appropriate services; and*

6                   *(C) describe the goals and benchmarks to be*  
7           *used to assess the performance of such entity in*  
8           *carrying out the activities assisted under this*  
9           *section.*

10          *(d) AUTHORIZED ACTIVITIES.—Funds made available*  
11         *under this section shall be used to carry out comprehensive*  
12         *workforce development activities, and related services, for*  
13         *migrant or seasonal farmworkers.*

14          *(e) CONSULTATION WITH STATE AND LOCAL PARTNER-*  
15         *SHIPS AND BOARDS.—In making grants and entering into*  
16         *contracts under this section, the Federal Partnership shall*  
17         *consult with the Governors (or, where established, the State*  
18         *workforce development boards described in section 105) and*  
19         *with local partnerships (or, where established, the local*  
20         *workforce development boards described in section 118(b)).*

21         **SEC. 109. GRANTS TO OUTLYING AREAS.**

22          *(a) GENERAL AUTHORITY.—Using funds made avail-*  
23         *able under section 124(b)(4), the Secretary of Labor and*  
24         *the Secretary of Education, acting jointly on the advice of*

1 *the Federal Partnership, shall make grants to outlying*  
2 *areas to carry out workforce development activities.*

3 (b) *APPLICATION.—The Federal Partnership shall*  
4 *issue regulations specifying the provisions of this subtitle*  
5 *that shall apply to outlying areas that receive funds under*  
6 *this subtitle.*

7 **CHAPTER 2—LOCAL PROVISIONS**

8 **SEC. 111. LOCAL APPORTIONMENT BY ACTIVITY.**

9 (a) *WORKFORCE EMPLOYMENT ACTIVITIES.—*

10 (1) *IN GENERAL.—The sum of—*

11 (A) *the funds made available to a State for*  
12 *any fiscal year under section 103(a)(1), less any*  
13 *portion of such funds made available under sec-*  
14 *tion 6 of the Wagner-Peyser Act (29 U.S.C. 49e);*  
15 *and*

16 (B) *the funds made available to a State for*  
17 *any fiscal year under section 103(a)(3) for*  
18 *workforce employment activities;*

19 *shall be made available to the Governor of such State*  
20 *for use in accordance with paragraph (2).*

21 (2) *DISTRIBUTION.—Of the sum described in*  
22 *paragraph (1), for a program year—*

23 (A) *25 percent shall be reserved by the Gov-*  
24 *ernor to carry out workforce employment activi-*  
25 *ties through the statewide system, of which not*

1           *more than 20 percent of such 25 percent may be*  
2           *used for administrative expenses; and*

3           *(B) 75 percent shall be distributed by the*  
4           *Governor to local entities to carry out workforce*  
5           *employment activities through the statewide sys-*  
6           *tem, based on—*

7                   *(i) such factors as the relative distribu-*  
8                   *tion among substate areas of individuals*  
9                   *who are not less than 15 and not more than*  
10                  *65, individuals in poverty, unemployed in-*  
11                  *dividuals, and adult recipients of assist-*  
12                  *ance, as determined using the definitions*  
13                  *specified and the determinations described*  
14                  *in section 102(b); and*

15                   *(ii) such additional factors as the Gov-*  
16                   *ernor (in consultation with local partner-*  
17                   *ships or, where established, local workforce*  
18                   *development boards described in section*  
19                   *118(b)), determines to be necessary.*

20           *(b) WORKFORCE EDUCATION ACTIVITIES.—*

21                   *(1) IN GENERAL.—The sum of the funds made*  
22                   *available to a State for any program year under*  
23                   *paragraphs (2) and (3) of section 103(a) for*  
24                   *workforce education activities shall be made available*

1       to the State educational agency serving such State for  
2       use in accordance with paragraph (2).

3               (2) *DISTRIBUTION.*—Of the sum described in  
4       paragraph (1), for a program year—

5                       (A) 20 percent shall be reserved by the State  
6       educational agency to carry out statewide  
7       workforce education activities through the state-  
8       wide system, of which not more than 5 percent  
9       of such 20 percent may be used for administra-  
10      tive expenses; and

11                      (B) 80 percent shall be distributed by the  
12      State educational agency to entities eligible for  
13      financial assistance under section 112, 113, or  
14      114, to carry out workforce education activities  
15      through the statewide system.

16               (3) *STATE ACTIVITIES.*—Activities to be carried  
17      out under paragraph (2)(A) may include professional  
18      development, technical assistance, and program as-  
19      sessment activities.

20               (4) *STATE DETERMINATIONS.*—From the amount  
21      available to a State educational agency under para-  
22      graph (2)(B) for a program year, such agency shall  
23      determine the percentage of such amount that will be  
24      distributed in accordance with sections 112, 113, and

1       114 for such year for workforce education activities in  
2       such State in each of the following areas:

3               (A) Secondary school vocational education,  
4               or postsecondary and adult vocational education,  
5               or both; and

6               (B) Adult education.

7       (c) *SPECIAL RULE.*—Nothing in this subtitle shall be  
8       construed to prohibit any individual, entity, or agency in  
9       a State (other than the State educational agency) that is  
10       administering workforce education activities or setting edu-  
11       cation policies consistent with authority under State law  
12       for workforce education activities, on the day preceding the  
13       date of enactment of this Act from continuing to administer  
14       or set education policies consistent with authority under  
15       State law for such activities under this subtitle.

16       **SEC. 112. DISTRIBUTION FOR SECONDARY SCHOOL VOCA-**  
17               **TIONAL EDUCATION.**

18       (a) *ALLOCATION.*—Except as otherwise provided in  
19       this section and section 115, each State educational agency  
20       shall distribute the portion of the funds made available for  
21       any program year (from funds made available for the cor-  
22       responding fiscal year, as determined under section 124(c))  
23       by such agency for secondary school vocational education  
24       under section 111(b)(4)(A) to local educational agencies  
25       within the State as follows:

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

11           (2) *TWENTY PERCENT.*—From 20 percent of such  
12 portion, each local educational agency shall be allo-  
13 cated an amount that bears the same relationship to  
14 such 20 percent as the number of students with dis-  
15 abilities who have individualized education programs  
16 under section 614(a)(5) of the *Individuals with Dis-*  
17 *abilities Education Act (20 U.S.C. 1414(a)(5))* served  
18 by such local educational agency for the preceding fis-  
19 cal year bears to the total number of such students  
20 served by all local educational agencies in the State  
21 for such year.

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

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

7 *(b) MINIMUM ALLOCATION.—*

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

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

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

21 *(B) demonstrates that such agency is unable*  
22 *to enter into a consortium for purposes of pro-*  
23 *viding services under this section.*

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

1 *be redistributed to local educational agencies that*  
2 *meet the requirements of paragraph (1) or (2) in ac-*  
3 *cordance with the provisions of this section.*

4 *(c) LIMITED JURISDICTION AGENCIES.—*

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

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

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

21 *(1) IN GENERAL.—Each State educational agen-*  
22 *cy shall distribute the portion of funds made available*  
23 *for any program year by such agency for secondary*  
24 *school vocational education under section*  
25 *111(b)(4)(A) to the appropriate area vocational edu-*

1        *cation school or educational service agency in any*  
2        *case in which—*

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

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

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

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

21                        *(ii) the area vocational education school,*  
22                        *educational service agency, or local educational*  
23                        *agency demonstrates that the vocational edu-*  
24                        *cation school or educational service agency is un-*  
25                        *able to meet the criterion described in clause (i)*

1           *due to the lack of interest by students described*  
2           *in clause (i) in attending vocational education*  
3           *programs in that area vocational education*  
4           *school or educational service agency.*

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

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

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

22           (3) *STATE DETERMINATION.*—

23                   (A) *IN GENERAL.*—*For the purposes of this*  
24                  *subsection, the State educational agency may de-*

1           *termine the number of students who are low-in-*  
2           *come on the basis of—*

3                     *(i) eligibility for—*

4                             *(I) free or reduced-price meals*  
5                             *under the National School Lunch Act*  
6                             *(7 U.S.C. 1751 et seq.);*

7                             *(II) assistance under a State pro-*  
8                             *gram funded under part A of title IV*  
9                             *of the Social Security Act;*

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

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

17                            *(ii) another index of economic status,*  
18                            *including an estimate of such index, if the*  
19                            *State educational agency demonstrates to*  
20                            *the satisfaction of the Federal Partnership*  
21                            *that such index is a more representative*  
22                            *means of determining such number.*

23                            *(B) DATA.—If a State educational agency*  
24                            *elects to use more than 1 factor described in sub-*  
25                            *paragraph (A) for purposes of making the deter-*

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

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

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

18           (A) *form a consortium or enter into a coop-*  
19           *erative agreement with an area vocational edu-*  
20           *cation school or educational service agency offer-*  
21           *ing secondary school vocational education pro-*  
22           *grams of sufficient size, scope, and quality to be*  
23           *effective and that are accessible to students who*  
24           *are individuals with disabilities or are low-in-*

1           *come, and are served by such local educational*  
2           *agency; and*

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

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

12          **SEC. 113. DISTRIBUTION FOR POSTSECONDARY AND ADULT**  
13                                   **VOCATIONAL EDUCATION.**

14          *(a) ALLOCATION.—*

15                   *(1) IN GENERAL.—Except as provided in sub-*  
16           *section (b) and section 115, each State educational*  
17           *agency, using the portion of the funds made available*  
18           *for any program year by such agency for postsecond-*  
19           *ary and adult vocational education under section*  
20           *111(b)(4)(A)—*

21                           *(A) shall reserve funds to carry out sub-*  
22           *section (d); and*

23                           *(B) shall distribute the remainder to eligible*  
24           *institutions or consortia of the institutions with-*  
25           *in the State.*

1           (2) *FORMULA.*—Each such eligible institution or  
2           consortium shall receive an amount for the program  
3           year (from funds made available for the correspond-  
4           ing fiscal year, as determined under section 124(c))  
5           from such remainder that bears the same relationship  
6           to such remainder as the number of individuals who  
7           are Pell Grant recipients or recipients of assistance  
8           from the Bureau of Indian Affairs and are enrolled  
9           in programs offered by such institution or consortium  
10          for the preceding fiscal year bears to the number of  
11          all such individuals who are enrolled in any such  
12          program within the State for such preceding year.

13          (3) *CONSORTIUM REQUIREMENTS.*—In order for  
14          a consortium of eligible institutions described in  
15          paragraph (1) to receive assistance pursuant to such  
16          paragraph such consortium shall operate joint  
17          projects that—

18                  (A) provide services to all postsecondary in-  
19                  stitutions participating in the consortium; and

20                  (B) are of sufficient size, scope, and quality  
21                  to be effective.

22          (b) *WAIVER FOR MORE EQUITABLE DISTRIBUTION.*—  
23          The Federal Partnership may waive the application of sub-  
24          section (a) in the case of any State educational agency that

1 *submits to the Federal Partnership an application for such*  
2 *a waiver that—*

3 *(1) demonstrates that the formula described in*  
4 *subsection (a) does not result in a distribution of*  
5 *funds to the institutions or consortia within the State*  
6 *that have the highest numbers of low-income individ-*  
7 *uals and that an alternative formula will result in*  
8 *such a distribution; and*

9 *(2) includes a proposal for an alternative for-*  
10 *mula that may include criteria relating to the num-*  
11 *ber of individuals attending the institutions or con-*  
12 *sortia within the State who—*

13 *(A) receive need-based postsecondary finan-*  
14 *cial aid provided from public funds;*

15 *(B) are members of families receiving as-*  
16 *sistance under a State program funded under*  
17 *part A of title IV of the Social Security Act;*

18 *(C) are enrolled in postsecondary edu-*  
19 *cational institutions that—*

20 *(i) are funded by the State;*

21 *(ii) do not charge tuition; and*

22 *(iii) serve only low-income students;*

23 *(D) are enrolled in programs serving low-*  
24 *income adults; or*

25 *(E) are Pell Grant recipients.*

1       (c) *MINIMUM AMOUNT.*—

2           (1) *IN GENERAL.*—No distribution of funds pro-  
3       vided to any institution or consortium for a program  
4       year under this section shall be for an amount that  
5       is less than \$50,000.

6           (2) *REDISTRIBUTION.*—Any amounts that are  
7       not distributed by reason of paragraph (1) shall be re-  
8       distributed to eligible institutions or consortia in ac-  
9       cordance with the provisions of this section.

10       (d) *SPECIAL RULE FOR CRIMINAL OFFENDERS.*—Each  
11       State educational agency shall distribute the funds reserved  
12       under subsection (a)(1)(A) to 1 or more State corrections  
13       agencies to enable the State corrections agencies to admin-  
14       ister vocational education programs for juvenile and adult  
15       criminal offenders in correctional institutions in the State,  
16       including correctional institutions operated by local au-  
17       thorities.

18       (e) *DEFINITIONS.*—For the purposes of this section—

19           (1) the term “eligible institution” means a post-  
20       secondary educational institution, a local educational  
21       agency serving adults, or an area vocational edu-  
22       cation school serving adults that offers or will offer a  
23       program that seeks to receive financial assistance  
24       under this section;

1           (2) the term “low-income”, used with respect to  
2           a person, means a person who is determined under  
3           guidelines developed by the Federal Partnership to be  
4           low-income, using the most recent available data pro-  
5           vided by the Bureau of the Census, prior to the deter-  
6           mination; and

7           (3) the term “Pell Grant recipient” means a re-  
8           cipient of financial aid under subpart 1 of part A of  
9           title IV of the Higher Education Act of 1965 (20  
10          U.S.C. 1070a et seq.).

11 **SEC. 114. DISTRIBUTION FOR ADULT EDUCATION.**

12          (a) *IN GENERAL.*—Except as provided in subsection  
13          (b)(3), from the amount made available by a State edu-  
14          cational agency for adult education under section  
15          111(b)(4)(B) for a program year, such agency shall award  
16          grants, on a competitive basis, to local educational agencies,  
17          correctional education agencies, community-based organiza-  
18          tions of demonstrated effectiveness, volunteer literacy orga-  
19          nizations, libraries, public or private nonprofit agencies,  
20          postsecondary educational institutions, public housing au-  
21          thorities, and other nonprofit institutions that have the  
22          ability to provide literacy services to adults and families,  
23          or consortia of agencies, organizations, or institutions de-  
24          scribed in this subsection, to enable such agencies, organiza-

1 *tions, institutions, and consortia to establish or expand*  
2 *adult education programs.*

3 *(b) GRANT REQUIREMENTS.—*

4 *(1) ACCESS.—Each State educational agency*  
5 *making funds available for any program year for*  
6 *adult education under section 111(b)(4)(B) shall en-*  
7 *sure that the entities described in subsection (a) will*  
8 *be provided direct and equitable access to all Federal*  
9 *funds provided under this section.*

10 *(2) CONSIDERATIONS.—In awarding grants*  
11 *under this section, the State educational agency shall*  
12 *consider—*

13 *(A) the past effectiveness of applicants in*  
14 *providing services (especially with respect to re-*  
15 *ruitment and retention of educationally dis-*  
16 *advantaged adults and the learning gains dem-*  
17 *onstrated by such adults);*

18 *(B) the degree to which an applicant will*  
19 *coordinate and utilize other literacy and social*  
20 *services available in the community; and*

21 *(C) the commitment of the applicant to*  
22 *serve individuals in the community who are*  
23 *most in need of literacy services.*

24 *(3) CONSORTIA.—A State educational agency*  
25 *may award a grant under subsection (a) to a consor-*

1 *tium that includes an entity described in subsection*  
2 *(a) and a for-profit agency, organization, or institu-*  
3 *tion, if such agency, organization, or institution—*

4 *(A) can make a significant contribution to*  
5 *carrying out the objectives of this subtitle; and*

6 *(B) enters into a contract with the entity*  
7 *described in subsection (a) for the purpose of es-*  
8 *tablishing or expanding adult education pro-*  
9 *grams.*

10 *(c) LOCAL ADMINISTRATIVE COST LIMITS.—*

11 *(1) IN GENERAL.—Except as provided in para-*  
12 *graph (2), of the funds provided under this section by*  
13 *a State educational agency to an agency, organiza-*  
14 *tion, institution, or consortium described in sub-*  
15 *section (a), at least 95 percent shall be expended for*  
16 *provision of adult education instructional activities.*  
17 *The remainder shall be used for planning, adminis-*  
18 *tration, personnel development, and interagency co-*  
19 *ordination.*

20 *(2) SPECIAL RULE.—In cases where the cost lim-*  
21 *its described in paragraph (1) will be too restrictive*  
22 *to allow for adequate planning, administration, per-*  
23 *sonnel development, and interagency coordination*  
24 *supported under this section, the State educational*  
25 *agency shall negotiate with the agency, organization,*

1        *institution, or consortium described in subsection (a)*  
2        *in order to determine an adequate level of funds to be*  
3        *used for noninstructional purposes.*

4        **SEC. 115. SPECIAL RULE FOR MINIMAL ALLOCATION.**

5        (a) *GENERAL AUTHORITY.*—*For any program year for*  
6        *which a minimal amount is made available by a State edu-*  
7        *cational agency for distribution under section 112 or 113*  
8        *such agency may, notwithstanding the provisions of section*  
9        *112 or 113, respectively, in order to make a more equitable*  
10       *distribution of funds for programs serving the highest num-*  
11       *bers of low-income individuals (as defined in section*  
12       *113(e)), distribute such minimal amount—*

13                (1) *on a competitive basis; or*

14                (2) *through any alternative method determined*  
15        *by the State educational agency.*

16        (b) *MINIMAL AMOUNT.*—*For purposes of this section,*  
17        *the term “minimal amount” means not more than 15 per-*  
18        *cent of the total amount made available by the State edu-*  
19        *cational agency under section 111(b)(4)(A) for section 112*  
20        *or 113, respectively, for such program year.*

21        **SEC. 116. REDISTRIBUTION.**

22        (a) *IN GENERAL.*—*In any program year that an en-*  
23        *tity receiving financial assistance under section 112 or 113*  
24        *does not expend all of the amounts distributed to such entity*  
25        *for such year under section 112 or 113, respectively, such*

1 *entity shall return any unexpended amounts to the State*  
2 *educational agency for distribution under section 112 or*  
3 *113, respectively. The State educational agency may waive*  
4 *the requirements of the preceding sentence, on a case-by-*  
5 *case basis, for good cause as determined by such agency.*

6 (b) *REDISTRIBUTION OF AMOUNTS RETURNED LATE*  
7 *IN A PROGRAM YEAR.—In any program year in which*  
8 *amounts are returned to the State educational agency under*  
9 *subsection (a) for programs described in section 112 or 113*  
10 *and the State educational agency is unable to redistribute*  
11 *such amounts according to section 112 or 113, respectively,*  
12 *in time for such amounts to be expended in such program*  
13 *year, the State educational agency shall retain such*  
14 *amounts for distribution in combination with amounts pro-*  
15 *vided under such section for the following program year.*

16 **SEC. 117. LOCAL APPLICATION FOR WORKFORCE EDU-**  
17 **CATION ACTIVITIES.**

18 (a) *IN GENERAL.—*

19 (1) *IN GENERAL.—Each eligible entity desiring*  
20 *financial assistance under this subtitle for workforce*  
21 *education activities shall submit an application to the*  
22 *State educational agency at such time, in such man-*  
23 *ner and accompanied by such information as such*  
24 *agency (in consultation with such other educational*  
25 *entities as the State educational agency determines to*

1       *be appropriate) may require. Such application shall*  
2       *cover the same period of time as the period of time*  
3       *applicable to the State workforce development plan.*

4               (2) *DEFINITION.—For the purpose of this section*  
5       *the term “eligible entity” means an entity eligible for*  
6       *financial assistance under section 112, 113, or 114*  
7       *from a State educational agency.*

8               (b) *CONTENTS.—Each application described in sub-*  
9       *section (a) shall, at a minimum—*

10              (1) *describe how the workforce education activi-*  
11       *ties required under section 106(b), and other*  
12       *workforce education activities, will be carried out*  
13       *with funds received under this subtitle;*

14              (2) *describe how the activities to be carried out*  
15       *relate to meeting the State goals, and reaching the*  
16       *State benchmarks, concerning workforce education ac-*  
17       *tivities;*

18              (3) *describe how the activities to be carried out*  
19       *are an integral part of the comprehensive efforts of*  
20       *the eligible entity to improve education for all stu-*  
21       *dents and adults;*

22              (4) *describe the process that will be used to inde-*  
23       *pendently evaluate and continuously improve the per-*  
24       *formance of the eligible entity; and*

1           (5) describe how the eligible entity will coordi-  
2           nate the activities of the entity with the activities of  
3           the local workforce development board, if any, in the  
4           substate area.

5 **SEC. 118. LOCAL PARTNERSHIPS, AGREEMENTS, AND**  
6                                   **WORKFORCE DEVELOPMENT BOARDS.**

7           (a) LOCAL AGREEMENTS.—

8                           (1) IN GENERAL.—

9                                   (A) NEGOTIATION AND AGREEMENT.—After  
10                                   a Governor submits the State plan described in  
11                                   section 104 to the Federal Partnership, the Gov-  
12                                   ernor shall negotiate and enter into a local  
13                                   agreement regarding the workforce development  
14                                   activities to be carried out in each substate area  
15                                   in the State with local partnerships (or, where  
16                                   established, local workforce development boards  
17                                   described in subsection (b)).

18                                   (B) WORKFORCE EDUCATION ACTIVITIES.—

19                                   In carrying out activities under this section, a  
20                                   local partnership or local workforce development  
21                                   board described in subsection (b) may make rec-  
22                                   ommendations with respect to the allocation of  
23                                   funds for, or administration of, workforce edu-  
24                                   cation activities in the State involved, but such  
25                                   allocation and administration shall be carried

1           *out in accordance with sections 111 through 117*  
2           *and section 119.*

3           (2) *LOCAL PARTNERSHIPS.*—

4                   (A) *IN GENERAL.*—*A local partnership re-*  
5                   *ferred to in paragraph (1) shall be established by*  
6                   *the local chief elected official, in accordance with*  
7                   *subparagraphs (B) and (C), and shall consist of*  
8                   *individuals representing business, industry, and*  
9                   *labor, local secondary schools, local postsecond-*  
10                   *ary education institutions, local adult education*  
11                   *providers, local elected officials, rehabilitation*  
12                   *agencies and organizations, community-based or-*  
13                   *ganizations, and veterans, within the appro-*  
14                   *priate substate area.*

15                   (B) *MULTIPLE JURISDICTIONS.*—*In any*  
16                   *case in which there are 2 or more units of gen-*  
17                   *eral local government in the substate area in-*  
18                   *volved, the chief elected official of each such unit*  
19                   *shall appoint members of the local partnership*  
20                   *in accordance with an agreement entered into by*  
21                   *such chief elected officials. In the absence of such*  
22                   *an agreement, such appointments shall be made*  
23                   *by the Governor of the State involved from the*  
24                   *individuals nominated or recommended by the*  
25                   *chief elected officials.*

1           (C) *SELECTION OF BUSINESS AND INDUS-*  
2           *TRY REPRESENTATIVES.*—*Individuals represent-*  
3           *ing business and industry in the local partner-*  
4           *ship shall be appointed by the chief elected offi-*  
5           *cial from nominations submitted by business or-*  
6           *ganizations in the substate area involved. Such*  
7           *individuals shall reasonably represent the indus-*  
8           *trial and demographic composition of the busi-*  
9           *ness community. Where possible, at least 50 per-*  
10          *cent of such business and industry representa-*  
11          *tives shall be representatives of small business.*

12          (3) *BUSINESS AND INDUSTRY INVOLVEMENT.*—  
13          *The business and industry representatives shall have*  
14          *a lead role in the design, management, and evalua-*  
15          *tion of the activities to be carried out in the substate*  
16          *area under the local agreement.*

17          (4) *CONTENTS.*—

18               (A) *STATE GOALS AND STATE BENCH-*  
19               *MARKS.*—*Such an agreement shall include a de-*  
20               *scription of the manner in which funds allocated*  
21               *to a substate area in accordance with section*  
22               *111(a) or in accordance with sections 111(b),*  
23               *112, 113, and 114 will be spent to meet the State*  
24               *goals and reach the State benchmarks in a man-*  
25               *ner that reflects local labor market conditions.*

1           (B) *LOCAL RESPONSIBILITIES.*—The agree-  
2           ment shall also include a description of the re-  
3           sponsibilities of the local partnership (or, where  
4           established, local workforce development board  
5           described in subsection (b)) for carrying out  
6           workforce development activities under this sub-  
7           title.

8           (C) *COLLABORATION.*—The agreement shall  
9           also include information that demonstrates the  
10          manner in which—

11                   (i) the Governor; and

12                   (ii) the local partnership (or, where es-  
13                   tablished, the local workforce development  
14                   board);

15          collaborated in reaching the agreement.

16          (5) *FAILURE TO REACH AGREEMENT.*—If, after a  
17          reasonable effort, the Governor is unable to enter into  
18          an agreement with the local partnership (or, where es-  
19          tablished, the local workforce development board), the  
20          Governor shall notify the partnership or board, as ap-  
21          propriate, and provide the partnership or board, as  
22          appropriate, with the opportunity to comment, not  
23          later than 30 days after the date of the notification,  
24          on the manner in which funds allocated to such sub-

1 *state area will be spent to meet the State goals and*  
2 *reach the State benchmarks.*

3 *(6) EXCEPTION.—A State that indicates in the*  
4 *State plan described in section 104 that the State will*  
5 *be treated as a substate area for purposes of the appli-*  
6 *cation of this subtitle shall not be subject to this sub-*  
7 *section.*

8 *(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—*

9 *(1) IN GENERAL.—Each State may facilitate the*  
10 *establishment of local workforce development boards*  
11 *in each substate area to set policy and provide over-*  
12 *sight over the workforce development activities in the*  
13 *substate area.*

14 *(2) MEMBERSHIP.—*

15 *(A) STATE CRITERIA.—The Governor shall*  
16 *establish criteria for use by local chief elected of-*  
17 *ficials in each substate area in the selection of*  
18 *members of the local workforce development*  
19 *boards, in accordance with the requirements of*  
20 *subparagraph (B).*

21 *(B) REPRESENTATION REQUIREMENT.—*  
22 *Such criteria shall require, at a minimum, that*  
23 *a local workforce development board consist of—*

1           (i) *representatives of business and in-*  
2           *dustry in the substate area, who shall con-*  
3           *stitute a majority of the board;*

4           (ii) *representatives of labor, workers,*  
5           *and community-based organizations, who*  
6           *shall constitute not less than 25 percent of*  
7           *the members of the board;*

8           (iii) *representatives of local secondary*  
9           *schools, postsecondary education institu-*  
10           *tions, and adult education providers;*

11           (iv) *representatives of veterans; and*

12           (v) *1 or more individuals with disabil-*  
13           *ities, or their representatives.*

14           (C) *CHAIR.*—*Each local workforce develop-*  
15           *ment board shall select a chairperson from*  
16           *among the members of the board who are rep-*  
17           *resentatives of business and industry.*

18           (3) *CONFLICT OF INTEREST.*—*No member of a*  
19           *local workforce development board shall vote on a*  
20           *matter relating to the provision of services by the*  
21           *member (or any organization that the member di-*  
22           *rectly represents) or vote on a matter that would pro-*  
23           *vide direct financial benefit to such member or the*  
24           *immediate family of such member or engage in any*

1 *other activity determined by the Governor to con-*  
2 *stitute a conflict of interest.*

3 (4) *FUNCTIONS.—The functions of the local*  
4 *workforce development board shall include—*

5 (A) *submitting to the Governor a single*  
6 *comprehensive 3-year strategic plan for*  
7 *workforce development activities in the substate*  
8 *area that includes information—*

9 (i) *identifying the workforce develop-*  
10 *ment needs of local industries, students, job-*  
11 *seekers, and workers;*

12 (ii) *identifying the workforce develop-*  
13 *ment activities to be carried out in the sub-*  
14 *state area with funds received through the*  
15 *allotment made to the State under section*  
16 *102, to meet the State goals and reach the*  
17 *State benchmarks;*

18 (iii) *identifying how the local*  
19 *workforce development board will obtain the*  
20 *active and continuous participation of busi-*  
21 *ness, industry, and labor in the development*  
22 *and continuous improvement of the*  
23 *workforce development activities carried out*  
24 *in the substate area; and*

1           (iv) identifying how the local workforce  
2           development board will obtain the active  
3           and continuous participation of secondary  
4           school teachers, secondary school students  
5           involved in workforce education activities  
6           carried out under this subtitle, and parents  
7           of such students, in the development and  
8           continuous improvement of the workforce  
9           education activities carried out in the sub-  
10          state area;

11          (B) entering into local agreements with the  
12          Governor as described in subsection (a);

13          (C) overseeing the operations of the one-stop  
14          delivery of core services described in section  
15          106(a)(2) in the substate area, including the re-  
16          sponsibility to—

17               (i) designate local entities to operate  
18               the one-stop delivery in the substate area,  
19               consistent with the criteria referred to in  
20               section 106(a)(2); and

21               (ii) develop and approve the budgets  
22               and annual operating plans of the providers  
23               of the one-stop delivery; and

24          (D) submitting annual reports to the Gov-  
25          ernor on the progress being made in the substate

1           *area toward meeting the State goals and reach-*  
2           *ing the State benchmarks.*

3           (5) *CONSULTATION.*—*A local workforce develop-*  
4           *ment board that serves a substate area shall conduct*  
5           *the functions described in paragraph (4) in consulta-*  
6           *tion with the chief elected officials in the substate*  
7           *area.*

8           (c) *ECONOMIC DEVELOPMENT ACTIVITIES.*—*A State*  
9           *shall be eligible to use not more than 50 percent of the funds*  
10          *made available to the State through the flex account for*  
11          *flexible workforce activities to carry out economic develop-*  
12          *ment activities if—*

13               (1) *the boards described in section 105 and sub-*  
14               *section (b) are established in the State;*

15               (2) *in the case of a State that indicates in the*  
16               *State plan described in section 104 that the State will*  
17               *be treated as a substate area for purposes of the appli-*  
18               *cation of this subtitle, the board described in section*  
19               *105 is established in the State; or*

20               (3) *beginning with program year 2000, in the*  
21               *case of a State that elects to offer activities for per-*  
22               *sons age 18 or older under section 106(a)(6), the State*  
23               *uses the authority of section 106(a)(9) to deliver some*  
24               *or all of such activities through a system of vouchers.*

1 **SEC. 119. CONSTRUCTION.**

2 *Nothing in this title shall be construed—*

3 *(1) to prohibit a local educational agency (or a*  
4 *consortium thereof) that receives assistance under sec-*  
5 *tion 112, from working with an eligible entity (or*  
6 *consortium thereof) that receives assistance under sec-*  
7 *tion 113, to carry out secondary school vocational*  
8 *education activities in accordance with this subtitle;*  
9 *or*

10 *(2) to prohibit an eligible entity (or consortium*  
11 *thereof) that receives assistance under section 113,*  
12 *from working with a local educational agency (or*  
13 *consortium thereof) that receives assistance under sec-*  
14 *tion 112, to carry out postsecondary and adult voca-*  
15 *tional education activities in accordance with this*  
16 *subtitle.*

17 **CHAPTER 3—ADMINISTRATION**

18 **SEC. 121. ACCOUNTABILITY.**

19 *(a) REPORT.—*

20 *(1) IN GENERAL.—Each State that receives an*  
21 *allotment under section 102 shall annually prepare*  
22 *and submit to the Federal Partnership, a report that*  
23 *states how the State is performing on State bench-*  
24 *marks, and the status and results of any State eval-*  
25 *uations specified in subsection (f), that relate to*  
26 *workforce development activities (and workforce prep-*

1     aration activities for at-risk youth) carried out  
2     through the statewide system of the State. In prepar-  
3     ing the report, the State may include information on  
4     such additional benchmarks as the State may estab-  
5     lish to meet the State goals.

6             (2) *CONSOLIDATED REPORT.*—In lieu of submit-  
7     ting separate reports under paragraph (1) and section  
8     409(a) of the Social Security Act, the State may pre-  
9     pare a consolidated report. Any consolidated report  
10    prepared under this paragraph shall contain the in-  
11    formation described in paragraph (1) and subsections  
12    (a) through (h) of section 409 of the Social Security  
13    Act. The State shall submit any consolidated report  
14    prepared under this paragraph to the Federal Part-  
15    nership, the Secretary of Agriculture, and the Sec-  
16    retary of Health and Human Services, on the dates  
17    specified in section 409(a) of the Social Security Act.

18    (b) *GOALS.*—

19             (1) *MEANINGFUL EMPLOYMENT.*—Each statewide  
20    system supported by an allotment under section 102  
21    shall be designed to meet the goal of assisting partici-  
22    pants in obtaining meaningful unsubsidized employ-  
23    ment opportunities in the State.

24             (2) *EDUCATION.*—Each statewide system sup-  
25    ported by an allotment under section 102 shall be de-

1 *signed to meet the goal of enhancing and developing*  
2 *more fully the academic, occupational, and literacy*  
3 *skills of all segments of the population of the State.*

4 *(c) BENCHMARKS.—*

5 *(1) MEANINGFUL EMPLOYMENT.—To be eligible*  
6 *to receive an allotment under section 102, a State*  
7 *shall develop, in accordance with paragraph (5), and*  
8 *identify in the State plan of the State, proposed*  
9 *quantifiable benchmarks to measure the statewide*  
10 *progress of the State toward meeting the goal de-*  
11 *scribed in subsection (b)(1), which shall include, at a*  
12 *minimum, measures of—*

13 *(A) placement in unsubsidized employment*  
14 *of participants;*

15 *(B) retention of the participants in such*  
16 *employment (12 months after completion of the*  
17 *participation); and*

18 *(C) increased earnings for the participants.*

19 *(2) EDUCATION.—To be eligible to receive an al-*  
20 *lotment under section 102, a State shall develop, in*  
21 *accordance with paragraph (5), and identify in the*  
22 *State plan of the State, proposed quantifiable bench-*  
23 *marks to measure the statewide progress of the State*  
24 *toward meeting the goal described in subsection*

1       **(b)(2)**, which shall include, at a minimum, measures  
2       of—

3               (A) student mastery of academic knowledge  
4               and work readiness skills;

5               (B) student mastery of occupational and in-  
6               dustry-recognized skills according to skill pro-  
7               ficiencies for students in career preparation pro-  
8               grams;

9               (C) placement in, retention in, and comple-  
10              tion of secondary education (as determined  
11              under State law) and postsecondary education,  
12              and placement and retention in employment and  
13              in military service; and

14              (D) mastery of the literacy, knowledge, and  
15              skills adults need to be productive and respon-  
16              sible citizens and to become more actively in-  
17              volved in the education of their children.

18       **(3) POPULATIONS.**—To be eligible to receive an  
19       allotment under section 102, a State shall develop, in  
20       accordance with paragraph (5), and identify in the  
21       State plan of the State, proposed quantifiable bench-  
22       marks to measure progress toward meeting the goals  
23       described in subsection (b) for populations including,  
24       at a minimum—

25              (A) welfare recipients;

1           (B) individuals with disabilities;

2           (C) at-risk youth;

3           (D) dislocated workers; and

4           (E) veterans.

5           (4) *SPECIAL RULE.*—If a State has developed for  
6 all students in the State performance indicators, at-  
7 tainment levels, or assessments for skills according to  
8 challenging academic, occupational, or industry-rec-  
9 ognized skill proficiencies, the State shall use such  
10 performance indicators, attainment levels, or assess-  
11 ments in measuring the progress of all students served  
12 under this title in attaining the skills.

13           (5) *NEGOTIATIONS.*—

14           (A) *INITIAL DETERMINATION.*—On receipt  
15 of a State plan submitted under section 104, the  
16 Federal Partnership shall, not later than 30  
17 days after the date of the receipt, determine—

18                   (i) how the proposed State benchmarks  
19 identified by the State in the State plan  
20 compare to the model benchmarks estab-  
21 lished by the Federal Partnership under sec-  
22 tion 182(b)(2);

23                   (ii) how the proposed State benchmarks  
24 compare with State benchmarks proposed by  
25 other States in their State plans; and

1                   (iii) whether the proposed State bench-  
2                   marks, taken as a whole, are sufficient—

3                               (I) to enable the State to meet the  
4                   State goals; and

5                               (II) to make the State eligible for  
6                   an incentive grant under section  
7                   122(a).

8                   (B) NOTIFICATION.—The Federal Partner-  
9                   ship shall immediately notify the State of the de-  
10                  terminations referred to in subparagraph (A). If  
11                  the Federal Partnership determines that the pro-  
12                  posed State benchmarks are not sufficient to  
13                  make the State eligible for an incentive grant  
14                  under section 122(a), the Federal Partnership  
15                  shall provide the State with guidance on the  
16                  steps the State may take to allow the State to be-  
17                  come eligible for the grant.

18                  (C) REVISION.—Not later than 30 days  
19                  after the date of receipt of the notification re-  
20                  ferred to in subparagraph (B), the State may re-  
21                  vise some or all of the State benchmarks identi-  
22                  fied in the State plan in order to become eligible  
23                  for the incentive grant or provide reasons why  
24                  the State benchmarks should be sufficient to  
25                  make the State eligible for the incentive grant.

1           (D) *DETERMINATION.*—After reviewing any  
2           revised State benchmarks or information submit-  
3           ted by the State in accordance with subpara-  
4           graph (C), the Federal Partnership shall make a  
5           determination on the eligibility of the State for  
6           the incentive grant, as described in paragraph  
7           (6), and provide advice to the Secretary of Labor  
8           and the Secretary of Education. The Secretary of  
9           Labor and the Secretary of Education, acting  
10          jointly on the advice of the Federal Partnership,  
11          may award a grant to the State under section  
12          122(a).

13          (6) *INCENTIVE GRANTS.*—Each State that sets  
14          high benchmarks under paragraph (1), (2), or (3) and  
15          reaches or exceeds the benchmarks, as determined by  
16          the Federal Partnership, shall be eligible to receive an  
17          incentive grant under section 122(a).

18          (7) *SANCTIONS.*—A State that has failed to dem-  
19          onstrate sufficient progress toward reaching the State  
20          benchmarks established under this subsection for the 3  
21          years covered by a State plan described in section  
22          104, as determined by the Federal Partnership, may  
23          be subject to sanctions under section 122(b).

24          (d) *JOB PLACEMENT ACCOUNTABILITY SYSTEM.*—

1           (1) *IN GENERAL.*—Each State that receives an  
2 allotment under section 102 shall establish a job  
3 placement accountability system, which will provide a  
4 uniform set of data to track the progress of the State  
5 toward reaching the State benchmarks.

6           (2) *DATA.*—

7           (A) *IN GENERAL.*—In order to maintain  
8 data relating to the measures described in sub-  
9 section (c)(1), each such State shall establish a  
10 job placement accountability system using quar-  
11 terly wage records available through the unem-  
12 ployment insurance system. The State agency or  
13 entity within the State responsible for labor  
14 market and occupational information, as des-  
15 ignated in section 183(c)(1)(B), in conjunction  
16 with the Commissioner of Labor Statistics, shall  
17 maintain the job placement accountability sys-  
18 tem and match information on participants  
19 served by the statewide systems of the State and  
20 other States with quarterly employment and  
21 earnings records.

22           (B) *REIMBURSEMENT.*—Each local entity  
23 that carries out workforce employment activities  
24 or workforce education activities and that re-  
25 ceives funds under this title shall provide infor-

1            *mation regarding the social security numbers of*  
2            *the participants served by the entity and such*  
3            *other information as the State may require to*  
4            *the State agency or entity within the State re-*  
5            *sponsible for labor market and occupational in-*  
6            *formation, as designated in section 183(c)(1)(B).*

7            *(C) CONFIDENTIALITY.—The State agency*  
8            *or entity within the State responsible for labor*  
9            *market and occupational information, as des-*  
10           *ignated in section 183(c)(1)(B), shall protect the*  
11           *confidentiality of information obtained through*  
12           *the job placement accountability system through*  
13           *the use of recognized security procedures.*

14           *(e) INDIVIDUAL ACCOUNTABILITY.—Each State that*  
15           *receives an allotment under section 102 shall devise and im-*  
16           *plement procedures to provide, in a timely manner, infor-*  
17           *mation on participants in activities carried out through the*  
18           *statewide system who are participating as a condition of*  
19           *receiving welfare assistance. The procedures shall require*  
20           *that the State provide the information to the State and local*  
21           *agencies carrying out the programs through which the wel-*  
22           *fare assistance is provided, in a manner that ensures that*  
23           *the agencies can monitor compliance with the conditions*  
24           *regarding the receipt of the welfare assistance.*

25           *(f) EVALUATION OF STATE PROGRAMS.—*

1           (1) *IN GENERAL.*—*Each State that receives an*  
2 *allotment under section 102 shall conduct ongoing*  
3 *evaluations of workforce employment activities, flexi-*  
4 *ble workforce activities, and activities provided*  
5 *through Job Corps centers, carried out in the State*  
6 *under this title.*

7           (2) *METHODS.*—*The State shall—*

8                   (A) *conduct such evaluations through con-*  
9 *trolled experiments using experimental and con-*  
10 *trol groups chosen by random assignment;*

11                   (B) *in conducting the evaluations, deter-*  
12 *mine, at a minimum, whether job training and*  
13 *job placement services provided through the ac-*  
14 *tivities described in paragraph (1) effectively*  
15 *raise the hourly wage rates of individuals receiv-*  
16 *ing the services through such activities; and*

17                   (C) *conduct at least 1 such evaluation at*  
18 *any given time during any period in which the*  
19 *State is receiving funding under this title for*  
20 *such activities.*

21 **SEC. 122. INCENTIVES AND SANCTIONS.**

22           (a) *INCENTIVES.*—

23                   (1) *IN GENERAL.*—*The Secretary of Labor and*  
24 *the Secretary of Education, acting jointly on the ad-*  
25 *vice of the Federal Partnership, may award incentive*

1        *grants of not more than \$15,000,000 per program*  
2        *year to a State that—*

3                *(A) reaches or exceeds State benchmarks es-*  
4                *tablished under section 121(c), with an emphasis*  
5                *on the benchmarks established under section*  
6                *121(c)(3), in accordance with section 121(c)(6);*

7                *(B) demonstrates to the Federal Partnership*  
8                *that the State has made substantial reductions*  
9                *in the number of adult recipients of assistance,*  
10               *as defined in section 102(b)(1)(A), resulting from*  
11               *increased placement of such adult recipients in*  
12               *unsubsidized employment; or*

13               *(C) in the case of a State that elects to offer*  
14               *activities for persons age 18 or older under sec-*  
15               *tion 106(a)(6), uses the authority of section*  
16               *106(a)(9) to deliver some or all of such activities*  
17               *through a system of vouchers.*

18               *(2) USE OF FUNDS.—A State that receives such*  
19               *a grant may use the funds made available through the*  
20               *grant to carry out any workforce development activi-*  
21               *ties authorized under this title.*

22        *(b) SANCTIONS.—*

23               *(1) FAILURE TO DEMONSTRATE SUFFICIENT*  
24               *PROGRESS.—*

1           (A) *FINDING.*—*If the Federal Partnership*  
2 *determines, after notice and an opportunity for*  
3 *a hearing, that a State has failed to demonstrate*  
4 *sufficient progress toward reaching the State*  
5 *benchmarks established under section 121(c) for*  
6 *the 3 years covered by a State plan described in*  
7 *section 104, the Federal Partnership shall—*

8                   (i) *make a finding regarding whether*  
9 *the failure is attributable to the workforce*  
10 *employment activities, or workforce edu-*  
11 *cation activities, of the State; and*

12                   (ii) *provide advice to the Secretary of*  
13 *Labor and the Secretary of Education.*

14           (B) *REDUCTIONS.*—

15                   (i) *FAILURE ATTRIBUTABLE TO BOTH*  
16 *CATEGORIES.*—*Except as provided in sub-*  
17 *paragraph (C), if the Federal Partnership*  
18 *finds that the failure referred to in subpara-*  
19 *graph (A) is attributable to both categories*  
20 *referred to in subparagraph (A)(i), the Sec-*  
21 *retary of Labor and the Secretary of Edu-*  
22 *cation, acting jointly on the advice of the*  
23 *Federal Partnership, may reduce the allot-*  
24 *ment of the State under section 102 by not*

1           *more than 10 percent per program year for*  
2           *not more than 3 years.*

3           (ii) *FAILURE ATTRIBUTABLE TO ONE*  
4           *CATEGORY.—Unless the Governor of the*  
5           *State has developed an integrated State*  
6           *plan under section 104(b)(5), if the Federal*  
7           *Partnership finds that the failure referred*  
8           *to in subparagraph (A) is attributable to 1*  
9           *category of activities referred to in subpara-*  
10           *graph (A)(i) but not to the remaining cat-*  
11           *egory, the Secretary of Labor and the Sec-*  
12           *retary of Education, acting jointly on the*  
13           *advice of the Federal Partnership, may de-*  
14           *cide to reduce by 10 percent only the por-*  
15           *tion of the allotment for the category of ac-*  
16           *tivities to which the failure is attributable.*

17           (C) *COMBINATION AND REDUCTION.—Not-*  
18           *withstanding sections 103 and 111, if the Fed-*  
19           *eral Partnership finds that the Governor of the*  
20           *State has developed an integrated State plan*  
21           *under section 104(b)(5), and the failure referred*  
22           *to in subparagraph (A) is attributable to 1 cat-*  
23           *egory of activities referred to in subparagraph*  
24           *(A)(i) but not to the remaining category, the*  
25           *Secretary of Labor and the Secretary of Edu-*

1            *cation, acting jointly on the advice of the Fed-*  
2            *eral Partnership, in lieu of making a reduction*  
3            *under subparagraph (B), shall—*

4                    *(i) reduce the portion of the allotment*  
5                    *for the category of activities to which the*  
6                    *failure is attributable by a percentage deter-*  
7                    *mined by the Secretaries, but not to exceed*  
8                    *5 percent of such portion, for a period de-*  
9                    *termined by the Secretaries;*

10                   *(ii) require the State to combine, for*  
11                   *such period—*

12                            *(I) an additional percentage,*  
13                            *equal to the percentage determined*  
14                            *under clause (i), of the funds made*  
15                            *available through such portion; and*

16                            *(II) the funds made available to*  
17                            *the State under this subtitle for the re-*  
18                            *maining category; and*

19                            *(iii) require the State to expend the*  
20                            *combined funds in accordance with the inte-*  
21                            *grated State plan of the State referred to in*  
22                            *section 104(b)(5) to carry out the remaining*  
23                            *category of activities.*

24                            *(D) CONSTRUCTION.—Notwithstanding any*  
25                            *other provision of this title, funds referred to in*

1            *subparagraph (C)(ii)(I) that are combined under*  
2            *subparagraph (C) shall be considered—*

3                    *(i) to be made available under section*  
4                    *103(a)(1) if the combined funds are re-*  
5                    *quired to be expended for workforce employ-*  
6                    *ment activities; and*

7                    *(ii) to be made available under section*  
8                    *103(a)(2) if the combined funds are re-*  
9                    *quired to be expended for workforce edu-*  
10                   *cation activities.*

11            *(E) DEFINITION.—As used in this para-*  
12            *graph, the term “portion of the allotment”—*

13                    *(i) used with respect to workforce em-*  
14                    *ployment activities, means the funds made*  
15                    *available under paragraph (1) or (3) of sec-*  
16                    *tion 103(a) for workforce employment ac-*  
17                    *tivities (less any portion of such funds made*  
18                    *available under section 6 of the Wagner-*  
19                    *Peyser Act (29 U.S.C. 49e)); and*

20                    *(ii) used with respect to workforce edu-*  
21                    *cation activities, means the funds made*  
22                    *available under paragraph (2) or (3) of sec-*  
23                    *tion 103(a) for workforce education activi-*  
24                    *ties.*

1           (2) *EXPENDITURE CONTRARY TO TITLE.*—If the  
2           Governor of a State determines that a local entity  
3           that carries out workforce employment activities in a  
4           substate area of the State has expended funds made  
5           available under this title in a manner contrary to the  
6           objectives of this title, and such expenditures do not  
7           constitute fraudulent activity, the Governor may de-  
8           duct an amount equal to the funds from a subsequent  
9           program year allocation to the substate area.

10          (c) *FUNDS RESULTING FROM REDUCED ALLOT-*  
11 *MENTS.*—The Secretary of Labor and the Secretary of Edu-  
12 *cation, acting jointly on the advice of the Federal Partner-*  
13 *ship, may use an amount retained as a result of a reduction*  
14 *in an allotment made under subsection (b)(1) to award an*  
15 *incentive grant under subsection (a).*

16 **SEC. 123. UNEMPLOYMENT TRUST FUND.**

17          (a) *IN GENERAL.*—Section 901(c) of the Social Secu-  
18 *rity Act (42 U.S.C. 1101(c)) is amended—*

19                 (1) *in paragraph (1)—*

20                         (A) *in subparagraph (A)(iii), by striking*  
21                         *“carrying into effect section 4103” and inserting*  
22                         *“carrying out the activities described in sections*  
23                         *4103, 4103A, 4104, and 4104A”;* and

24                         (B) *in subparagraph (B), in the matter pre-*  
25                         *ceding clause (i), by striking “Department of*

1           *Labor*” and inserting “*Department of Labor or*  
2           *the Workforce Development Partnership, as ap-*  
3           *propriate,*”; and

4           (2) *in the first sentence of paragraph (4), by*  
5           *striking “the Department of Labor” and inserting*  
6           *“the Workforce Development Partnership”.*

7           (b) *EFFECTIVE DATE.*—*The amendments made by this*  
8           *section shall take effect July 1, 1998.*

9           ***SEC. 124. AUTHORIZATION OF APPROPRIATIONS.***

10          (a) *IN GENERAL.*—*There are authorized to be appro-*  
11          *priated to carry out this title (other than subtitle B)*  
12          *\$5,884,000,000 (which amount shall include the Federal*  
13          *funds made available to carry out the Wagner-Peyser Act*  
14          *(29 U.S.C. 49 et seq.)) for each of fiscal years 1998 through*  
15          *2001.*

16          (b) *RESERVATIONS.*—*Of the amount appropriated*  
17          *under subsection (a)—*

18                 (1) *90.75 percent shall be reserved for making al-*  
19                 *lotments under section 102;*

20                 (2) *1.25 percent shall be reserved for carrying*  
21                 *out section 107;*

22                 (3) *1.25 percent shall be reserved for carrying*  
23                 *out section 108;*

24                 (4) *0.2 percent shall be reserved for carrying out*  
25                 *section 109;*

1           (5) 5.0 percent shall be reserved for making in-  
2           centive grants under section 122(a), for making na-  
3           tional discretionary grants under section 184, and for  
4           the administration of this title;

5           (6) 1.4 percent shall be reserved for carrying out  
6           section 183; and

7           (7) 0.15 percent shall be reserved for carrying  
8           out sections 185 and 186 and the National Literacy  
9           Act of 1991 (20 U.S.C. 1201 note).

10          (c) PROGRAM YEAR.—

11           (1) IN GENERAL.—Appropriations for any fiscal  
12           year for programs and activities under this title shall  
13           be available for obligation only on the basis of a pro-  
14           gram year. The program year shall begin on July 1  
15           in the fiscal year for which the appropriation is  
16           made.

17           (2) ADMINISTRATION.—Funds obligated for any  
18           program year may be expended by each recipient dur-  
19           ing the program year and the 2 succeeding program  
20           years and no amount shall be deobligated on account  
21           of a rate of expenditure that is consistent with the  
22           provisions of the State plan specified in section 104  
23           that relate to workforce employment activities.

24          **SEC. 125. EFFECTIVE DATE.**

25           This subtitle shall take effect July 1, 1998.

1 **Subtitle B—Job Corps and Other**  
2 **Workforce Preparation Activities**  
3 **for At-Risk Youth**

4 **CHAPTER 1—GENERAL PROVISIONS**

5 **SEC. 131. DEFINITIONS.**

6 *As used in this subtitle:*

7 (1) *AT-RISK YOUTH.*—The term “at-risk youth”  
8 *means an individual who—*

9 (A) *is not less than age 15 and not more*  
10 *than age 24;*

11 (B) *is low-income (as defined in section*  
12 *113(e));*

13 (C) *is 1 or more of the following:*

14 (i) *Basic skills deficient.*

15 (ii) *A school dropout.*

16 (iii) *Homeless or a runaway.*

17 (iv) *Pregnant or parenting.*

18 (v) *An individual who requires addi-*  
19 *tional education, training, or intensive*  
20 *counseling and related assistance, in order*  
21 *to secure and hold employment or partici-*  
22 *pate successfully in regular schoolwork.*

23 (2) *ENROLLEE.*—The term “enrollee” means an  
24 *individual enrolled in the Job Corps.*

1           (3) *GOVERNOR.*—The term “Governor” means  
2           the chief executive officer of a State.

3           (4) *JOB CORPS.*—The term “Job Corps” means  
4           the Job Corps described in section 142.

5           (5) *JOB CORPS CENTER.*—The term “Job Corps  
6           center” means a center described in section 142.

7           (6) *OPERATOR.*—The term “operator” means an  
8           entity selected under this chapter to operate a Job  
9           Corps center.

10          (7) *SECRETARY.*—The term “Secretary” means  
11          the Secretary of Labor.

## 12                                   **CHAPTER 2—JOB CORPS**

### 13   **SEC. 141. PURPOSES.**

14           *The purposes of this chapter are—*

15           (1) *to maintain a national Job Corps program,*  
16           *carried out in partnership with States and commu-*  
17           *nities, to assist at-risk youth who need and can bene-*  
18           *fit from an unusually intensive program, operated in*  
19           *a group setting, to become more responsible, employ-*  
20           *able, and productive citizens;*

21           (2) *to set forth standards and procedures for se-*  
22           *lecting individuals as enrollees in the Job Corps;*

23           (3) *to authorize the establishment of Job Corps*  
24           *centers in which enrollees will participate in inten-*

1 *sive programs of workforce development activities;*  
2 *and*

3 *(4) to prescribe various other powers, duties, and*  
4 *responsibilities incident to the operation and continu-*  
5 *ing development of the Job Corps.*

6 **SEC. 142. ESTABLISHMENT.**

7 *There shall be established in the Department of Labor*  
8 *a Job Corps program, to carry out, in conjunction with*  
9 *the activities carried out by the National Board as specified*  
10 *in section 156, activities described in this chapter for indi-*  
11 *viduals enrolled in the Job Corps and assigned to a center.*

12 **SEC. 143. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.**

13 *To be eligible to become an enrollee, an individual*  
14 *shall be an at-risk youth.*

15 **SEC. 144. SCREENING AND SELECTION OF APPLICANTS.**

16 *(a) STANDARDS AND PROCEDURES.—*

17 *(1) IN GENERAL.—The Secretary shall prescribe*  
18 *specific standards and procedures for the screening*  
19 *and selection of applicants for the Job Corps, after*  
20 *considering recommendations from the Governors,*  
21 *State workforce development boards established under*  
22 *section 105, local partnerships and local workforce de-*  
23 *velopment boards established under section 118(b),*  
24 *and other interested parties.*

1           (2) *METHODS.*—*In prescribing standards and*  
2 *procedures under paragraph (1) for the screening and*  
3 *selection of Job Corps applicants, the Secretary*  
4 *shall—*

5                   (A) *require enrollees to take drug tests with-*  
6 *in 30 days of enrollment in the Job Corps;*

7                   (B) *allocate, where necessary, additional re-*  
8 *sources to increase the applicant pool;*

9                   (C) *establish standards for outreach to and*  
10 *screening of Job Corps applicants;*

11                  (D) *where appropriate, take measures to*  
12 *improve the professional capability of the indi-*  
13 *viduals conducting such screening; and*

14                  (E) *require Job Corps applicants to pass*  
15 *background checks, conducted in accordance with*  
16 *procedures established by the Secretary.*

17           (3) *IMPLEMENTATION.*—*To the extent prac-*  
18 *ticable, the standards and procedures shall be imple-*  
19 *mented through arrangements with—*

20                   (A) *centers providing the one-stop delivery*  
21 *of core services described in section 106(a)(2);*

22                   (B) *agencies and organizations such as*  
23 *community action agencies, professional groups,*  
24 *and labor organizations; and*

1           (C) agencies and individuals that have con-  
2           tact with youth over substantial periods of time  
3           and are able to offer reliable information about  
4           the needs and problems of the youth.

5           (4) CONSULTATION.—The standards and proce-  
6           dures shall provide for necessary consultation with in-  
7           dividuals and organizations, including court, proba-  
8           tion, parole, law enforcement, education, welfare, and  
9           medical authorities and advisers.

10          (b) SPECIAL LIMITATIONS.—No individual shall be se-  
11         lected as an enrollee unless the individual or organization  
12         implementing the standards and procedures determines  
13         that—

14                 (1) there is a reasonable expectation that the in-  
15                 dividual considered for selection can participate suc-  
16                 cessfully in group situations and activities, is not  
17                 likely to engage in behavior that would prevent other  
18                 enrollees from receiving the benefit of the program or  
19                 be incompatible with the maintenance of sound dis-  
20                 cipline and satisfactory relationships between the Job  
21                 Corps center to which the individual might be as-  
22                 signed and surrounding communities; and

23                 (2) the individual manifests a basic understand-  
24                 ing of both the rules to which the individual will be

1       *subject and of the consequences of failure to observe*  
2       *the rules.*

3       **SEC. 145. ENROLLMENT AND ASSIGNMENT.**

4       *(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILI-*  
5       *TARY OBLIGATIONS.—Enrollment in the Job Corps shall*  
6       *not relieve any individual of obligations under the Military*  
7       *Selective Service Act (50 U.S.C. App. 451 et seq.).*

8       *(b) ASSIGNMENT.—After the Secretary has determined*  
9       *that an enrollee is to be assigned to a Job Corps center,*  
10       *the enrollee shall be assigned to the center that is closest*  
11       *to the residence of the enrollee, except that the Secretary*  
12       *may waive this requirement for good cause, including to*  
13       *ensure an equitable opportunity for at-risk youth from var-*  
14       *ious sections of the Nation to participate in the Job Corps*  
15       *program, to prevent undue delays in assignment of an en-*  
16       *rollee, to adequately meet the educational or other needs of*  
17       *an enrollee, and for efficiency and economy in the operation*  
18       *of the program.*

19       *(c) PERIOD OF ENROLLMENT.—No individual may be*  
20       *enrolled in the Job Corps for more than 2 years, except—*

21               *(1) in a case in which completion of an ad-*  
22               *vanced career training program under section 147(d)*  
23               *would require an individual to participate for more*  
24               *than 2 years; or*

1           (2) *as the Secretary may authorize in a special*  
2     *case.*

3     **SEC. 146. JOB CORPS CENTERS.**

4           (a) *OPERATORS AND SERVICE PROVIDERS.—*

5           (1) *ELIGIBLE ENTITIES.—The Secretary shall*  
6     *enter into an agreement with a Federal, State, or*  
7     *local agency, which may be a State board or agency*  
8     *that operates or wishes to develop an area vocational*  
9     *education school facility or residential vocational*  
10    *school, or with a private organization, for the oper-*  
11    *ation of each Job Corps center. The Secretary shall*  
12    *enter into an agreement with an appropriate entity*  
13    *to provide services for a Job Corps center.*

14          (2) *SELECTION PROCESS.—Except as provided*  
15    *in subsections (c) and (d), the Secretary shall select*  
16    *an entity to operate a Job Corps center on a competi-*  
17    *tive basis, after reviewing the operating plans de-*  
18    *scribed in section 149. In selecting a private or public*  
19    *entity to serve as an operator for a Job Corps Center,*  
20    *the Secretary shall, at the request of the Governor of*  
21    *the State in which the center is located, convene and*  
22    *obtain the recommendation of a selection panel de-*  
23    *scribed in section 151(b). In selecting an entity to*  
24    *serve as an operator or to provide services for a Job*  
25    *Corps center, the Secretary shall take into consider-*

1        *ation the previous performance of the entity, if any,*  
2        *relating to operating or providing services for a Job*  
3        *Corps center.*

4        *(b) CHARACTER AND ACTIVITIES.—Job Corps centers*  
5        *may be residential or nonresidential in character, and shall*  
6        *be designed and operated so as to provide enrollees, in a*  
7        *well-supervised setting, with access to activities described*  
8        *in section 147. In any year, no more than 20 percent of*  
9        *the individuals enrolled in the Job Corps may be*  
10       *nonresidential participants in the Job Corps.*

11       *(c) CIVILIAN CONSERVATION CENTERS.—*

12                *(1) IN GENERAL.—The Job Corps centers may*  
13        *include Civilian Conservation Centers operated under*  
14        *agreements with the Secretary of Agriculture or the*  
15        *Secretary of the Interior, located primarily in rural*  
16        *areas, which shall provide, in addition to other train-*  
17        *ing and assistance, programs of work experience to*  
18        *conserve, develop, or manage public natural resources*  
19        *or public recreational areas or to develop community*  
20        *projects in the public interest.*

21                *(2) SELECTION PROCESS.—The Secretary may*  
22        *select an entity to operate a Civilian Conservation*  
23        *Center on a competitive basis, as provided in sub-*  
24        *section (a), if the center fails to meet such national*

1       *performance standards as the Secretary shall estab-*  
2       *lish.*

3       (d) *INDIAN TRIBES.*—

4             (1) *DEFINITION.*—*As used in this subsection:*

5                 (A) *INDIAN.*—*The term “Indian” means a*  
6                 *person who is a member of an Indian tribe.*

7                 (B) *INDIAN TRIBE.*—*The term “Indian*  
8                 *tribe” means any Indian tribe, band, nation, or*  
9                 *other organized group or community, which is*  
10                *recognized as eligible for the special programs*  
11                *and services provided by the United States to In-*  
12                *dians because of their status as Indians.*

13             (2) *GENERAL AUTHORITY.*—*The Secretary may*  
14             *enter into agreements with Indian tribes to operate*  
15             *Job Corps centers for Indians.*

16       ***SEC. 147. PROGRAM ACTIVITIES.***

17             (a) *ACTIVITIES PROVIDED THROUGH JOB CORPS CEN-*  
18             *TERS.*—*Each Job Corps center shall provide enrollees as-*  
19             *signed to the center with access to activities described in*  
20             *section 106(a)(2)(B), and such other workforce development*  
21             *activities as may be appropriate to meet the needs of the*  
22             *enrollees, including providing work-based learning through-*  
23             *out the enrollment of the enrollees and assisting the enrollees*  
24             *in obtaining meaningful unsubsidized employment, partici-*  
25             *pating successfully in secondary education or postsecondary*

1 *education programs, enrolling in other suitable training*  
2 *programs, or satisfying Armed Forces requirements, on*  
3 *completion of their enrollment.*

4       **(b) ARRANGEMENTS.**—*The Secretary shall arrange for*  
5 *enrollees assigned to Job Corps centers to receive workforce*  
6 *development activities through or in coordination with the*  
7 *statewide system, including workforce development activi-*  
8 *ties provided through local public or private educational*  
9 *agencies, vocational educational institutions, or technical*  
10 *institutes.*

11       **(c) JOB PLACEMENT ACCOUNTABILITY.**—*The Sec-*  
12 *retary shall establish a job placement accountability system*  
13 *for Job Corps centers, and coordinate the activities carried*  
14 *out through the system with activities carried out through*  
15 *the job placement accountability systems described in sec-*  
16 *tion 121(d) for the States in which Job Corps centers are*  
17 *located.*

18       **(d) ADVANCED CAREER TRAINING PROGRAMS.**—

19           **(1) IN GENERAL.**—*The Secretary may arrange*  
20 *for programs of advanced career training for selected*  
21 *enrollees in which the enrollees may continue to par-*  
22 *ticipate for a period of not to exceed 1 year in addi-*  
23 *tion to the period of participation to which the enroll-*  
24 *ees would otherwise be limited.*

1           (2) *POSTSECONDARY EDUCATIONAL INSTITU-*  
2           *TIONS.—The advanced career training may be pro-*  
3           *vided through a postsecondary educational institution*  
4           *for an enrollee who has obtained a secondary school*  
5           *diploma or its recognized equivalent, has dem-*  
6           *onstrated commitment and capacity in previous Job*  
7           *Corps participation, and has an identified occupa-*  
8           *tional goal.*

9           (3) *COMPANY-SPONSORED TRAINING PRO-*  
10          *GRAMS.—The Secretary may enter into contracts with*  
11          *appropriate entities to provide the advanced career*  
12          *training through intensive training in company-spon-*  
13          *sored training programs, combined with internships*  
14          *in work settings.*

15          (4) *BENEFITS.—*

16                (A) *IN GENERAL.—During the period of*  
17                *participation in an advanced career training*  
18                *program, an enrollee shall be eligible for full Job*  
19                *Corps benefits, or a monthly stipend equal to the*  
20                *average value of the residential support, food, al-*  
21                *lowances, and other benefits provided to enrollees*  
22                *assigned to residential Job Corps centers.*

23                (B) *CALCULATION.—The total amount for*  
24                *which an enrollee shall be eligible under sub-*  
25                *paragraph (A) shall be reduced by the amount of*

1           *any scholarship or other educational grant as-*  
2           *sistance received by such enrollee for advanced*  
3           *career training.*

4           (5) *DEMONSTRATION.*—*Each year, any operator*  
5           *seeking to enroll additional enrollees in an advanced*  
6           *career training program shall demonstrate that par-*  
7           *ticipants in such program have achieved a reasonable*  
8           *rate of completion and placement in training-related*  
9           *jobs before the operator may carry out such addi-*  
10          *tional enrollment.*

11 **SEC. 148. SUPPORT.**

12          *The Secretary shall provide enrollees assigned to Job*  
13          *Corps centers with such personal allowances, including re-*  
14          *adjustment allowances, as the Secretary may determine to*  
15          *be necessary or appropriate to meet the needs of the enroll-*  
16          *ees.*

17 **SEC. 149. OPERATING PLAN.**

18          (a) *IN GENERAL.*—*To be eligible to operate a Job*  
19          *Corps center, an entity shall prepare and submit an operat-*  
20          *ing plan to the Secretary for approval. Prior to submitting*  
21          *the plan to the Secretary, the entity shall submit the plan*  
22          *to the Governor of the State in which the center is located*  
23          *for review and comment. The entity shall submit any com-*  
24          *ments prepared by the Governor on the plan to the Sec-*

1 *retary with the plan. Such plan shall include, at a mini-*  
2 *um, information indicating—*

3 *(1) in quantifiable terms, the extent to which the*  
4 *center will contribute to the achievement of the pro-*  
5 *posed State goals and State benchmarks identified in*  
6 *the State plan submitted under section 104 for the*  
7 *State in which the center is located;*

8 *(2) the extent to which workforce employment ac-*  
9 *tivities and workforce education activities delivered*  
10 *through the Job Corps center are directly linked to the*  
11 *workforce development needs of the region in which*  
12 *the center is located;*

13 *(3) an implementation strategy to ensure that all*  
14 *enrollees assigned to the Job Corps center will have*  
15 *access to services through the one-stop delivery of core*  
16 *services described in section 106(a)(2) by the State;*  
17 *and*

18 *(4) an implementation strategy to ensure that*  
19 *the curricula of all such enrollees is integrated into*  
20 *the school-to-work activities of the State, including*  
21 *work-based learning, work experience, and career-*  
22 *building activities, and that such enrollees have the*  
23 *opportunity to obtain secondary school diplomas or*  
24 *their recognized equivalent.*

1       (b) *APPROVAL.*—*The Secretary shall not approve an*  
2 *operating plan described in subsection (a) for a center if*  
3 *the Secretary determines that the activities proposed to be*  
4 *carried out through the center are not sufficiently integrated*  
5 *with the activities carried out through the statewide system*  
6 *of the State in which the center is located.*

7 ***SEC. 150. STANDARDS OF CONDUCT.***

8       (a) *PROVISION AND ENFORCEMENT.*—*The Secretary*  
9 *shall provide, and directors of Job Corps center shall strin-*  
10 *gently enforce, standards of conduct within the centers.*  
11 *Such standards of conduct shall include provisions forbid-*  
12 *ding the actions described in subsection (b)(2)(A).*

13       (b) *DISCIPLINARY MEASURES.*—

14           (1) *IN GENERAL.*—*To promote the proper moral*  
15 *and disciplinary conditions in the Job Corps, the di-*  
16 *rectors of Job Corps centers shall take appropriate*  
17 *disciplinary measures against enrollees. If such a di-*  
18 *rector determines that an enrollee has committed a*  
19 *violation of the standards of conduct, the director*  
20 *shall dismiss the enrollee from the Job Corps if the di-*  
21 *rector determines that the retention of the enrollee in*  
22 *the Job Corps will jeopardize the enforcement of such*  
23 *standards or diminish the opportunities of other en-*  
24 *rollees.*

25           (2) *ZERO TOLERANCE POLICY.*—

1           (A) *GUIDELINES.*—The Secretary shall  
2           adopt guidelines establishing a zero tolerance  
3           policy for an act of violence, for use, sale, or pos-  
4           session of a controlled substance, for abuse of al-  
5           cohol, or for other illegal or disruptive activity.

6           (B) *DEFINITIONS.*—As used in this para-  
7           graph:

8                   (i) *CONTROLLED SUBSTANCE.*—The  
9                   term “controlled substance” has the mean-  
10                  ing given the term in section 102 of the  
11                  Controlled Substances Act (21 U.S.C. 802).

12                  (ii) *ZERO TOLERANCE POLICY.*—The  
13                  term “zero tolerance policy” means a policy  
14                  under which an enrollee shall be automati-  
15                  cally dismissed from the Job Corps after a  
16                  determination by the director that the en-  
17                  rollee has carried out an action described in  
18                  subparagraph (A).

19           (c) *APPEAL.*—A disciplinary measure taken by a di-  
20           rector under this section shall be subject to expeditious ap-  
21           peal in accordance with procedures established by the Sec-  
22           retary.

23   **SEC. 151. COMMUNITY PARTICIPATION.**

24           (a) *ACTIVITIES.*—The Secretary shall encourage and  
25           cooperate in activities to establish a mutually beneficial re-

1 *relationship between Job Corps centers in the State and near-*  
2 *by communities. The activities shall include the use of any*  
3 *local partnerships or local workforce development boards es-*  
4 *tablished in the State under section 118(b) to provide a*  
5 *mechanism for joint discussion of common problems and*  
6 *for planning programs of mutual interest.*

7       **(b) SELECTION PANELS.**—*The Governor may rec-*  
8 *ommend individuals to serve on a selection panel convened*  
9 *by the Secretary to provide recommendations to the Sec-*  
10 *retary regarding any competitive selection of an operator*  
11 *for a center in the State. The panel shall have not more*  
12 *than 7 members. In recommending individuals to serve on*  
13 *the panel, the Governor may recommend members of State*  
14 *workforce development boards established under section 105,*  
15 *if any, members of any local partnerships or local workforce*  
16 *development boards established in the State under section*  
17 *118(b), or other representatives selected by the Governor.*  
18 *The Secretary shall select at least 1 individual rec-*  
19 *ommended by the Governor.*

20       **(c) ACTIVITIES.**—*Each Job Corps center director*  
21 *shall—*

22               **(1)** *give officials of nearby communities appro-*  
23 *priate advance notice of changes in the rules, proce-*  
24 *dures, or activities of the Job Corps center that may*  
25 *affect or be of interest to the communities;*

1           (2) afford the communities a meaningful voice in  
2           the affairs of the Job Corps center that are of direct  
3           concern to the communities, including policies govern-  
4           ing the issuance and terms of passes to enrollees; and

5           (3) encourage the participation of enrollees in  
6           programs for improvement of the communities, with  
7           appropriate advance consultation with business,  
8           labor, professional, and other interested groups, in the  
9           communities.

10 **SEC. 152. COUNSELING AND PLACEMENT.**

11           The Secretary shall ensure that enrollees assigned to  
12           Job Corps centers receive academic and vocational counsel-  
13           ing and job placement services, which shall be provided, to  
14           the maximum extent practicable, through the delivery of  
15           core services described in section 106(a)(2).

16 **SEC. 153. ADVISORY COMMITTEES.**

17           The Secretary is authorized to make use of advisory  
18           committees in connection with the operation of the Job  
19           Corps program, and the operation of Job Corps centers,  
20           whenever the Secretary determines that the availability of  
21           outside advice and counsel on a regular basis would be of  
22           substantial benefit in identifying and overcoming problems,  
23           in planning program or center development, or in strength-  
24           ening relationships between the Job Corps and agencies, in-  
25           stitutions, or groups engaged in related activities.

1 **SEC. 154. APPLICATION OF PROVISIONS OF FEDERAL LAW.**

2 (a) *ENROLLEES NOT CONSIDERED TO BE FEDERAL*  
3 *EMPLOYEES.*—

4 (1) *IN GENERAL.*—*Except as otherwise provided*  
5 *in this subsection and in section 8143(a) of title 5,*  
6 *United States Code, enrollees shall not be considered*  
7 *to be Federal employees and shall not be subject to the*  
8 *provisions of law relating to Federal employment, in-*  
9 *cluding such provisions regarding hours of work, rates*  
10 *of compensation, leave, unemployment compensation,*  
11 *and Federal employee benefits.*

12 (2) *PROVISIONS RELATING TO TAXES AND SOCIAL*  
13 *SECURITY BENEFITS.*—*For purposes of the Internal*  
14 *Revenue Code of 1986 and title II of the Social Secu-*  
15 *rity Act (42 U.S.C. 401 et seq.), enrollees shall be*  
16 *deemed to be employees of the United States and any*  
17 *service performed by an individual as an enrollee*  
18 *shall be deemed to be performed in the employ of the*  
19 *United States.*

20 (3) *PROVISIONS RELATING TO COMPENSATION TO*  
21 *FEDERAL EMPLOYEES FOR WORK INJURIES.*—*For*  
22 *purposes of subchapter I of chapter 81 of title 5, Unit-*  
23 *ed States Code (relating to compensation to Federal*  
24 *employees for work injuries), enrollees shall be deemed*  
25 *to be civil employees of the Government of the United*  
26 *States within the meaning of the term “employee” as*

1       *defined in section 8101 of title 5, United States Code,*  
2       *and the provisions of such subchapter shall apply as*  
3       *specified in section 8143(a) of title 5, United States*  
4       *Code.*

5           (4) *FEDERAL TORT CLAIMS PROVISIONS.*—*For*  
6       *purposes of the Federal tort claims provisions in title*  
7       *28, United States Code, enrollees shall be considered*  
8       *to be employees of the Government.*

9           (b) *ADJUSTMENTS AND SETTLEMENTS.*—*Whenever the*  
10      *Secretary finds a claim for damages to a person or property*  
11      *resulting from the operation of the Job Corps to be a proper*  
12      *charge against the United States, and the claim is not cog-*  
13      *nizable under section 2672 of title 28, United States Code,*  
14      *the Secretary may adjust and settle the claim in an amount*  
15      *not exceeding \$1,500.*

16          (c) *PERSONNEL OF THE UNIFORMED SERVICES.*—*Per-*  
17      *sonnel of the uniformed services who are detailed or as-*  
18      *signed to duty in the performance of agreements made by*  
19      *the Secretary for the support of the Job Corps shall not be*  
20      *counted in computing strength under any law limiting the*  
21      *strength of such services or in computing the percentage au-*  
22      *thorized by law for any grade in such services.*

23      **SEC. 155. SPECIAL PROVISIONS.**

24          (a) *ENROLLMENT OF WOMEN.*—*The Secretary shall*  
25      *immediately take steps to achieve an enrollment of 50 per-*

1 cent women in the Job Corps program, consistent with the  
2 need to—

3 (1) promote efficiency and economy in the oper-  
4 ation of the program;

5 (2) promote sound administrative practice; and

6 (3) meet the socioeconomic, educational, and  
7 training needs of the population to be served by the  
8 program.

9 (b) *STUDIES, EVALUATIONS, PROPOSALS, AND*  
10 *DATA.*—The Secretary shall assure that all studies, evalua-  
11 tions, proposals, and data produced or developed with Fed-  
12 eral funds in the course of carrying out the Job Corps pro-  
13 gram shall become the property of the United States.

14 (c) *GROSS RECEIPTS.*—Transactions conducted by a  
15 private for-profit contractor or a nonprofit contractor in  
16 connection with the operation by the contractor of a Job  
17 Corps center or the provision of services by the contractor  
18 for a Job Corps center shall not be considered to be generat-  
19 ing gross receipts. Such a contractor shall not be liable, di-  
20 rectly or indirectly, to any State or subdivision of a State  
21 (nor to any person acting on behalf of such a State or sub-  
22 division) for any gross receipts taxes, business privilege  
23 taxes measured by gross receipts, or any similar taxes im-  
24 posed on, or measured by, gross receipts in connection with  
25 any payments made to or by such contractor for operating

1 *or providing services for a Job Corps center. Such a con-*  
2 *tractor shall not be liable to any State or subdivision of*  
3 *a State to collect or pay any sales, excise, use, or similar*  
4 *tax imposed on the sale to or use by such contractor of any*  
5 *property, service, or other item in connection with the oper-*  
6 *ation of or provision of services for a Job Corps center.*

7 (d) *MANAGEMENT FEE.*—*The Secretary shall provide*  
8 *each operator or entity providing services for a Job Corps*  
9 *center with an equitable and negotiated management fee of*  
10 *not less than 1 percent of the contract amount.*

11 (e) *DONATIONS.*—*The Secretary may accept on behalf*  
12 *of the Job Corps or individual Job Corps centers charitable*  
13 *donations of cash or other assistance, including equipment*  
14 *and materials, if such donations are available for appro-*  
15 *priate use for the purposes set forth in this chapter.*

16 **SEC. 156. REVIEW OF JOB CORPS CENTERS.**

17 (a) *NATIONAL JOB CORPS REVIEW.*—*Not later than*  
18 *March 31, 1997, the National Board shall conduct a review*  
19 *of the activities carried out under part B of title IV of the*  
20 *Job Training Partnership Act (29 U.S.C. 1691 et seq.), and*  
21 *submit to the appropriate committees of Congress a report*  
22 *containing the results of the review, including—*

23 (1) *information on the amount of funds expended*  
24 *for fiscal year 1996 to carry out activities under such*  
25 *part, for each State and for the United States;*

1           (2) for each Job Corps center funded under such  
2 part, information on the amount of funds expended  
3 for fiscal year 1996 under such part to carry out ac-  
4 tivities related to the direct operation of the center,  
5 including funds expended for student training, out-  
6 reach or intake activities, meals and lodging, student  
7 allowances, medical care, placement or settlement ac-  
8 tivities, and administration;

9           (3) for each Job Corps center, information on the  
10 amount of funds expended for fiscal year 1996 under  
11 such part through contracts to carry out activities not  
12 related to the direct operation of the center, including  
13 funds expended for student travel, national outreach,  
14 screening, and placement services, national vocational  
15 training, and national and regional administrative  
16 costs;

17           (4) for each Job Corps center, information on the  
18 amount of funds expended for fiscal year 1996 under  
19 such part for facility construction, rehabilitation, and  
20 acquisition expenses;

21           (5) information on the amount of funds required  
22 to be expended under such part to complete each new  
23 or proposed Job Corps center, and to rehabilitate and  
24 repair each existing Job Corps center, as of the date  
25 of the submission of the report;

1           (6) a summary of the information described in  
2 paragraphs (2) through (5) for all Job Corps centers;

3           (7) an assessment of the need to serve at-risk  
4 youth in the Job Corps program, including—

5                 (A) a cost-benefit analysis of the residential  
6 component of the Job Corps program;

7                 (B) the need for residential education and  
8 training services for at-risk youth, analyzed for  
9 each State and for the United States; and

10                (C) the distribution of training positions in  
11 the Job Corps program, as compared to the need  
12 for the services described in subparagraph (B),  
13 analyzed for each State;

14           (8) an overview of the Job Corps program as a  
15 whole and an analysis of individual Job Corps cen-  
16 ters, including a 5-year performance measurement  
17 summary that includes information, analyzed for the  
18 program and for each Job Corps center, on—

19                 (A) the number of enrollees served;

20                 (B) the number of former enrollees who en-  
21 tered employment, including the number of  
22 former enrollees placed in a position related to  
23 the job training received through the program  
24 and the number placed in a position not related  
25 to the job training received;

1           (C) the number of former enrollees placed in  
2 jobs for 32 hours per week or more;

3           (D) the number of former enrollees who en-  
4 tered employment and were retained in the em-  
5 ployment for more than 13 weeks;

6           (E) the number of former enrollees who en-  
7 tered the Armed Forces;

8           (F) the number of former enrollees who com-  
9 pleted vocational training, and the rate of such  
10 completion, analyzed by vocation;

11          (G) the number of former enrollees who en-  
12 tered postsecondary education;

13          (H) the number and percentage of early  
14 dropouts from the Job Corps program;

15          (I) the average wage of former enrollees, in-  
16 cluding wages from positions described in sub-  
17 paragraph (B);

18          (J) the number of former enrollees who ob-  
19 tained a secondary school diploma or its recog-  
20 nized equivalent;

21          (K) the average level of learning gains for  
22 former enrollees; and

23          (L) the number of former enrollees that did  
24 not—

1                   (i) enter employment or postsecondary  
2                   education;

3                   (ii) complete a vocational education  
4                   program; or

5                   (iii) make identifiable learning gains;

6                   (9) information regarding the performance of all  
7                   existing Job Corps centers over the 3 years preceding  
8                   the date of submission of the report; and

9                   (10) job placement rates for each Job Corps cen-  
10                  ter and each entity providing services to a Job Corps  
11                  center.

12               (b) *RECOMMENDATIONS OF NATIONAL BOARD.*—

13               (1) *RECOMMENDATIONS.*—*The National Board*  
14               *shall, based on the results of the review described in*  
15               *subsection (a), make recommendations to the Sec-*  
16               *retary of Labor, regarding improvements in the oper-*  
17               *ation of the Job Corps program, including—*

18                   (A) *closing 5 Job Corps centers by Septem-*  
19                   *ber 30, 1997, and 5 additional Job Corps centers*  
20                   *by September 30, 2000;*

21                   (B) *relocating Job Corps centers described*  
22                   *in paragraph (2)(A)(iii) in cases in which facil-*  
23                   *ity rehabilitation, renovation, or repair is not*  
24                   *cost-effective; and*

1           (C) taking any other action that would im-  
2 prove the operation of a Job Corps center or any  
3 other appropriate action.

4           (2) CONSIDERATIONS.—

5           (A) IN GENERAL.—In determining whether  
6 to recommend that the Secretary of Labor close  
7 a Job Corps center, the National Board shall  
8 consider whether the center—

9                   (i) has consistently received low per-  
10 formance measurement ratings under the  
11 Department of Labor or the Office of In-  
12 spector General Job Corps rating system;

13                   (ii) is among the centers that have ex-  
14 perience the highest number of serious in-  
15 cidents of violence or criminal activity in  
16 the past 5 years;

17                   (iii) is among the centers that require  
18 the largest funding for renovation or repair,  
19 as specified in the Department of Labor Job  
20 Corps Construction/Rehabilitation Funding  
21 Needs Survey, or for rehabilitation or re-  
22 pair, as reflected in the portion of the re-  
23 view described in subsection (a)(5);

24                   (iv) is among the centers for which the  
25 highest relative or absolute fiscal year 1996

1            *expenditures were made, for any of the cat-*  
2            *egories of expenditures described in para-*  
3            *graph (2), (3), or (4) of subsection (a), as*  
4            *reflected in the review described in sub-*  
5            *section (a);*

6            *(v) is among the centers with the least*  
7            *State and local support; or*

8            *(vi) is among the centers with the low-*  
9            *est rating on such additional criteria as the*  
10           *National Board may determine to be appro-*  
11           *priate.*

12           *(B) COVERAGE OF STATES AND REGIONS.—*  
13           *Notwithstanding subparagraph (A), the National*  
14           *Board shall not recommend that the Secretary of*  
15           *Labor close the only Job Corps center in a State*  
16           *or a region of the United States.*

17           *(C) ALLOWANCE FOR NEW JOB CORPS CEN-*  
18           *TERS.—Notwithstanding any other provision of*  
19           *this section, if the planning or construction of a*  
20           *Job Corps center that received Federal funding*  
21           *for fiscal year 1994 or 1995 has not been com-*  
22           *pleted by the date of enactment of this Act—*

23           *(i) the appropriate entity may com-*  
24           *plete the planning or construction and*  
25           *begin operation of the center; and*

1                   (ii) the National Board shall not  
2                   evaluate the center under this title sooner  
3                   than 3 years after the first date of operation  
4                   of the center.

5                   (3) *REPORT.*—Not later than June 30, 1997, the  
6                   National Board shall submit a report to the Secretary  
7                   of Labor, which shall contain a detailed statement of  
8                   the findings and conclusions of the National Board  
9                   resulting from the review described in subsection (a)  
10                  together with the recommendations described in para-  
11                  graph (1).

12                  (c) *IMPLEMENTATION OF PERFORMANCE IMPROVE-*  
13                  *MENTS.*—The Secretary shall, after reviewing the report  
14                  submitted under subsection (b)(3), implement improve-  
15                  ments in the operation of the Job Corps program, including  
16                  closing 10 individual Job Corps centers pursuant to sub-  
17                  section (b). In implementing such improvements, the Sec-  
18                  retary may close such additional Job Corps centers as the  
19                  Secretary determines to be appropriate. Funds saved  
20                  through the implementation of such improvements shall be  
21                  used to maintain overall Job Corps program service levels,  
22                  improve facilities at existing Job Corps centers, relocate Job  
23                  Corps centers, initiate new Job Corps centers, and make  
24                  other performance improvements in the Job Corps program.

1           (d) *REPORT TO CONGRESS.*—The Secretary shall an-  
2 nually report to Congress the information specified in para-  
3 graphs (8), (9), and (10) of subsection (a) and such addi-  
4 tional information relating to the Job Corps program as  
5 the Secretary may determine to be appropriate.

6 **SEC. 157. ADMINISTRATION.**

7           The Secretary shall carry out the responsibilities speci-  
8 fied for the Secretary in this chapter, notwithstanding any  
9 other provision of this title.

10 **SEC. 158. EFFECTIVE DATE.**

11           (a) *IN GENERAL.*—Except as provided in subsection  
12 (b), this chapter shall take effect on July 1, 1998.

13           (b) *REPORT.*—Section 156 shall take effect on the date  
14 of enactment of this Act.

15 **CHAPTER 3—OTHER WORKFORCE PREPA-**  
16 **RATION ACTIVITIES FOR AT-RISK**  
17 **YOUTH**

18 **SEC. 161. WORKFORCE PREPARATION ACTIVITIES FOR AT-**  
19 **RISK YOUTH.**

20           (a) *IN GENERAL.*—For program year 1998 and each  
21 subsequent program year, the Secretary of Labor and the  
22 Secretary of Education, acting jointly on the advice of the  
23 Federal Partnership, shall make allotments under sub-  
24 section (c) for States, to enable the Secretary of Labor to  
25 carry out in the States, and to assist the States in paying

1 *for the cost of carrying out, workforce preparation activities*  
2 *for at-risk youth, as described in this section.*

3 *(b) STATE USE OF FUNDS.—*

4 *(1) CORE JOB CORPS ACTIVITIES.—The Sec-*  
5 *retary of Labor shall use the funds made available for*  
6 *a State through an allotment made under subsection*  
7 *(c)(2) to establish and operate Job Corps centers as*  
8 *described in chapter 2, if a center located in the State*  
9 *received assistance under part B of title IV of the Job*  
10 *Training Partnership Act for fiscal year 1996 and*  
11 *was not closed in accordance with section 156.*

12 *(2) CORE WORK-BASED LEARNING OPPORTUNI-*  
13 *TIES.—*

14 *(A) IN GENERAL.—The State shall use a*  
15 *portion of the funds made available to the State*  
16 *through an allotment received under subsection*  
17 *(c)(3) to make grants to eligible entities in sub-*  
18 *state areas, in accordance with the procedures*  
19 *described in subsection (e), to assist the substate*  
20 *areas in organizing summer jobs programs that*  
21 *provide work-based learning opportunities in the*  
22 *private and public sectors that are directly*  
23 *linked to year-round school-to-work activities in*  
24 *the substate areas.*

1           (B) *LIMITATION.*—No funds provided under  
2           this subtitle shall be used to displace employed  
3           workers.

4           (3) *PERMISSIBLE ACTIVITIES.*—The State may  
5           use a portion of the funds made available to the State  
6           through an allotment received under subsection (c)(3)  
7           to—

8                   (A) make grants to eligible entities in sub-  
9                   state areas, in accordance with the procedures  
10                  described in subsection (e), to assist each such  
11                  entity in carrying out alternative programs to  
12                  assist out-of-school at-risk youth in participating  
13                  in school-to-work activities in the substate area;  
14                  and

15                   (B) carry out other workforce development  
16                  activities specifically for at-risk youth.

17           (4) *LAWS AND PROCEDURES APPLICABLE TO EX-*  
18           *PENDITURE OF STATE FUNDS.*—Any funds received by  
19           a State under this subtitle shall be expended only in  
20           accordance with the laws and procedures applicable to  
21           expenditures of the State's own revenues, subject to the  
22           terms and conditions required under this subtitle,  
23           particularly this section.

24           (c) *ALLOTMENTS AND RESERVATION.*—

1           (1) *IN GENERAL.*—*The Secretary of Labor and*  
2 *the Secretary of Education, acting jointly on the ad-*  
3 *vice of the Federal Partnership, shall allot for the*  
4 *State an amount equal to the total of—*

5                   (A) *the amount made available for the State*  
6 *under paragraph (2); and*

7                   (B) *the amounts made available to the State*  
8 *under subparagraphs (C), (D), and (E) of para-*  
9 *graph (4).*

10           (2) *ALLOTMENTS BASED ON FISCAL YEAR 1996*  
11 *APPROPRIATIONS.*—*Using a portion of the funds ap-*  
12 *propriated under subsection (h) for a fiscal year, the*  
13 *Secretary of Labor and the Secretary of Education,*  
14 *acting jointly on the advice of the Federal Partner-*  
15 *ship, shall make available for each State, for the oper-*  
16 *ation of Job Corps centers—*

17                   (A) *the amount that Job Corps centers in*  
18 *the State expended for fiscal year 1996 under*  
19 *part B of title IV of the Job Training Partner-*  
20 *ship Act to enable the Secretary of Labor to*  
21 *carry out activities described in paragraphs (2)*  
22 *and (3), and to pay for rehabilitation expenses*  
23 *described in paragraph (4), of section 156(a), as*  
24 *determined under such paragraphs; and*

1           (B) such amount as may be necessary for  
2           the planning, construction, and operation de-  
3           scribed in section 156(b)(2)(C) for any center de-  
4           scribed in such section in the State.

5           (3) *RESERVATION OF FUNDS FOR INDIANS AND*  
6           *NATIVE HAWAIIANS.*—The Secretary of Labor and the  
7           Secretary of Education, acting jointly, may reserve a  
8           portion of the funds that are appropriated under sub-  
9           section (h) for a fiscal year, and that are not made  
10          available under paragraph (2), to carry out sub-  
11          section (g).

12          (4) *ALLOTMENTS BASED ON POPULATIONS.*—

13           (A) *DEFINITIONS.*—As used in this para-  
14          graph:

15           (i) *INDIVIDUAL IN POVERTY.*—The  
16          term “individual in poverty” means an in-  
17          dividual who—

18                   (I) is not less than age 18;

19                   (II) is not more than age 64; and

20                   (III) is a member of a family (of  
21                   1 or more members) with an income at  
22                   or below the poverty line.

23           (ii) *POVERTY LINE.*—The term “pov-  
24          erty line” means the poverty line (as de-  
25          fined by the Office of Management and

1           *Budget, and revised annually in accordance*  
2           *with section 673(2) of the Community Serv-*  
3           *ices Block Grant Act (42 U.S.C. 9902(2))*  
4           *applicable to a family of the size involved,*  
5           *using the most recent available data pro-*  
6           *vided by the Bureau of the Census, prior to*  
7           *the program year for which the allotment is*  
8           *made, and applying the definition of pov-*  
9           *erty used by the Bureau of the Census in*  
10          *compiling the 1990 decennial census.*

11           *(B) TOTAL ALLOTMENTS.—The Secretary of*  
12          *Labor and the Secretary of Education, acting*  
13          *jointly on the advice of the Federal Partnership,*  
14          *shall use the remainder of the funds that are ap-*  
15          *propriated under subsection (h) for a fiscal year,*  
16          *and that are not made available under para-*  
17          *graph (2) or (3), to make amounts available*  
18          *under this paragraph.*

19           *(C) UNEMPLOYED INDIVIDUALS.—From*  
20          *funds equal to 33<sup>1</sup>/<sub>3</sub> percent of such remainder,*  
21          *the Secretary of Labor and the Secretary of Edu-*  
22          *cation, acting jointly on the advice of the Fed-*  
23          *eral Partnership, shall make available to each*  
24          *State an amount that bears the same relation-*  
25          *ship to such funds as the average number of un-*

1           employed individuals (as determined by the Sec-  
2           retary of Labor for the most recent 24-month pe-  
3           riod for which data are available, prior to the  
4           program year for which the allotment is made)  
5           in the State bears to the average number of un-  
6           employed individuals (as so determined) in the  
7           United States.

8           (D) *INDIVIDUALS IN POVERTY.*—From funds  
9           equal to  $33\frac{1}{3}$  percent of such remainder, the Sec-  
10          retary of Labor and the Secretary of Education,  
11          acting jointly on the advice of the Federal Part-  
12          nership, shall make available to each State an  
13          amount that bears the same relationship to such  
14          funds as the total number of individuals in pov-  
15          erty in the State bears to the total number of in-  
16          dividuals in poverty in the United States.

17          (E) *AT-RISK YOUTH.*—From funds equal to  
18           $33\frac{1}{3}$  percent of such remainder, the Secretary of  
19          Labor and the Secretary of Education, acting  
20          jointly on the advice of the Federal Partnership,  
21          shall make available to each State an amount  
22          that bears the same relationship to such funds as  
23          the total number of at-risk youth in the State  
24          bears to the total number of at-risk youth in the  
25          United States.

1       (d) *STATE PLAN.*—

2           (1) *INFORMATION.*—To be eligible to receive an  
3 allotment under subsection (c)(3), a State shall in-  
4 clude, in the State plan to be submitted under section  
5 104, information describing the allocation within the  
6 State of the funds made available through the allot-  
7 ment, and how the programs and activities described  
8 in subsection (b) will be carried out to meet the State  
9 goals and reach the State benchmarks.

10          (2) *LIMITATION.*—A State may not be required  
11 to include the information described in paragraph (1)  
12 in the State plan to be submitted under section 104  
13 to be eligible to receive an allotment under section  
14 102.

15       (e) *APPLICATION.*—To be eligible to receive a grant  
16 under paragraph (2) or (3)(A) of subsection (b) from a  
17 State to carry out programs in a substate area, an entity  
18 shall prepare and submit an application to the Governor  
19 of the State at such time, in such manner, and containing  
20 such information as the Governor may require. The Gov-  
21 ernor may establish criteria for reviewing such applica-  
22 tions. Any such criteria shall, at a minimum, include the  
23 extent to which the local partnership (or, where established,  
24 the local workforce development board described in section  
25 118(b)) for the substate area approves of such application.

1       (f) *WITHIN STATE DISTRIBUTION.*—*Of the funds allot-*  
2 *ted to a State under subsection (c)(4) for workforce prepara-*  
3 *tion activities for at-risk youth for a program year—*

4           (1) *15 percent shall be reserved by the Governor*  
5 *to carry out such activities through the statewide sys-*  
6 *tem; and*

7           (2) *85 percent shall be distributed to local enti-*  
8 *ties to carry out such activities through the statewide*  
9 *system.*

10       (g) *FINANCIAL ASSISTANCE FOR INDIANS AND NATIVE*  
11 *HAWAIIANS.*—*The Secretary of Labor and the Secretary of*  
12 *Education, acting jointly, may use the funds reserved under*  
13 *subsection (c)(3), if any, to make grants to, or enter into*  
14 *contracts or cooperative agreements with, the entities de-*  
15 *scribed in section 107(c)(1) to carry out workforce prepara-*  
16 *tion activities for at-risk youth who are Indians (as defined*  
17 *in section 107(b)(2)) or Native Hawaiians (as defined in*  
18 *section 107(b)(4)). To be eligible to receive such a grant,*  
19 *or enter into such a contract or cooperative agreement, such*  
20 *an entity shall submit to the Federal Partnership an appli-*  
21 *cation at such time, in such manner, and containing such*  
22 *information as the Federal Partnership may require.*

23       (h) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*  
24 *authorized to be appropriated to carry out this subtitle,*  
25 *\$2,100,000,000 for each of fiscal years 1998 through 2001.*

1       (i) *EFFECTIVE DATE.*—*This chapter shall take effect*  
2 *on July 1, 1998.*

### 3       ***Subtitle C—Transition Provisions***

#### 4       ***SEC. 171. WAIVERS.***

5       (a) *WAIVER AUTHORITY.*—

6           (1) *IN GENERAL.*—*Notwithstanding any other*  
7 *provision of Federal law, and except as provided in*  
8 *subsection (d), the Secretary may waive any require-*  
9 *ment under any provision of law relating to a covered*  
10 *activity, or of any regulation issued under such a*  
11 *provision, for—*

12                   (A) *a State that requests such a waiver and*  
13 *submits an application as described in sub-*  
14 *section (b); or*

15                   (B) *a local entity that requests such a waiv-*  
16 *er and complies with the requirements of sub-*  
17 *section (c);*

18 *in order to assist the State or local entity in planning*  
19 *or developing a statewide system or workforce develop-*  
20 *ment activities, or workforce preparation activities*  
21 *for at-risk youth, to be carried out through the state-*  
22 *wide system.*

23       (2) *TERM.*—

24           (A) *IN GENERAL.*—*Except as provided in*  
25 *subparagraph (B), each waiver approved pursu-*

1           ant to this section shall be for a period beginning  
2           on the date of the approval and ending on June  
3           30, 1998.

4           (B) *FAILURE TO SUBMIT INTERIM PLAN.*—  
5           If a State receives a waiver under this section  
6           and fails to submit an interim plan under sec-  
7           tion 173 by June 30, 1997, the waiver shall be  
8           deemed to terminate on September 30, 1997. If  
9           a local entity receives a waiver under this sec-  
10          tion, and the State in which the local entity is  
11          located fails to submit an interim plan under  
12          section 173 by June 30, 1997, the waiver shall  
13          be deemed to terminate on September 30, 1997.

14       (b) *STATE REQUEST FOR WAIVER.*—

15           (1) *IN GENERAL.*—A State may submit to the  
16          Secretary a request for a waiver of 1 or more require-  
17          ments referred to in subsection (a). The request may  
18          include a request for different waivers with respect to  
19          different areas within the State.

20           (2) *APPLICATION.*—To be eligible to receive a  
21          waiver described in subsection (a), a State shall sub-  
22          mit an application to the Secretary at such time, in  
23          such manner, and containing such information as the  
24          Secretary may require, including information—

1           (A) *identifying the requirement to be*  
2           *waived and the goal that the State (or the local*  
3           *agency applying to the State under subsection*  
4           *(c) intends to achieve through the waiver;*

5           (B) *identifying, and describing the actions*  
6           *that the State will take to remove, similar State*  
7           *requirements;*

8           (C) *describing the activities to which the*  
9           *waiver will apply, including information on how*  
10          *the activities may be continued, or related to ac-*  
11          *tivities carried out, under the statewide system of*  
12          *the State;*

13          (D) *describing the number and type of per-*  
14          *sons to be affected by such waiver; and*

15          (E) *providing evidence of support for the*  
16          *waiver request by the State agencies or officials*  
17          *with jurisdiction over the requirement to be*  
18          *waived.*

19          (c) *LOCAL ENTITY REQUEST FOR WAIVER.—*

20           (1) *IN GENERAL.—A local entity that seeks a*  
21           *waiver of such a requirement shall submit to the*  
22           *State a request for the waiver and an application*  
23           *containing sufficient information to enable the State*  
24           *to comply with the requirements of subsection (b)(2).*

25           *The State shall determine whether to submit a request*

1        *and an application for a waiver to the Secretary, as*  
2        *provided in subsection (b).*

3            (2) *TIME LIMIT.—*

4            (A) *IN GENERAL.—The State shall make a*  
5        *determination concerning whether to submit the*  
6        *request and application for a waiver as described*  
7        *in paragraph (1) not later than 30 days after*  
8        *the date on which the State receives the applica-*  
9        *tion from the local entity.*

10          (B) *DIRECT SUBMISSION.—*

11          (i) *IN GENERAL.—If the State does not*  
12        *make a determination to submit or does not*  
13        *submit the request and application within*  
14        *the 30-day time period specified in sub-*  
15        *paragraph (A), the local entity may submit*  
16        *the request and application to the Sec-*  
17        *retary.*

18          (ii) *REQUIREMENTS.—In submitting*  
19        *such a request, the local entity shall obtain*  
20        *the agreement of the State involved to com-*  
21        *ply with the requirements of this section*  
22        *that would otherwise apply to a State sub-*  
23        *mitting a request for a waiver. In reviewing*  
24        *an application submitted by a local entity,*  
25        *the Secretary shall comply with the require-*

1                    *ments of this section that would otherwise*  
2                    *apply to the Secretary with respect to re-*  
3                    *view of such an application submitted by a*  
4                    *State.*

5                    *(d) WAIVERS NOT AUTHORIZED.—The Secretary may*  
6                    *not waive any requirement of any provision referred to in*  
7                    *subsection (a), or of any regulation issued under such provi-*  
8                    *sion, relating to—*

9                    *(1) the allocation of funds to States, local enti-*  
10                    *ties, or individuals;*

11                    *(2) public health or safety, civil rights, occupa-*  
12                    *tional safety and health, environmental protection,*  
13                    *displacement of employees, or fraud and abuse;*

14                    *(3) the eligibility of an individual for participa-*  
15                    *tion in a covered activity, except in a case in which*  
16                    *the State or local entity can demonstrate that the in-*  
17                    *dividuals who would have been eligible to participate*  
18                    *in such activity without the waiver will participate*  
19                    *in a similar covered activity; or*

20                    *(4) a required supplementation of funds by the*  
21                    *State or a prohibition against the State supplanting*  
22                    *such funds.*

23                    *(e) ACTIVITIES.—Subject to subsection (d), the Sec-*  
24                    *retary may approve a request for a waiver described in sub-*  
25                    *section (a) that would enable a State or local entity to—*

1           (1) use the assistance that would otherwise have  
2           been used to carry out 2 or more covered activities (if  
3           the State or local entity were not using the assistance  
4           as described in this section)—

5                   (A) to address the high priority needs of un-  
6                   employed persons and at-risk youth in the ap-  
7                   propriate State or community for workforce em-  
8                   ployment activities or workforce education ac-  
9                   tivities;

10                   (B) to improve efficiencies in the delivery of  
11                   the covered activities; or

12                   (C) in the case of overlapping or duplicative  
13                   activities—

14                           (i) by combining the covered activities  
15                           and funding the combined activities; or

16                           (ii) by eliminating 1 of the covered ac-  
17                           tivities and increasing the funding to the  
18                           remaining covered activity; and

19           (2) use the assistance that would otherwise have  
20           been used for administrative expenses relating to a  
21           covered activity (if the State or local entity were not  
22           using the assistance as described in this section) to  
23           pay for the cost of developing an interim State plan  
24           described in section 173 or a State plan described in  
25           section 104.

1           (f) *APPROVAL OR DISAPPROVAL.*—*The Secretary shall*  
2 *approve or disapprove any request submitted pursuant to*  
3 *subsection (b) or (c), not later than 45 days after the date*  
4 *of the submission, and shall issue a decision that shall in-*  
5 *clude the reasons for approving or disapproving the request.*

6           (g) *FAILURE TO ACT.*—*If the Secretary fails to ap-*  
7 *prove or disapprove the request within the 45-day period*  
8 *described in subsection (f), the request shall be deemed to*  
9 *be approved on the day after such period ends. If the Sec-*  
10 *retary subsequently determines that the waiver relates to*  
11 *a matter described in subsection (d) and issues a decision*  
12 *that includes the reasons for the determination, the waiver*  
13 *shall be deemed to terminate on the date of issuance of the*  
14 *decision.*

15           (h) *DEFINITION.*—*As used in this section:*

16           (1) *LOCAL ENTITY.*—*The term “local entity”*  
17 *means—*

18                   (A) *a local educational agency, with respect*  
19 *to any act by a local agency or organization re-*  
20 *lating to a covered activity that is a workforce*  
21 *education activity; and*

22                   (B) *the local public or private agency or or-*  
23 *ganization responsible for carrying out the cov-*  
24 *ered activity at issue, with respect to any act by*

1           *a local agency or organization relating to any*  
2           *other covered activity.*

3           (2) *SECRETARY.*—*The term “Secretary”*  
4           *means—*

5                     (A) *the Secretary of Labor, with respect to*  
6                     *any act relating to a covered activity carried out*  
7                     *by the Secretary of Labor; and*

8                     (B) *the Secretary of Education, with respect*  
9                     *to any act relating to a covered activity carried*  
10                    *out by the Secretary of Education.*

11           (3) *STATE.*—*The term “State” means—*

12                    (A) *a State educational agency, with respect*  
13                    *to any act by a State entity relating to a covered*  
14                    *activity that is a workforce education activity;*  
15                    *and*

16                    (B) *the Governor, with respect to any act by*  
17                    *a State entity relating to any other covered ac-*  
18                    *tivity.*

19           (i) *CONFORMING AMENDMENTS.*—

20                    (1) *Section 501 of the School-to-Work Opportuni-*  
21                    *ties Act of 1994 (20 U.S.C. 6211) is amended—*

22                             (A) *in subsection (a), by striking “sections*  
23                             *502 and 503” and inserting “section 502”;*

24                             (B) *in subsection (b)(2)(B)(ii)—*

1           (i) by striking “section 502(a)(1)(C) or  
2           503(a)(1)(C), as appropriate,” and insert-  
3           ing “section 502(a)(1)(C)”; and

4           (ii) by striking “section 502 or 503, as  
5           appropriate,” and inserting “section 502”;

6           (C) in subsection (c), by striking “section  
7           502 or 503” and inserting “section 502”; and

8           (D) by striking “Secretaries” each place the  
9           term appears and inserting “Secretary of Edu-  
10          cation”.

11          (2) Section 502(b) of such Act (20 U.S.C.  
12          6212(b)) is amended—

13           (A) in paragraph (4), by striking the semi-  
14           colon and inserting “; and”;

15           (B) in paragraph (5), by striking “; and”  
16           and inserting a period; and

17           (C) by striking paragraph (6).

18          (3) Section 503 of such Act (20 U.S.C. 6213) is  
19          repealed.

20          (4) Section 504 of such Act (20 U.S.C. 6214) is  
21          amended—

22           (A) in subsection (a)(2)(B), by striking  
23           clauses (i) and (ii) and inserting the following  
24           clauses:

1           “(i) the provisions of law listed in  
2           paragraphs (2) through (5) of section  
3           502(b);

4           “(ii) the Job Training Partnership Act  
5           (29 U.S.C. 1501 et seq.); and

6           “(iii) the Carl D. Perkins Vocational  
7           and Applied Technology Education Act (20  
8           U.S.C. 2301 et seq.).”; and

9           (B) in subsection (b), by striking “para-  
10          graphs (1) through (3), and paragraphs (5) and  
11          (6), of section 503(b)” and inserting “para-  
12          graphs (2) through (4) and paragraphs (6) and  
13          (7) of section 505(b)”.

14          (5) Section 505(b) of such Act (20 U.S.C.  
15          6215(b)) is amended to read as follows:

16          “(b) USE OF FUNDS.—A State may use, under the re-  
17          quirements of this Act, Federal funds that are made avail-  
18          able to the State and combined under subsection (a) to  
19          carry out school-to-work activities, except that the provi-  
20          sions relating to—

21                 “(1) the matters specified in section 502(c);

22                 “(2) basic purposes or goals;

23                 “(3) maintenance of effort;

24                 “(4) distribution of funds;

1           “(5) *eligibility of an individual for participa-*  
2           *tion;*

3           “(6) *public health or safety, labor standards,*  
4           *civil rights, occupational safety and health, or envi-*  
5           *ronmental protection; or*

6           “(7) *prohibitions or restrictions relating to the*  
7           *construction of buildings or facilities;*

8           *that relate to the program through which the funds de-*  
9           *scribed in subsection (a)(2)(B) were made available, shall*  
10          *remain in effect with respect to the use of such funds.”.*

11       **SEC. 172. FLEXIBILITY DEMONSTRATION PROGRAM.**

12          (a) *DEFINITION.*—As used in this section:

13               (1) *ELIGIBLE STATE.*—The term “*eligible State*”  
14               *means a State that—*

15                       (A)(i) *has submitted an interim State plan*  
16                       *under section 173;*

17                       (ii) *has an executed memorandum of under-*  
18                       *standing with the Federal Government; or*

19                       (iii) *is a designated “Ed-Flex Partnership*  
20                       *State” under section 311(e) of the Goals 2000:*  
21                       *Educate America Act (20 U.S.C. 5891(e)); and*

22                       (B) *waives State statutory or regulatory re-*  
23                       *quirements relating to workforce development ac-*  
24                       *tivities while holding local entities within the*  
25                       *State that are effected by such waivers account-*

1           able for the performance of the participants who  
2           are affected by such waivers.

3           (2) *LOCAL ENTITY; SECRETARY; STATE.*—The  
4           terms “local entity”, “Secretary”, and “State” have  
5           the meanings given the terms in section 171(h).

6           (b) *DEMONSTRATION PROGRAM.*—

7           (1) *ESTABLISHMENT.*—In addition to providing  
8           for the waivers described in section 171(a), the Sec-  
9           retary shall establish a workforce flexibility dem-  
10          onstration program under which the Secretary shall  
11          permit not more than 6 eligible States (or local enti-  
12          ties within such States) to waive any statutory or  
13          regulatory requirement applicable to any covered ac-  
14          tivity described in section 171(a), other than the re-  
15          quirements described in section 171(d).

16          (2) *SELECTION OF PARTICIPANT STATES.*—In  
17          carrying out the program under paragraph (1), the  
18          Secretary shall select for participation in the pro-  
19          gram 3 eligible States that each have a population of  
20          not less than 3,500,000 individuals and 3 eligible  
21          States that each have a population of not more than  
22          3,500,000 individuals, as determined in accordance  
23          with the most recent decennial census of the popu-  
24          lation as provided by the Bureau of the Census.

25          (3) *APPLICATION.*—

1           (A) *SUBMISSION.*—*To be eligible to partici-*  
2 *partate in the program established under paragraph*  
3 *(1), a State shall prepare and submit an appli-*  
4 *cation, in accordance with section 171(b)(2),*  
5 *that includes—*

6                   (i) *a description of the process the eli-*  
7 *gible State will use to evaluate applications*  
8 *from local entities requesting waivers of—*

9                           (I) *Federal statutory or regu-*  
10 *latory requirements described in sec-*  
11 *tion 171(a); and*

12                           (II) *State statutory or regulatory*  
13 *requirements relating to workforce de-*  
14 *velopment activities; and*

15                   (ii) *a detailed description of the State*  
16 *statutory or regulatory requirements relat-*  
17 *ing to workforce development activities that*  
18 *the State will waive.*

19           (B) *APPROVAL.*—*The Secretary may ap-*  
20 *prove an application submitted under subpara-*  
21 *graph (A) if the Secretary determines that such*  
22 *application demonstrates substantial promise of*  
23 *assisting the State and local entities within such*  
24 *State in carrying out comprehensive reform of*

1           workforce development activities and in other-  
2           wise meeting the purposes of this Act.

3           (C) LOCAL ENTITY APPLICATIONS.—A State  
4           participating in the program established under  
5           paragraph (1) shall not approve an application  
6           by a local entity for a waiver under this sub-  
7           section unless the State determines that such  
8           waiver will assist the local entity in reaching the  
9           goals of the local entity.

10          (4) MONITORING.—A State participating in the  
11          program established under paragraph (1) shall annu-  
12          ally monitor the activities of local entities receiving  
13          waivers under this subsection and shall submit an an-  
14          nual report regarding such monitoring to the Sec-  
15          retary. The Secretary shall periodically review the  
16          performance of such States and shall terminate the  
17          waiver of a State under this subsection if the Sec-  
18          retary determines, after notice and opportunity for a  
19          hearing, that the performance of such State has been  
20          inadequate to a level that justifies discontinuation of  
21          such authority.

22          (5) REFERENCE.—Each eligible State partici-  
23          pating in the program established under paragraph  
24          (1) shall be referred to as a “Work-Flex Partnership  
25          State”.

1 **SEC. 173. INTERIM STATE PLANS.**

2 (a) *IN GENERAL.*—For a State or local entity in a  
3 State to use a waiver received under section 171 or 172  
4 through June 30, 1998, and for a State to be eligible to  
5 submit a State plan described in section 104 for program  
6 year 1998, the Governor of the State shall submit an in-  
7 terim State plan to the Federal Partnership. The Governor  
8 shall submit the plan not later than June 30, 1997.

9 (b) *REQUIREMENTS.*—The interim State plan shall  
10 comply with the requirements applicable to State plans de-  
11 scribed in section 104.

12 (c) *PROGRAM YEAR.*—In submitting the interim State  
13 plan, the Governor shall indicate whether the plan is sub-  
14 mitted—

15 (1) for review and approval for program year  
16 1997; or

17 (2) solely for review.

18 (d) *REVIEW.*—In reviewing an interim State plan, the  
19 Secretary of Labor and the Secretary of Education, acting  
20 jointly on the advice of the Federal Partnership, may—

21 (1) in the case of a plan submitted for review  
22 and approval for program year 1997—

23 (A) approve the plan and permit the State  
24 to use a waiver as described in section 171 or  
25 172 to carry out the plan; or



1 *shall consider the last application or plan, as appropriate,*  
2 *submitted by the entity for funding of the covered activity.*

3 **SEC. 175. INTERIM ADMINISTRATION OF SCHOOL-TO-WORK**  
4 **PROGRAMS.**

5 (a) *IN GENERAL.*—Any provision of the School-to-  
6 Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.)  
7 that grants authority to the Secretary of Labor or the Sec-  
8 retary of Education shall be considered to grant the author-  
9 ity to the Federal Partnership.

10 (b) *EFFECTIVE DATE.*—Subsection (a) shall take effect  
11 on October 1, 1996.

12 **SEC. 176. INTERIM AUTHORIZATIONS OF APPROPRIATIONS.**

13 (a) *CARL D. PERKINS VOCATIONAL AND APPLIED*  
14 *TECHNOLOGY EDUCATION ACT.*—

15 (1) *IN GENERAL.*—Section 3(a) of the Carl D.  
16 Perkins Vocational and Applied Technology Edu-  
17 cation Act (20 U.S.C. 2302(a)) is amended by strik-  
18 ing “for each of the fiscal years” and all that follows  
19 through “1995” and inserting “for each of fiscal years  
20 1992 through 1998”.

21 (2) *RESEARCH.*—Section 404(d) of such Act (20  
22 U.S.C. 2404(d)) is amended by striking “for each of  
23 the fiscal years” and all that follows through “1995”  
24 and inserting “for each of fiscal years 1992 through  
25 1998”.

1       (b) *ADULT EDUCATION ACT.*—

2           (1) *IN GENERAL.*—Section 313(a) of the Adult  
3       Education Act (20 U.S.C. 1201b(a)) is amended by  
4       striking “for each of the fiscal years” and all that fol-  
5       lows through “1995” and inserting “for each of fiscal  
6       years 1993 through 1998”.

7           (2) *STATE LITERACY RESOURCE CENTERS.*—Sec-  
8       tion 356(k) of such Act (20 U.S.C. 1208aa(k)) is  
9       amended by striking “for each of the fiscal years 1994  
10      and 1995” and inserting “for each of fiscal years  
11      1994 and 1995”.

12          (3) *BUSINESS, INDUSTRY, LABOR, AND EDU-*  
13      *CATION PARTNERSHIPS FOR WORKPLACE LITERACY.*—  
14      Section 371(e)(1) of such Act (20 U.S.C. 1211(e)(1))  
15      is amended by striking “for each of the fiscal years”  
16      and all that follows through “1995” and inserting  
17      “for each of fiscal years 1993 through 1998”.

18          (4) *NATIONAL INSTITUTE FOR LITERACY.*—Sec-  
19      tion 384(n)(1) of such Act (20 U.S.C. 1213c(n)(1)) is  
20      amended by striking “for each of the fiscal years” and  
21      all that follows through “1996” and inserting “for  
22      each of fiscal years 1992 through 1995”.

1       **Subtitle D—National Activities**

2       **SEC. 181. FEDERAL PARTNERSHIP.**

3           (a) *ESTABLISHMENT.*—*There is established in the De-*  
4 *partment of Labor and the Department of Education a*  
5 *Workforce Development Partnership, under the joint control*  
6 *of the Secretary of Labor and the Secretary of Education.*

7           (b) *ADMINISTRATION.*—*Notwithstanding the Depart-*  
8 *ment of Education Organization Act (20 U.S.C. 3401 et*  
9 *seq.), the General Education Provisions Act (20 U.S.C.*  
10 *1221 et seq.), the Act entitled “An Act To Create a Depart-*  
11 *ment of Labor”, approved March 4, 1913 (29 U.S.C. 551*  
12 *et seq.), and section 169 of the Job Training Partnership*  
13 *Act (29 U.S.C. 1579), the Secretary of Labor and the Sec-*  
14 *retary of Education, acting jointly, in accordance with the*  
15 *plan approved or determinations made by the President*  
16 *under section 187(c), shall provide for, and exercise final*  
17 *authority over, the effective and efficient administration of*  
18 *this title (other than subtitle B), the Act amended by sub-*  
19 *title B of title II, the provisions amended by sections 241*  
20 *and 242, and the officers and employees of the Federal Part-*  
21 *nership.*

22           (c) *RESPONSIBILITIES OF SECRETARY OF LABOR AND*  
23 *SECRETARY OF EDUCATION.*—*The Secretary of Labor and*  
24 *the Secretary of Education, working jointly through the*  
25 *Federal Partnership, shall—*

1           (1) *approve applications and plans under sec-*  
2           *tions 104, 107, 108, 109, 173, and 184;*

3           (2) *award financial assistance under sections*  
4           *102, 107, 108, 109, 122(a), 161, 184, and 185;*

5           (3) *approve State benchmarks in accordance*  
6           *with section 121(c); and*

7           (4) *apply sanctions described in section 122(b).*

8           (d) *WORKPLANS.—The Secretary of Labor and the*  
9           *Secretary of Education, acting jointly, shall prepare and*  
10           *submit the workplans described in sections 187(c) and*  
11           *188(b).*

12           (e) *INFORMATION AND TECHNICAL ASSISTANCE RE-*  
13           *SPONSIBILITIES.—The Secretary of Labor and the Sec-*  
14           *retary of Education, acting jointly, shall, in appropriate*  
15           *cases, disseminate information and provide technical assist-*  
16           *ance to States on the best practices for establishing and car-*  
17           *rying out activities through statewide systems, including*  
18           *model programs to provide structured work and learning*  
19           *experiences for welfare recipients.*

20           **SEC. 182. NATIONAL WORKFORCE DEVELOPMENT BOARD**  
21                                   **AND PERSONNEL.**

22           (a) *NATIONAL BOARD.—*

23                   (1) *COMPOSITION.—The Federal Partnership*  
24                   *shall be directed by a National Board that shall be*  
25                   *composed of 13 individuals, including—*

1           (A) 7 individuals who are representative of  
2           business and industry in the United States, ap-  
3           pointed by the President by and with the advice  
4           and consent of the Senate;

5           (B) 2 individuals who are representative of  
6           labor and workers in the United States, ap-  
7           pointed by the President by and with the advice  
8           and consent of the Senate;

9           (C) 2 individuals who are representative of  
10          education providers, 1 of whom is a State or  
11          local adult education provider and 1 of whom is  
12          a State or local vocational education provider,  
13          appointed by the President by and with the ad-  
14          vice and consent of the Senate; and

15          (D) 2 Governors, representing different po-  
16          litical parties, appointed by the President by  
17          and with the advice and consent of the Senate.

18          (2) *TERMS.*—Each member of the National  
19          Board shall serve for a term of 3 years, except that,  
20          as designated by the President—

21                 (A) 5 of the members first appointed to the  
22                 National Board shall serve for a term of 2 years;

23                 (B) 4 of the members first appointed to the  
24                 National Board shall serve for a term of 3 years;  
25                 and

1           (C) 4 of the members first appointed to the  
2           National Board shall serve for a term of 4 years.

3           (3) VACANCIES.—Any vacancy in the National  
4           Board shall not affect the powers of the National  
5           Board, but shall be filled in the same manner as the  
6           original appointment. Any member appointed to fill  
7           such a vacancy shall serve for the remainder of the  
8           term for which the predecessor of such member was  
9           appointed.

10          (4) DUTIES AND POWERS OF THE NATIONAL  
11          BOARD.—

12                 (A) OVERSIGHT.—Subject to section 181(b),  
13                 the National Board shall oversee all activities of  
14                 the Federal Partnership.

15                 (B) RECOMMENDATIONS ABOUT IMPLEMEN-  
16                 TATION.—If the Secretary of Labor and the Sec-  
17                 retary of Education fail to reach agreement with  
18                 respect to the implementation of their duties and  
19                 responsibilities under this Act (other than sub-  
20                 title B) and the amendments made by this Act,  
21                 the National Board shall review the issues about  
22                 which disagreement exists and make a rec-  
23                 ommendation to the President regarding a solu-  
24                 tion to the disagreement.

1           (5) *CHAIRPERSON.*—*The position of Chairperson*  
2 *of the National Board shall rotate annually among*  
3 *the appointed members described in paragraph*  
4 *(1)(A).*

5           (6) *MEETINGS.*—*The National Board shall meet*  
6 *at the call of the Chairperson but not less often than*  
7 *4 times during each calendar year. Seven members of*  
8 *the National Board shall constitute a quorum. All de-*  
9 *isions of the National Board with respect to the exer-*  
10 *cise of the duties and powers of the National Board*  
11 *shall be made by a majority vote of the members of*  
12 *the National Board.*

13           (7) *COMPENSATION AND TRAVEL EXPENSES.*—

14           (A) *COMPENSATION.*—*In accordance with*  
15 *the plan approved or the determinations made*  
16 *by the President under section 187(c), each mem-*  
17 *ber of the National Board shall be compensated*  
18 *at a rate to be fixed by the President but not to*  
19 *exceed the daily equivalent of the maximum rate*  
20 *authorized for a position above GS-15 of the*  
21 *General Schedule under section 5108 of title 5,*  
22 *United States Code, for each day (including*  
23 *travel time) during which such member is en-*  
24 *gaged in the performance of the duties of the Na-*  
25 *tional Board.*

1           (B) *EXPENSES.*—While away from their  
2 homes or regular places of business on the busi-  
3 ness of the National Board, members of such Na-  
4 tional Board shall be allowed travel expenses, in-  
5 cluding per diem in lieu of subsistence, at rates  
6 authorized for employees of agencies under sub-  
7 chapter I of chapter 57 of title 5, United States  
8 Code, for persons employed intermittently in the  
9 Government service.

10           (8) *DATE OF APPOINTMENT.*—The National  
11 Board shall be appointed not later than 120 days  
12 after the date of enactment of this Act.

13           (b) *DUTIES AND POWERS OF THE FEDERAL PARTNER-*  
14 *SHIP.*—The Federal Partnership shall—

15           (1) oversee the development, maintenance, and  
16 continuous improvement of the nationwide integrated  
17 labor market and occupational information system  
18 described in section 183, and the relationship between  
19 such system and the job placement accountability sys-  
20 tem described in section 121(d);

21           (2) establish model benchmarks for each of the  
22 benchmarks referred to in paragraph (1), (2), or (3)  
23 of section 121(c), at achievable levels based on existing  
24 (as of the date of the establishment of the benchmarks)  
25 workforce development efforts in the States;

1           (3) *negotiate State benchmarks with States in*  
2           *accordance with section 121(c);*

3           (4) *provide advice to the Secretary of Labor and*  
4           *the Secretary of Education regarding the review and*  
5           *approval of applications and plans described in sec-*  
6           *tion 181(c)(1) and the approval of financial assist-*  
7           *ance described in section 181(c)(2);*

8           (5) *receive and review reports described in sec-*  
9           *tion 121(a);*

10          (6) *prepare and submit to the appropriate com-*  
11          *mittees of Congress an annual report on the absolute*  
12          *and relative performance of States toward reaching*  
13          *the State benchmarks;*

14          (7) *provide advice to the Secretary of Labor and*  
15          *the Secretary of Education regarding applying sanc-*  
16          *tions described in section 122(b);*

17          (8) *review all federally funded programs provid-*  
18          *ing workforce development activities or workforce*  
19          *preparation activities for at-risk youth, other than*  
20          *programs carried out under this title, and submit rec-*  
21          *ommendations to Congress on how the federally fund-*  
22          *ed programs could be integrated into the statewide*  
23          *systems of the States, including recommendations on*  
24          *the development of common terminology for activities*  
25          *and services provided through the programs;*

1           (9) *prepare an annual plan for the nationwide*  
2 *integrated labor market and occupational information*  
3 *system, as described in section 183(b)(2); and*

4           (10) *perform the duties specified for the Federal*  
5 *Partnership in this Act and the amendments made by*  
6 *this Act.*

7       (c) *DIRECTOR.—*

8           (1) *IN GENERAL.—There shall be in the Federal*  
9 *Partnership a Director, who shall be appointed by the*  
10 *President, by and with the advice and consent of the*  
11 *Senate.*

12          (2) *COMPENSATION.—The Director shall be com-*  
13 *pensated at the rate provided for level IV of the Exec-*  
14 *utive Schedule under section 5315 of title 5, United*  
15 *States Code.*

16          (3) *DUTIES.—The Director shall make rec-*  
17 *ommendations to the National Board regarding the*  
18 *activities described in subsection (b).*

19          (4) *DATE OF APPOINTMENT.—The Director shall*  
20 *be appointed not later than 120 days after the date*  
21 *of enactment of this Act.*

22       (d) *PERSONNEL.—*

23           (1) *APPOINTMENTS.—The Director may appoint*  
24 *and fix the compensation of such officers and employ-*  
25 *ees as may be necessary to carry out the functions of*

1     *the Federal Partnership. Except as otherwise provided*  
2     *by law, such officers and employees shall be appointed*  
3     *in accordance with the civil service laws and their*  
4     *compensation fixed in accordance with title 5, United*  
5     *States Code.*

6             (2) *EXPERTS AND CONSULTANTS.—The Director*  
7     *may obtain the services of experts and consultants in*  
8     *accordance with section 3109 of title 5, United States*  
9     *Code, and compensate such experts and consultants*  
10    *for each day (including travel time) at rates not in*  
11    *excess of the rate of pay for level IV of the Executive*  
12    *Schedule under section 5315 of such title. The Direc-*  
13    *tor may pay experts and consultants who are serving*  
14    *away from their homes or regular places of business*  
15    *travel expenses and per diem in lieu of subsistence at*  
16    *rates authorized by sections 5702 and 5703 of such*  
17    *title for persons in Government service employed*  
18    *intermittently.*

19            (3) *DETAIL OF GOVERNMENT EMPLOYEES.—Any*  
20    *Federal Government employee may be detailed to the*  
21    *Federal Partnership without reimbursement, and such*  
22    *detail shall be without interruption or loss of civil*  
23    *service or privilege. The Secretary of Education and*  
24    *the Secretary of Labor shall detail a sufficient num-*  
25    *ber of employees to the Federal Partnership for the*

1 *period beginning October 1, 1996 and ending June*  
2 *30, 1998 to carry out the functions of the Federal*  
3 *Partnership during such period.*

4 (4) *USE OF VOLUNTARY AND UNCOMPENSATED*  
5 *SERVICES.—Notwithstanding section 1342 of title 31,*  
6 *United States Code, the Secretary of Labor and the*  
7 *Secretary of Education are authorized to accept vol-*  
8 *untary and uncompensated services in furtherance of*  
9 *the purposes of this Act.*

10 (e) *AUTHORIZATION OF APPROPRIATIONS.—There is*  
11 *authorized to be appropriated for fiscal years 1996 and*  
12 *1997 \$500,000 to the National Board for the administra-*  
13 *tion of the duties and responsibilities of the Federal Part-*  
14 *nership under this title.*

15 **SEC. 183. LABOR MARKET AND OCCUPATIONAL INFORMA-**  
16 **TION.**

17 (a) *FEDERAL RESPONSIBILITIES.—The Federal Part-*  
18 *nership, in accordance with the provisions of this section,*  
19 *shall oversee the development, maintenance, and continuous*  
20 *improvement of a nationwide integrated labor market and*  
21 *occupational information system that shall include—*

22 (1) *statistical data from cooperative statistical*  
23 *survey and projection programs and data from ad-*  
24 *ministrative reporting systems, that, taken together,*  
25 *shall enumerate, estimate, and project the supply and*

1       *demand for labor at the substate, State, and national*  
2       *levels in a timely manner, including data on—*

3               *(A) the demographics, socioeconomic charac-*  
4               *teristics, and current employment status of the*  
5               *substate, State, and national populations (as of*  
6               *the date of the collection of the data), including*  
7               *self-employed, part-time, and seasonal workers;*

8               *(B) job vacancies, education and training*  
9               *requirements, skills, wages, benefits, working con-*  
10              *ditions, and industrial distribution, of occupa-*  
11              *tions, as well as current and projected employ-*  
12              *ment opportunities and trends by industry and*  
13              *occupation;*

14              *(C) the educational attainment, training,*  
15              *skills, skill levels, and occupations of the popu-*  
16              *lations;*

17              *(D) information maintained in a longitu-*  
18              *dinal manner on the quarterly earnings, estab-*  
19              *lishment and industry affiliation, and geo-*  
20              *graphic location of employment for all individ-*  
21              *uals for whom the information is collected by the*  
22              *States; and*

23              *(E) the incidence, industrial and geographi-*  
24              *cal location, and number of workers displaced by*  
25              *permanent layoffs and plant closings;*

1           (2) *State and substate area employment and*  
2           *consumer information (which shall be current, com-*  
3           *prehensive, automated, accessible, easy to understand,*  
4           *and in a form useful for facilitating immediate em-*  
5           *ployment, entry into education and training pro-*  
6           *grams, and career exploration) on—*

7                   (A) *job openings, locations, hiring require-*  
8                   *ments, and application procedures, including*  
9                   *profiles of industries in the local labor market*  
10                  *that describe the nature of work performed, em-*  
11                  *ployment requirements, and patterns in wages*  
12                  *and benefits;*

13                  (B) *jobseekers, including the education,*  
14                  *training, and employment experience of the job-*  
15                  *seekers; and*

16                  (C) *the cost and effectiveness of providers of*  
17                  *workforce employment activities, workforce edu-*  
18                  *cation activities, and flexible workforce activities,*  
19                  *including the percentage of program completion,*  
20                  *acquisition of skills to meet industry-recognized*  
21                  *skill standards, continued education, job place-*  
22                  *ment, and earnings, by participants, and other*  
23                  *information that may be useful in facilitating*  
24                  *informed choices among providers by partici-*  
25                  *pants;*

1           (3) *technical standards for labor market and oc-*  
2           *cupational information that will—*

3                   (A) *ensure compatibility of the information*  
4                   *and the ability to aggregate the information*  
5                   *from substate areas to State and national levels;*

6                   (B) *support standardization and aggrega-*  
7                   *tion of the data from administrative reporting*  
8                   *systems;*

9                   (C) *include—*

10                   (i) *classification and coding systems*  
11                   *for industries, occupations, skills, programs,*  
12                   *and courses;*

13                   (ii) *nationally standardized definitions*  
14                   *of labor market terms, including terms re-*  
15                   *lated to State benchmarks established pursu-*  
16                   *ant to section 121(c);*

17                   (iii) *quality control mechanisms for*  
18                   *the collection and analysis of labor market*  
19                   *and occupational information; and*

20                   (iv) *common schedules for collection*  
21                   *and dissemination of labor market and oc-*  
22                   *cupational information; and*

23                   (D) *eliminate gaps and duplication in sta-*  
24                   *tistical undertakings, with a high priority given*  
25                   *to the systemization of wage surveys;*

1           (4) *an analysis of data and information de-*  
2 *scribed in paragraphs (1) and (2) for uses such as—*

3                 (A) *national, State, and substate area eco-*  
4 *nom ic policymaking;*

5                 (B) *planning and evaluation of workforce*  
6 *development activities;*

7                 (C) *the implementation of Federal policies,*  
8 *including the allocation of Federal funds to*  
9 *States and substate areas;*

10                (D) *research on labor market and occupa-*  
11 *tional dynamics; and*

12                (E) *career development planning and deci-*  
13 *sionmaking;*

14           (5) *dissemination mechanisms for data and*  
15 *analysis, including mechanisms that may be stand-*  
16 *ardized among the States; and*

17           (6) *programs of technical assistance for States*  
18 *and substate areas in the development, maintenance,*  
19 *utilization, and continuous improvement of the data,*  
20 *information, standards, analysis, and dissemination*  
21 *mechanisms, described in paragraphs (1) through (5),*  
22 *including training of counselors, teachers, and other*  
23 *persons to use the products of the nationwide inte-*  
24 *grated labor market and occupational information*  
25 *system to improve career decisionmaking.*

1       **(b) JOINT FEDERAL-STATE RESPONSIBILITIES.**—

2           **(1) IN GENERAL.**—*The nationwide integrated*  
3 *labor market and occupational information system*  
4 *shall be planned, administered, overseen, and evalu-*  
5 *ated through a cooperative governance structure in-*  
6 *volving the Federal Government and the States receiv-*  
7 *ing financial assistance under this title.*

8           **(2) ANNUAL PLAN.**—*The Federal Partnership*  
9 *shall, with the assistance of the Bureau of Labor Sta-*  
10 *tistics and other Federal agencies, where appropriate,*  
11 *prepare an annual plan that shall be the mechanism*  
12 *for achieving the cooperative Federal-State governance*  
13 *structure for the nationwide integrated labor market*  
14 *and occupational information system. The plan*  
15 *shall—*

16                   **(A)** *establish goals for the development and*  
17 *improvement of a nationwide integrated labor*  
18 *market and occupational information system*  
19 *based on information needs for achieving eco-*  
20 *nomical growth and productivity, accountability,*  
21 *fund allocation equity, and an understanding of*  
22 *labor market characteristics and dynamics;*

23                   **(B)** *describe the elements of the system, in-*  
24 *cluding—*

1           (i) standards, definitions, formats, col-  
2           lection methodologies, and other necessary  
3           system elements, for use in collecting the  
4           data and information described in para-  
5           graphs (1) and (2) of subsection (a); and

6           (ii) assurances that—

7                   (I) data will be sufficiently timely  
8                   and detailed for uses including the uses  
9                   described in subsection (a)(4);

10                   (II) administrative records will be  
11                   standardized to facilitate the aggrega-  
12                   tion of data from substate areas to  
13                   State and national levels and to sup-  
14                   port the creation of new statistical se-  
15                   ries from program records; and

16                   (III) paperwork and reporting re-  
17                   quirements on employers and individ-  
18                   uals will be reduced;

19           (C) recommend needed improvements in ad-  
20           ministrative reporting systems to be used for the  
21           nationwide integrated labor market and occupa-  
22           tional information system;

23           (D) describe the current spending on inte-  
24           grated labor market and occupational informa-  
25           tion activities from all sources, assess the ade-

1           *quacy of the funds spent, and identify the spe-*  
2           *cific budget needs of the Federal Government and*  
3           *States with respect to implementing and improv-*  
4           *ing the nationwide integrated labor market and*  
5           *occupational information system;*

6           *(E) develop a budget for the nationwide in-*  
7           *tegrated labor market and occupational informa-*  
8           *tion system that—*

9                   *(i) accounts for all funds described in*  
10                   *subparagraph (D) and any new funds made*  
11                   *available pursuant to this title; and*

12                   *(ii) describes the relative allotments to*  
13                   *be made for—*

14                           *(I) operating the cooperative sta-*  
15                           *tistical programs pursuant to sub-*  
16                           *section (a)(1);*

17                           *(II) developing and providing em-*  
18                           *ployment and consumer information*  
19                           *pursuant to subsection (a)(2);*

20                           *(III) ensuring that technical*  
21                           *standards are met pursuant to sub-*  
22                           *section (a)(3); and*

23                           *(IV) providing the analysis, dis-*  
24                           *semination mechanisms, and technical*  
25                           *assistance under paragraphs (4), (5),*

1                    *and (6) of subsection (a), and match-*  
2                    *ing data;*

3                    *(F) describe the involvement of States in de-*  
4                    *veloping the plan by holding formal consulta-*  
5                    *tions conducted in cooperation with representa-*  
6                    *tives of the Governors of each State or the State*  
7                    *workforce development board described in section*  
8                    *105, where appropriate, pursuant to a process*  
9                    *established by the Federal Partnership; and*

10                   *(G) provide for technical assistance to the*  
11                   *States for the development of statewide com-*  
12                   *prehensive labor market and occupational infor-*  
13                   *mation systems described in subsection (c), in-*  
14                   *cluding assistance with the development of easy-*  
15                   *to-use software and hardware, or uniform infor-*  
16                   *mation displays.*

17                   *For purposes of applying Office of Management and*  
18                   *Budget Circular A-11 to determine persons eligible to*  
19                   *participate in deliberations relating to budget issues*  
20                   *for the development of the plan, the representatives of*  
21                   *the Governors of each State and the State workforce*  
22                   *development board described in subparagraph (F)*  
23                   *shall be considered to be employees of the Department*  
24                   *of Labor.*

25                   *(c) STATE RESPONSIBILITIES.—*

1           (1) *DESIGNATION OF STATE AGENCY.*—In order  
2 to receive Federal financial assistance under this title,  
3 the Governor of a State shall—

4           (A) establish an interagency process for the  
5 oversight of a statewide comprehensive labor  
6 market and occupational information system  
7 and for the participation of the State in the co-  
8 operative Federal-State governance structure for  
9 the nationwide integrated labor market and oc-  
10 cupational information system; and

11           (B) designate a single State agency or en-  
12 tity within the State to be responsible for the  
13 management of the statewide comprehensive  
14 labor market and occupational information sys-  
15 tem.

16           (2) *DUTIES.*—In order to receive Federal finan-  
17 cial assistance under this title, the State agency or  
18 entity within the State designated under paragraph  
19 (1)(B) shall—

20           (A) consult with employers and local  
21 workforce development boards described in sec-  
22 tion 118(b), where appropriate, about the labor  
23 market relevance of the data to be collected and  
24 displayed through the statewide comprehensive

1        *labor market and occupational information sys-*  
2        *tem;*

3            *(B) develop, maintain, and continuously*  
4        *improve the statewide comprehensive labor mar-*  
5        *ket and occupational information system, which*  
6        *shall—*

7            *(i) include all of the elements described*  
8        *in paragraphs (1), (2), (3), (4), (5), and (6)*  
9        *of subsection (a); and*

10           *(ii) provide the consumer information*  
11        *described in clauses (v) and (vi) of section*  
12        *106(a)(2)(B) in a manner that shall be re-*  
13        *sponsive to the needs of business, industry,*  
14        *workers, and jobseekers;*

15           *(C) ensure the performance of contract and*  
16        *grant responsibilities for data collection, analy-*  
17        *sis, and dissemination, through the statewide*  
18        *comprehensive labor market and occupational*  
19        *information system;*

20           *(D) conduct such other data collection,*  
21        *analysis, and dissemination activities to ensure*  
22        *that State and substate area labor market and*  
23        *occupational information is comprehensive;*

24           *(E) actively seek the participation of other*  
25        *State and local agencies, with particular atten-*

1           tion to State education, economic development,  
2           human services, and welfare agencies, in data  
3           collection, analysis, and dissemination activities  
4           in order to ensure complementarity and compat-  
5           ibility among data;

6           (F) participate in the development of the  
7           national annual plan described in subsection  
8           (b)(2); and

9           (G) ensure that the matches required for the  
10          job placement accountability system by section  
11          121(d)(2)(A) are made for the State and for  
12          other States.

13          (3) *RULE OF CONSTRUCTION.*—Nothing in this  
14          title shall be construed as limiting the ability of a  
15          State agency to conduct additional data collection,  
16          analysis, and dissemination activities with State  
17          funds or with Federal funds from sources other than  
18          this title.

19          (d) *EFFECTIVE DATE.*—This section shall take effect  
20          on July 1, 1998.

21          **SEC. 184. NATIONAL DISCRETIONARY GRANTS.**

22          (a) *NATIONAL GRANTS.*—Using funds made available  
23          under section 124(b)(5), the Secretary of Labor and the Sec-  
24          retary of Education, acting jointly on the advice of the Fed-

1 *eral Partnership, may in a timely manner award a na-*  
2 *tional grant—*

3 *(1) to an eligible entity described in subsection*  
4 *(b) to carry out the activities described in such sub-*  
5 *section; and*

6 *(2) at the request of an officer described in sub-*  
7 *section (c), to such an officer to carry out the activi-*  
8 *ties described in such subsection.*

9 *(b) RAPID RESPONSE GRANTS.—*

10 *(1) IN GENERAL.—*

11 *(A) MAJOR ECONOMIC DISLOCATION.—*  
12 *Funds made available under this section to an*  
13 *eligible entity described in this subsection may*  
14 *be used to provide adjustment assistance to work-*  
15 *ers affected by a major economic dislocation that*  
16 *results from a closure, layoff, or realignment de-*  
17 *scribed in section 3(8)(B).*

18 *(B) EMERGENCY DETERMINATION.—Such*  
19 *funds may also be used to provide adjustment as-*  
20 *sistance to dislocated workers whenever the Fed-*  
21 *eral Partnership (with the agreement of the Gov-*  
22 *ernor involved) determines that an emergency ex-*  
23 *ists with respect to any particular distressed in-*  
24 *dustry or any particularly distressed area. The*  
25 *Federal Partnership may make arrangements for*

1           *the immediate provision of such emergency fi-*  
2           *nancial assistance for the purposes of this sub-*  
3           *section with any necessary supportive docu-*  
4           *mentation to be submitted on a date agreed to by*  
5           *the Governor and the Federal Partnership.*

6           (2) *ELIGIBLE ENTITIES.*—*To be eligible to re-*  
7           *ceive a grant under this section for activities de-*  
8           *scribed in this subsection, an eligible entity shall be*  
9           *a State or local entity.*

10          (3) *APPLICATION.*—*To be eligible to receive a*  
11          *grant under this section for activities described in*  
12          *this subsection, an eligible entity shall submit an ap-*  
13          *plication to the Federal Partnership at such time, in*  
14          *such manner, and containing such information as the*  
15          *Federal Partnership determines to be appropriate.*

16          (c) *DISASTER RELIEF EMPLOYMENT ASSISTANCE.*—

17               (1) *IN GENERAL.*—*Funds made available under*  
18               *this section to officers described in this subsection*  
19               *shall be used solely to provide individuals in a disas-*  
20               *ter area with employment in projects to provide cloth-*  
21               *ing, shelter, and other humanitarian assistance for*  
22               *disaster victims and in projects regarding the demoli-*  
23               *tion, cleanup, repair, renovation, and reconstruction*  
24               *of damaged and destroyed structures, facilities, and*  
25               *lands located within the disaster area.*

1           (2) *OFFICERS.*—To be eligible to receive a grant  
2           under this section for activities described in this sub-  
3           section, an officer shall be a chief executive officer of  
4           a State within which is located an area that has suf-  
5           fered an emergency or a major disaster as defined in  
6           paragraph (1) or (2), respectively, of section 102 of  
7           the Robert T. Stafford Disaster Relief and Emergency  
8           Assistance Act (42 U.S.C. 5122(1) and (2)) (referred  
9           to in this section as a “disaster area”).

10 **SEC. 185. NATIONAL CENTER FOR RESEARCH IN EDU-**  
11 **CATION AND WORKFORCE DEVELOPMENT.**

12           (a) *GRANTS AUTHORIZED.*—From amounts made  
13           available under section 124(b)(7), the Secretary of Labor  
14           and the Secretary of Education, acting jointly on the advice  
15           of the Federal Partnership, are authorized to award a  
16           grant, on a competitive basis, to an institution of higher  
17           education, public or private nonprofit organization or  
18           agency, or a consortium of such institutions, organizations,  
19           or agencies, to enable such institution, organization, agen-  
20           cy, or consortium to establish a national center to carry  
21           out the activities described in subsection (b).

22           (b) *AUTHORIZED ACTIVITIES.*—Grant funds made  
23           available under this section shall be used by the national  
24           center assisted under subsection (a)—

1           (1) to increase the effectiveness and improve the  
2           implementation of workforce development programs,  
3           including conducting research and development and  
4           providing technical assistance with respect to—

5                   (A) combining academic and vocational  
6                   education;

7                   (B) connecting classroom instruction with  
8                   work-based learning;

9                   (C) creating a continuum of educational  
10                  programs that provide multiple exit points for  
11                  employment, which may include changes or de-  
12                  velopment of instructional materials or curricu-  
13                  lum;

14                  (D) establishing high quality support serv-  
15                  ices for all students to ensure access to workforce  
16                  development programs, educational success, and  
17                  job placement assistance;

18                  (E) developing new models for remediation  
19                  of basic academic skills;

20                  (F) identifying ways to establish links  
21                  among educational and job training programs at  
22                  the State and local levels;

23                  (G) developing new models for career guid-  
24                  ance, career information, and counseling serv-  
25                  ices;

1           (H) identifying economic and labor market  
2 changes that will affect workforce needs;

3           (I) developing model programs for the tran-  
4 sition of members of the Armed Forces from  
5 military service to civilian employment;

6           (J) conducting preparation of teachers,  
7 counselors, administrators, other professionals,  
8 and volunteers, who work with programs funded  
9 under this title; and

10          (K) obtaining information on practices in  
11 other countries that may be adapted for use in  
12 the United States;

13          (2) to provide assistance to States and local re-  
14 cipients of assistance under this title in developing  
15 and using systems of performance measures and  
16 standards for improvement of programs and services;  
17 and

18          (3) to maintain a clearinghouse that will pro-  
19 vide data and information to Federal, State, and  
20 local organizations and agencies about the condition  
21 of statewide systems and programs funded under this  
22 title, which data and information shall be dissemi-  
23 nated in a form that is useful to practitioners and  
24 policymakers.

1           (c) *OTHER ACTIVITIES.*—*The Federal Partnership*  
2 *may request that the national center assisted under sub-*  
3 *section (a) conduct activities not described in subsection (b),*  
4 *or study topics not described in subsection (b), as the Fed-*  
5 *eral Partnership determines to be necessary to carry out*  
6 *this title.*

7           (d) *IDENTIFICATION OF CURRENT NEEDS.*—*The na-*  
8 *tional center assisted under subsection (a) shall identify*  
9 *current needs (as of the date of the identification) for re-*  
10 *search and technical assistance through a variety of sources*  
11 *including a panel of Federal, State, and local level practi-*  
12 *tioners.*

13           (e) *SUMMARY REPORT.*—*The national center assisted*  
14 *under subsection (a) shall annually prepare and submit to*  
15 *the Federal Partnership and the Committee on Economic*  
16 *and Educational Opportunities of the House of Representa-*  
17 *tives and the Committee on Labor and Human Resources*  
18 *of the Senate a report summarizing the research findings*  
19 *obtained, and the results of development and technical as-*  
20 *sistance activities carried out, under this section.*

21           (f) *TRANSITION PERIOD.*—*Notwithstanding any other*  
22 *provision of law, the Secretary of Labor and the Secretary*  
23 *of Education, acting jointly on the advice of the Federal*  
24 *Partnership, may use funds made available under section*  
25 *404 of the Carl D. Perkins Vocational and Applied Tech-*

1 *nology Education Act (20 U.S.C. 2404) to prepare, during*  
2 *the period beginning on January 1, 1998, and ending June*  
3 *30, 1998, to award a grant under subsection (a) on July*  
4 *1, 1998.*

5 (g) *DEFINITION.*—*As used in this section, the term*  
6 *“institution of higher education” has the meaning given the*  
7 *term in section 1201(a) of the Higher Education Act of*  
8 *1965 (20 U.S.C. 1141(a)).*

9 (h) *CONFORMING AMENDMENTS.*—*Section 404(a)(2) of*  
10 *the Carl D. Perkins Vocational and Applied Technology*  
11 *Education Act (20 U.S.C. 2404(a)(2)) is amended—*

12 (1) *in subparagraph (A), by striking “for a pe-*  
13 *riod of 5 years” and inserting “until June 30, 1998”;*  
14 *and*

15 (2) *in the first sentence of subparagraph (B), by*  
16 *striking “5”.*

17 (i) *EFFECTIVE DATE.*—

18 (1) *IN GENERAL.*—*Except as provided in para-*  
19 *graphs (2) and (3), this section shall take effect on*  
20 *July 1, 1998.*

21 (2) *TRANSITION PROVISIONS.*—*Subsection (f)*  
22 *shall take effect on January 1, 1998.*

23 (3) *AMENDMENTS.*—*The amendments made by*  
24 *subsection (h) shall take effect on the date of enact-*  
25 *ment of this Act.*

1 **SEC. 186. NATIONAL ASSESSMENT OF VOCATIONAL EDU-**  
2 **CATION PROGRAMS.**

3 (a) *IN GENERAL.*—The Secretary of Education (re-  
4 ferred to in this section as the “Secretary”) shall conduct  
5 a national assessment of vocational education programs as-  
6 sisted under this title, through studies and analyses con-  
7 ducted independently through competitive awards.

8 (b) *INDEPENDENT ADVISORY PANEL.*—The Secretary  
9 shall appoint an independent advisory panel, consisting of  
10 vocational education administrators, educators, researchers,  
11 and representatives of business, industry, labor, career  
12 guidance and counseling professionals, and other relevant  
13 groups, to advise the Secretary on the implementation of  
14 such assessment, including the issues to be addressed and  
15 the methodology of the studies involved, and the findings  
16 and recommendations resulting from the assessment. The  
17 panel, in the discretion of the panel, may submit to the  
18 Committee on Economic and Educational Opportunities of  
19 the House of Representatives, the Committee on Labor and  
20 Human Resources of the Senate, and the Federal Partner-  
21 ship an independent analysis of the findings and rec-  
22 ommendations resulting from the assessment. The Federal  
23 Advisory Committee Act (5 U.S.C. App.) shall not apply  
24 to the panel established under this subsection.

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

1           (1) *the effect of this title on State and tribal ad-*  
2 *ministration of vocational education programs and*  
3 *on local vocational education practices, including the*  
4 *capacity of State, tribal, and local vocational edu-*  
5 *cation systems to address the purposes of this title;*

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

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

14          (4) *participation in vocational education pro-*  
15 *grams;*

16          (5) *academic and employment outcomes of voca-*  
17 *tional education, including analyses of—*

18               (A) *the effect of educational reform on voca-*  
19 *tional education;*

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

22               (C) *the success of the school-to-work transi-*  
23 *tion; and*

24               (D) *the degree to which vocational training*  
25 *is relevant to subsequent employment;*

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

3           (7) *the effect of benchmarks, performance meas-*  
4 *ures, and other measures of accountability on the de-*  
5 *livery of vocational education services; and*

6           (8) *the degree to which minority students are in-*  
7 *volved in vocational student organizations.*

8 (d) *CONSULTATION.*—

9           (1) *IN GENERAL.*—*The Secretary shall consult*  
10 *with the Committee on Economic and Educational*  
11 *Opportunities of the House of Representatives and the*  
12 *Committee on Labor and Human Resources of the*  
13 *Senate in the design and implementation of the as-*  
14 *essment required under subsection (a).*

15           (2) *REPORTS.*—*The Secretary shall submit to the*  
16 *Committee on Economic and Educational Opportuni-*  
17 *ties of the House of Representatives, the Committee on*  
18 *Labor and Human Resources of the Senate, and the*  
19 *Federal Partnership—*

20                   (A) *an interim report regarding the assess-*  
21 *ment on or before January 1, 2000; and*

22                   (B) *a final report, summarizing all studies*  
23 *and analyses that relate to the assessment and*  
24 *that are completed after the assessment, on or be-*  
25 *fore July 1, 2000.*

1           (3) *PROHIBITION.*—Notwithstanding any other  
2           provision of law or regulation, the reports required by  
3           this subsection shall not be subject to any review out-  
4           side of the Department of Education before their  
5           transmittal to the Committee on Economic and Edu-  
6           cational Opportunities of the House of Representa-  
7           tives, the Committee on Labor and Human Resources  
8           of the Senate, and the Federal Partnership, but the  
9           President, the Secretary, the Federal Partnership, and  
10          the independent advisory panel established under sub-  
11          section (b) may make such additional recommenda-  
12          tions to Congress with respect to the assessment as the  
13          President, the Secretary, the Federal Partnership, or  
14          the panel determine to be appropriate.

15          (e) *EFFECTIVE DATE.*—This section shall take effect on  
16          July 1, 1998.

17          **SEC. 187. TRANSFERS TO FEDERAL PARTNERSHIP.**

18          (a) *DEFINITIONS.*—For purposes of this section, unless  
19          otherwise provided or indicated by the context—

20                  (1) the term “Federal agency” has the meaning  
21                  given to the term “agency” by section 551(1) of title  
22                  5, United States Code;

23                  (2) the term “function” means any duty, obliga-  
24                  tion, power, authority, responsibility, right, privilege,  
25                  activity, or program; and

1           (3) the term “office” includes any office, admin-  
2           istration, agency, institute, unit, organizational en-  
3           tity, or component thereof.

4           (b) *TRANSFER OF FUNCTIONS.*—There are transferred  
5           to the appropriate Secretary in the Federal Partnership,  
6           in accordance with subsection (c), all functions that the Sec-  
7           retary of Labor or the Secretary of Education exercised be-  
8           fore the effective date of this section (including all related  
9           functions of any officer or employee of the Department of  
10          Labor or the Department of Education) that relate to a cov-  
11          ered activity and that are minimally necessary to carry  
12          out the functions of the Federal Partnership. The authority  
13          of a transferred employee to carry out a function that re-  
14          lates to a covered activity shall terminate on July 1, 1998.

15          (c) *TRANSITION WORKPLAN.*—

16               (1) *IN GENERAL.*—Not later than 180 days after  
17               the date of enactment of this Act, the Secretary of  
18               Labor and the Secretary of Education shall prepare  
19               and submit to the National Board a proposed  
20               workplan as described in paragraph (2). The Sec-  
21               retary of Labor and the Secretary of Education shall  
22               also submit the plan to the President, the Committee  
23               on Economic and Educational Opportunities of the  
24               House of Representatives, and the Committee on

1       *Labor and Human Resources of the Senate for review*  
2       *and comment.*

3             (2) *CONTENTS.—The proposed workplan shall*  
4       *include, at a minimum—*

5                     (A) *an analysis of the functions that officers*  
6                     *and employees of the Department of Labor and*  
7                     *the Department of Education carry out (as of the*  
8                     *date of the submission of the workplan) that re-*  
9                     *late to a covered activity;*

10                    (B) *information on the levels of personnel*  
11                    *and funding used to carry out the functions (as*  
12                    *of such date);*

13                    (C) *a determination of the functions de-*  
14                    *scribed in subparagraph (A) that are minimally*  
15                    *necessary to carry out the functions of the Fed-*  
16                    *eral Partnership;*

17                    (D) *information on the levels of personnel*  
18                    *and other resources that are minimally necessary*  
19                    *to carry out the functions of the Federal Partner-*  
20                    *ship;*

21                    (E) *a determination of the manner in*  
22                    *which the Secretary of Labor and the Secretary*  
23                    *of Education will provide personnel and other*  
24                    *resources of the Department of Labor and the*

1            *Department of Education for the Federal Part-*  
2            *nership;*

3            *(F) a determination of the appropriate Sec-*  
4            *retary to receive the personnel, resources, and re-*  
5            *lated items to be transferred under this section,*  
6            *based on factors including increased efficiency*  
7            *and elimination of duplication of functions;*

8            *(G) a determination of the proposed organi-*  
9            *zational structure for the Federal Partnership;*  
10           *and*

11           *(H) a determination of the manner in*  
12           *which the Secretary of Labor and the Secretary*  
13           *of Education, acting jointly through the Federal*  
14           *Partnership, will carry out their duties and re-*  
15           *sponsibilities under this Act (other than subtitle*  
16           *B) and the amendments made by this Act.*

17           *(3) REVIEW BY NATIONAL BOARD.—*

18           *(A) IN GENERAL.—Not later than 45 days*  
19           *after the date of submission of the proposed*  
20           *workplan under paragraph (1), the National*  
21           *Board shall—*

22           *(i) review and concur with the*  
23           *workplan; or*

24           *(ii) reject the workplan and prepare*  
25           *and submit to the President a revised*

1            *workplan that contains the analysis, infor-*  
2            *mation, and determinations described in*  
3            *paragraph (2).*

4            *(B) FUNCTIONS TRANSFERRED.—If the Na-*  
5            *tional Board concurs with the proposed*  
6            *workplan, the functions described in paragraph*  
7            *(2)(C), as determined in the workplan, shall be*  
8            *transferred under subsection (b).*

9            *(4) REVIEW BY THE PRESIDENT.—*

10            *(A) IN GENERAL.—Not later than 30 days*  
11            *after the date of submission of a revised*  
12            *workplan under paragraph (3)(A)(ii), the Presi-*  
13            *dent shall—*

14                    *(i) review and approve the workplan;*

15                    *or*

16                    *(ii) reject the workplan and prepare an*  
17                    *alternative workplan that contains the*  
18                    *analysis, information, and determinations*  
19                    *described in paragraph (2).*

20            *(B) FUNCTIONS TRANSFERRED.—If the*  
21            *President approves the revised workplan, or pre-*  
22             *pares the alternative workplan, the functions de-*  
23             *scribed in paragraph (2)(C), as determined in*  
24             *such revised or alternative workplan, shall be*  
25             *transferred under subsection (b).*

1           (C) *SPECIAL RULE.*—If the President takes  
2           no action on the revised workplan submitted  
3           under paragraph (3)(A)(ii) within the 30-day  
4           period described in subparagraph (A), the Sec-  
5           retary of Labor, the Secretary of Education, and  
6           the National Board may attempt to reach agree-  
7           ment on a compromise workplan. If the Sec-  
8           retary of Labor, the Secretary of Education, and  
9           the National Board reach such agreement, the  
10          functions described in paragraph (2)(C), as de-  
11          termined in such compromise workplan, shall be  
12          transferred under subsection (b). If, after an ad-  
13          ditional 15-day period, the Secretary of Labor,  
14          the Secretary of Education and the National  
15          Board are unable to reach such agreement, the  
16          revised workplan shall be deemed to be approved  
17          and shall take effect on the day after the end of  
18          such period. The functions described in para-  
19          graph (2)(C), as determined in the revised  
20          workplan, shall be transferred under subsection  
21          (b).

22          (5) *DETERMINATION BY PRESIDENT.*—

23                (A) *IN GENERAL.*—In the event that the  
24                Secretary of Labor and the Secretary of Edu-  
25                cation fail to reach agreement regarding, and

1        *submit, a proposed workplan described in para-*  
2        *graph (2), the President shall make the deter-*  
3        *minations described in paragraph (2)(C). The*  
4        *President shall delegate full responsibility for ad-*  
5        *ministration described in section 181(b) (other*  
6        *than the administration of subtitle B) to 1 of the*  
7        *2 Secretaries. Such Secretary shall be considered*  
8        *to be the appropriate Secretary for purposes of*  
9        *such administration (other than the administra-*  
10       *tion of subtitle B) and shall have authority to*  
11       *carry out any function that the Secretaries*  
12       *would otherwise be authorized to carry out joint-*  
13       *ly.*

14                *(B) TRANSFERS.—The functions described*  
15        *in paragraph (2)(C), as determined by the Presi-*  
16        *dent under subparagraph (A), shall be trans-*  
17        *ferred under subsection (b). All positions of per-*  
18        *sonnel that relate to a covered activity and that,*  
19        *prior to the transfer, were within the department*  
20        *headed by the other of the 2 Secretaries shall be*  
21        *separated from service as provided in subsection*  
22        *(i)(2)(A).*

23                *(d) DELEGATION AND ASSIGNMENT.—Except where*  
24        *otherwise expressly prohibited by law or otherwise provided*  
25        *by this section, the National Board may delegate any func-*

1 *tion transferred or granted to the Federal Partnership after*  
2 *the effective date of this section to such officers and employ-*  
3 *ees of the Federal Partnership as the National Board may*  
4 *designate, and may authorize successive redelegations of*  
5 *such functions as may be necessary or appropriate. No dele-*  
6 *gation of functions by the National Board under this sub-*  
7 *section or under any other provision of this section shall*  
8 *relieve such National Board of responsibility for the admin-*  
9 *istration of such functions.*

10 *(e) REORGANIZATION.—The National Board may allo-*  
11 *cate or reallocate any function transferred or granted to the*  
12 *Federal Partnership after the effective date of this section*  
13 *among the officers of the Federal Partnership, and establish,*  
14 *consolidate, alter, or discontinue such organizational enti-*  
15 *ties in the Federal Partnership as may be necessary or ap-*  
16 *propriate.*

17 *(f) RULES.—The Secretary of Labor and the Secretary*  
18 *of Education, acting jointly on the advice of the Federal*  
19 *Partnership, may prescribe, in accordance with the provi-*  
20 *sions of chapters 5 and 6 of title 5, United States Code,*  
21 *such rules and regulations as the Secretary of Labor and*  
22 *the Secretary of Education, acting jointly on the advice of*  
23 *the Federal Partnership, determine to be necessary or ap-*  
24 *propriate to administer and manage the functions of the*  
25 *Federal Partnership.*

1       (g) *TRANSFER AND ALLOCATIONS OF APPROPRIATIONS*  
2 *AND PERSONNEL.*—

3           (1) *IN GENERAL.*—*Except as otherwise provided*  
4 *in this section, the personnel employed in connection*  
5 *with, and the assets, liabilities, contracts, property,*  
6 *records, and unexpended balances of appropriations,*  
7 *authorizations, allocations, and other funds employed,*  
8 *used, held, arising from, available to, or to be made*  
9 *available in connection with the functions transferred*  
10 *by this section, subject to section 1531 of title 31,*  
11 *United States Code, shall be transferred to the appro-*  
12 *priate Secretary in the Federal Partnership. Unex-*  
13 *pended funds transferred pursuant to this subsection*  
14 *shall be used only to carry out the functions of the*  
15 *Federal Partnership.*

16           (2) *EXISTING FACILITIES AND OTHER FEDERAL*  
17 *RESOURCES.*—*Pursuant to paragraph (1), the Sec-*  
18 *retary of Labor and the Secretary of Education shall*  
19 *supply such office facilities, office supplies, support*  
20 *services, and related expenses as may be minimally*  
21 *necessary to carry out the functions of the Federal*  
22 *Partnership. None of the funds made available under*  
23 *this title may be used for the construction of office fa-*  
24 *ilities for the Federal Partnership.*

1       (h) *INCIDENTAL TRANSFERS.*—*The Director of the Of-*  
2 *fice of Management and Budget, at such time or times as*  
3 *the Director shall provide, may make such determinations*  
4 *as may be necessary with regard to the functions transferred*  
5 *by this section, and to make such additional incidental dis-*  
6 *positions of personnel, assets, liabilities, grants, contracts,*  
7 *property, records, and unexpended balances of appropria-*  
8 *tions, authorizations, allocations, and other funds held,*  
9 *used, arising from, available to, or to be made available*  
10 *in connection with such functions, as may be necessary to*  
11 *carry out the provisions of this section. The Director of the*  
12 *Office of Management and Budget shall provide for the ter-*  
13 *mination of the affairs of all entities terminated by this*  
14 *section and for such further measures and dispositions as*  
15 *may be necessary to effectuate the objectives of this section.*

16       (i) *EFFECT ON PERSONNEL.*—

17             (1) *TERMINATION OF CERTAIN POSITIONS.*—*Posi-*  
18 *tions whose incumbents are appointed by the Presi-*  
19 *dent, by and with the advice and consent of the Sen-*  
20 *ate, the functions of which are transferred by this sec-*  
21 *tion, shall terminate on the effective date of this sec-*  
22 *tion.*

23             (2) *ACTIONS.*—

24                 (A) *IN GENERAL.*—*The Secretary of Labor*  
25 *and the Secretary of Education shall take such*

1           actions as may be necessary, including reduction  
2           in force actions, consistent with sections 3502  
3           and 3595 of title 5, United States Code, to en-  
4           sure that the positions of personnel that relate to  
5           a covered activity and are not transferred under  
6           subsection (b) are separated from service.

7           (B) SCOPE.—

8           (i) INITIAL REDUCTIONS.—Not later  
9           than the date of the transfer under sub-  
10          section (b), the Secretary of Labor and the  
11          Secretary of Education shall take the ac-  
12          tions described in subparagraph (A) with  
13          respect to not less than  $\frac{1}{3}$  of the number of  
14          positions of personnel that relate to a cov-  
15          ered activity.

16          (ii) SUBSEQUENT REDUCTIONS.—Not  
17          later than 5 years after the date of the  
18          transfer under subsection (b), the Secretary  
19          of Labor and the Secretary of Education  
20          shall take the actions described in subpara-  
21          graph (A)—

22                  (I) with respect to not less than  
23                  60 percent of the number of positions  
24                  of personnel that relate to a covered ac-  
25                  tivity, unless the Secretaries submit

1                   (prior to the end of such 5-year period)  
2                   a report to Congress demonstrating  
3                   why such actions have not occurred; or

4                   (II) with respect to not less than  
5                   40 percent of the number of positions  
6                   of personnel that relate to a covered ac-  
7                   tivity, if the Secretaries make the de-  
8                   termination and submit the report re-  
9                   ferred to in subclause (I).

10                  (iii) *CALCULATION.*—For purposes of  
11                  calculating, under this subparagraph, the  
12                  number of positions of personnel that relate  
13                  to a covered activity, such number shall in-  
14                  clude the number of positions of personnel  
15                  who are separated from service under sub-  
16                  paragraph (A).

17                  (j) *SAVINGS PROVISIONS.*—

18                  (1) *SUITS NOT AFFECTED.*—The provisions of  
19                  this section shall not affect suits commenced before the  
20                  effective date of this section, and in all such suits,  
21                  proceedings shall be had, appeals taken, and judg-  
22                  ments rendered in the same manner and with the  
23                  same effect as if this section had not been enacted.

24                  (2) *NONABATEMENT OF ACTIONS.*—No suit, ac-  
25                  tion, or other proceeding commenced by or against the

1 *Department of Labor or the Department of Edu-*  
2 *cation, or by or against any individual in the official*  
3 *capacity of such individual as an officer of the De-*  
4 *partment of Labor or the Department of Education,*  
5 *shall abate by reason of the enactment of this section.*

6 *(k) TRANSITION.—The National Board may utilize—*

7 *(1) the services of officers, employees, and other*  
8 *personnel of the Department of Labor or the Depart-*  
9 *ment of Education, other than personnel of the Fed-*  
10 *eral Partnership, with respect to functions transferred*  
11 *to the Federal Partnership by this section; and*

12 *(2) funds appropriated to such functions;*

13 *for such period of time as may reasonably be needed to fa-*  
14 *cilitate the orderly implementation of this section.*

15 *(l) REFERENCES.—A reference in any other Federal*  
16 *law, Executive order, rule, regulation, or delegation of au-*  
17 *thority, or any document of or relating to—*

18 *(1) the Secretary of Labor or the Secretary of*  
19 *Education with regard to functions transferred under*  
20 *subsection (b), shall be deemed to refer to the Federal*  
21 *Partnership; and*

22 *(2) the Department of Labor or the Department*  
23 *of Education with regard to functions transferred*  
24 *under subsection (b), shall be deemed to refer to the*  
25 *Federal Partnership.*

1       (m) *ADDITIONAL CONFORMING AMENDMENTS.*—

2           (1) *RECOMMENDED LEGISLATION.*—After con-  
3       sultation with the appropriate committees of Congress  
4       and the Director of the Office of Management and  
5       Budget, the Federal Partnership shall prepare and  
6       submit to Congress recommended legislation contain-  
7       ing technical and conforming amendments to reflect  
8       the changes made by this section.

9           (2) *SUBMISSION TO CONGRESS.*—Not later than  
10       March 31, 1997, the Federal Partnership shall submit  
11       the recommended legislation referred to in paragraph  
12       (1).

13       (n) *EFFECTIVE DATE.*—

14           (1) *IN GENERAL.*—Except as provided in para-  
15       graphs (2) and (3), this section shall take effect on  
16       June 30, 1998.

17           (2) *REGULATIONS AND CONFORMING AMEND-*  
18       *MENTS.*—Subsections (f) and (m) shall take effect on  
19       September 30, 1996.

20           (3) *WORKPLAN.*—Subsection (c) shall take effect  
21       on the date of enactment of this Act.

22       **SEC. 188. TRANSFERS TO OTHER FEDERAL AGENCIES AND**  
23       **OFFICES.**

24           (a) *TRANSFER.*—There are transferred to the appro-  
25       priate receiving agency, in accordance with subsection (b),

1 *all functions that the Secretary of Labor, acting through*  
2 *the Employment and Training Administration, or the Sec-*  
3 *retary of Education, acting through the Office of Vocational*  
4 *and Adult Education, exercised before the effective date of*  
5 *this section (including all related functions of any officer*  
6 *or employee of the Employment and Training Administra-*  
7 *tion or the Office of Vocational and Adult Education) that*  
8 *do not relate to a covered activity.*

9 (b) *DETERMINATIONS OF FUNCTIONS AND APPRO-*  
10 *PRIATE RECEIVING AGENCIES.—*

11 (1) *TRANSITION WORKPLAN.—Not later than 180*  
12 *days after the date of enactment of this Act, the Sec-*  
13 *retary of Labor and the Secretary of Education shall*  
14 *prepare and submit to the President a proposed*  
15 *workplan that specifies the steps that the Secretaries*  
16 *will take, during the period ending on July 1, 1998,*  
17 *to carry out the transfer described in subsection (a).*

18 (2) *CONTENTS.—The proposed workplan shall*  
19 *include, at a minimum—*

20 (A) *a determination of the functions that of-*  
21 *ficers and employees of the Employment and*  
22 *Training Administration and the Office of Voca-*  
23 *tional and Adult Education carry out (as of the*  
24 *date of the submission of the workplan) that do*  
25 *not relate to a covered activity; and*

1           (B) a determination of the appropriate re-  
2           ceiving agencies for the functions, based on fac-  
3           tors including increased efficiency and elimi-  
4           nation of duplication of functions.

5           (3) REVIEW.—

6           (A) IN GENERAL.—Not later than 45 days  
7           after the date of submission of the proposed  
8           workplan under paragraph (1), the President  
9           shall—

10           (i) review and approve the workplan  
11           and submit the workplan to the Committee  
12           on Economic and Educational Opportuni-  
13           ties of the House of Representatives and the  
14           Committee on Labor and Human Resources  
15           of the Senate; or

16           (ii) reject the workplan, prepare an al-  
17           ternative workplan that contains the deter-  
18           minations described in paragraph (2), and  
19           submit the alternative workplan to the Com-  
20           mittee on Economic and Educational Op-  
21           portunities of the House of Representatives  
22           and the Committee on Labor and Human  
23           Resources of the Senate.

24           (B) FUNCTIONS TRANSFERRED.—If the  
25           President approves the proposed workplan, or

1       prepares the alternative workplan, the functions  
2       described in paragraph (2)(A), as determined in  
3       such proposed or alternative workplan, shall be  
4       transferred under subsection (a) to the appro-  
5       priate receiving agencies described in paragraph  
6       (2)(B), as determined in such proposed or alter-  
7       native workplan.

8               (C) *SPECIAL RULE.*—If the President takes  
9       no action on the proposed workplan submitted  
10      under paragraph (1) within the 45-day period  
11      described in subparagraph (A), such workplan  
12      shall be deemed to be approved and shall take ef-  
13      fect on the day after the end of such period. The  
14      functions described in paragraph (2)(A), as de-  
15      termined in the proposed workplan, shall be  
16      transferred under subsection (a) to the appro-  
17      priate receiving agencies described in paragraph  
18      (2)(B), as determined in the proposed workplan.

19              (4) *REPORT.*—Not later than July 1, 1998, the  
20      Secretary of Labor and the Secretary of Education  
21      shall submit to the appropriate committees of Con-  
22      gress information on the transfers required by this  
23      section.

24              (c) *APPLICATION OF AUTHORITIES.*—

25                  (1) *IN GENERAL.*—

1           (A) *APPLICATION.*—Subsection (a), and  
2           subsections (d) through (m), of section 187 (other  
3           than subsections (f), (g)(2), (i)(2), and (m)) shall  
4           apply to transfers under this section, in the same  
5           manner and to the same extent as the subsections  
6           apply to transfers under section 187.

7           (B) *REGULATIONS AND CONFORMING*  
8           *AMENDMENTS.*—Subsections (f) and (m) of sec-  
9           tion 187 shall apply to transfers under this sec-  
10          tion, in the same manner and to the same extent  
11          as the subsections apply to transfers under sec-  
12          tion 187.

13          (2) *REFERENCES.*—For purposes of the applica-  
14          tion of the subsections described in paragraph (1)  
15          (other than subsections (g)(2) and (i)(2) of section  
16          187) to transfers under this section—

17               (A) references to the Federal Partnership  
18               shall be deemed to be references to the appro-  
19               priate receiving agency, as determined in the ap-  
20               proved or alternative workplan referred to in  
21               subsection (b)(3);

22               (B) references to the Secretary of Labor and  
23               the Secretary of Education, the Director, or the  
24               National Board shall be deemed to be references

1           to the head of the appropriate receiving agency;  
2           and

3           (C) references to transfers in section 187  
4           shall be deemed to include transfers under this  
5           section.

6           (3) ADMINISTRATION.—Unexpended funds trans-  
7           ferred pursuant to this section shall be used only for  
8           the purposes for which the funds were originally au-  
9           thorized and appropriated.

10          (4) CONTINUING EFFECT OF LEGAL DOCU-  
11          MENTS.—All orders, determinations, rules, regula-  
12          tions, permits, agreements, grants, contracts, certifi-  
13          cates, licenses, registrations, privileges, and other ad-  
14          ministrative actions—

15                 (A) that have been issued, made, granted, or  
16                 allowed to become effective by the President, any  
17                 Federal agency or official of a Federal agency, or  
18                 by a court of competent jurisdiction, in the per-  
19                 formance of functions that are transferred under  
20                 this section; and

21                 (B) that are in effect on the effective date of  
22                 this section or were final before the effective date  
23                 of this section and are to become effective on or  
24                 after the effective date of this section;

1     *shall continue in effect according to their terms until*  
2     *modified, terminated, superseded, set aside, or revoked*  
3     *in accordance with law by the President, the appro-*  
4     *priate receiving agency or other authorized official, a*  
5     *court of competent jurisdiction, or by operation of*  
6     *law.*

7           (5) *PROCEEDINGS NOT AFFECTED.*—

8           (A) *IN GENERAL.*—*The provisions of this*  
9     *section shall not affect any proceedings, includ-*  
10    *ing notices of proposed rulemaking, or any ap-*  
11    *plication for any license, permit, certificate, or*  
12    *financial assistance pending before the Depart-*  
13    *ment of Labor or the Department of Education*  
14    *on the date this section takes effect, with respect*  
15    *to functions transferred by this section.*

16          (B) *CONTINUATION.*—*Such proceedings and*  
17    *applications shall be continued. Orders shall be*  
18    *issued in such proceedings, appeals shall be*  
19    *taken from the orders, and payments shall be*  
20    *made pursuant to such orders, as if this section*  
21    *had not been enacted, and orders issued in any*  
22    *such proceedings shall continue in effect until*  
23    *modified, terminated, superseded, or revoked by a*  
24    *duly authorized official, by a court of competent*  
25    *jurisdiction, or by operation of law.*

1           (C) *CONSTRUCTION.*—Nothing in this para-  
2           graph shall be deemed to prohibit the discontinu-  
3           ance or modification of any such proceeding  
4           under the same terms and conditions and to the  
5           same extent that such proceeding could have been  
6           discontinued or modified if this section had not  
7           been enacted.

8           (6) *ADMINISTRATIVE ACTIONS RELATING TO PRO-*  
9           *MULGATION OF REGULATIONS.*—Any administrative  
10          action relating to the preparation or promulgation of  
11          a regulation by the Department of Labor or the De-  
12          partment of Education relating to a function trans-  
13          ferred under this section may be continued by the ap-  
14          propriate receiving agency with the same effect as if  
15          this section had not been enacted.

16          (d) *CONSTRUCTION.*—Nothing in this section shall be  
17          construed to require the transfer of any function described  
18          in subsection (b)(2)(A) to the Federal Partnership.

19          (e) *EFFECTIVE DATE.*—

20               (1) *IN GENERAL.*—Except as provided in para-  
21               graphs (2) and (3), this section shall take effect on  
22               June 30, 1998.

23               (2) *REGULATIONS AND CONFORMING AMEND-*  
24               *MENTS.*—Subsection (c)(1)(B) shall take effect on Sep-  
25               tember 30, 1996.

1           (3) *WORKPLAN*.—*Subsection (b) shall take effect*  
2           *on the date of enactment of this Act.*

3   **SEC. 189. ELIMINATION OF CERTAIN OFFICES.**

4           (a) *TERMINATION*.—*The Office of Vocational and*  
5   *Adult Education and the Employment and Training Ad-*  
6   *ministration shall terminate on July 1, 1998.*

7           (b) *OFFICE OF VOCATIONAL AND ADULT EDU-*  
8   *CATION*.—

9           (1) *TITLE 5, UNITED STATES CODE*.—*Section*  
10   *5315 of title 5, United States Code, is amended by*  
11   *striking “Assistant Secretaries of Education (10)”*  
12   *and inserting “Assistant Secretaries of Education*  
13   *(9)”.*

14          (2) *DEPARTMENT OF EDUCATION ORGANIZATION*  
15   *ACT*.—

16           (A) *Section 202 of the Department of Edu-*  
17   *cation Organization Act (20 U.S.C. 3412) is*  
18   *amended—*

19           (i) *in subsection (b)(1)—*

20                   (I) *by striking subparagraph (C);*

21                   *and*

22                   (II) *by redesignating subpara-*  
23   *graphs (D) through (F) as subpara-*  
24   *graphs (C) through (E), respectively;*

25                   (ii) *by striking subsection (h); and*

1                   (iii) by redesignating subsection (i) as  
2                   subsection (h).

3                   (B) Section 206 of such Act (20 U.S.C.  
4                   3416) is repealed.

5                   (C) Section 402(c)(1) of the Improving  
6                   America's Schools Act of 1994 (20 U.S.C.  
7                   9001(c)(1)) is amended by striking "established  
8                   under" and all that follows and inserting a  
9                   semicolon.

10                  (3) GOALS 2000: EDUCATE AMERICA ACT.—Sec-  
11                  tion 931(h)(3)(A) of the Goals 2000: Educate America  
12                  Act (20 U.S.C. 6031(h)(3)(A)) is amended—

13                         (A) by striking clause (iii); and

14                         (B) by redesignating clauses (iv) and (v) as  
15                         clauses (iii) and (iv), respectively.

16                  (c) EMPLOYMENT AND TRAINING ADMINISTRATION.—

17                         (1) TITLE 5, UNITED STATES CODE.—Section  
18                         5315 of title 5, United States Code, is amended by  
19                         striking "Assistant Secretaries of Labor (10)" and in-  
20                         serting "Assistant Secretaries of Labor (9)".

21                         (2) VETERANS' BENEFITS AND PROGRAMS IM-  
22                         PROVEMENT ACT OF 1988.—Section 402(d)(3) of the  
23                         Veterans' Benefits and Programs Improvement Act of  
24                         1988 (29 U.S.C. 1721 note) is amended by striking  
25                         "and under any other program administered by the

1       *Employment and Training Administration of the De-*  
2       *partment of Labor”.*

3           (3) *TITLE 38, UNITED STATES CODE.—Section*  
4       *4110(d) of title 38, United States Code, is amended—*

5                   (A) *by striking paragraph (7); and*

6                   (B) *by redesignating paragraphs (8)*  
7       *through (12) as paragraphs (7) through (11), re-*  
8       *spectively.*

9           (4) *NATIONAL AND COMMUNITY SERVICE ACT OF*  
10       *1990.—The last sentence of section 162(b) of the Na-*  
11       *tional and Community Service Act of 1990 (42*  
12       *U.S.C. 12622(b)) is amended by striking “or the Of-*  
13       *fice of Job Training”.*

14       (d) *UNITED STATES EMPLOYMENT SERVICE.—*

15           (1) *TITLE 5, UNITED STATES CODE.—Section*  
16       *3327 of title 5, United States Code, is amended—*

17                   (A) *in subsection (a), by striking “the em-*  
18       *ployment offices of the United States Employ-*  
19       *ment Service” and inserting “Governors”; and*

20                   (B) *in subsection (b), by striking “of the*  
21       *United States Employment Service”.*

22           (2) *TITLE 10, UNITED STATES CODE.—*

23                   (A) *Section 1143a(d) of title 10, United*  
24       *States Code, is amended by striking paragraph*

25       (3).

1           (B) Section 2410k(b) of title 10, United  
2 States Code, is amended by striking “, and  
3 where appropriate the Interstate Job Bank (es-  
4 tablished by the United States Employment  
5 Service),”.

6           (3) INTERNAL REVENUE CODE OF 1986.—Section  
7 51 of the Internal Revenue Code of 1986 is amended  
8 by striking subsection (g).

9           (4) NATIONAL DEFENSE AUTHORIZATION ACT  
10 FOR FISCAL YEAR 1993.—Section 4468 of the National  
11 Defense Authorization Act for Fiscal Year 1993 (29  
12 U.S.C. 1662d–1 note) is repealed.

13           (5) TITLE 38, UNITED STATES CODE.—Section  
14 4110(d) of title 38, United States Code (as amended  
15 by subsection (c)(3)), is further amended—

16                   (A) by striking paragraph (10); and

17                   (B) by redesignating paragraph (11) as  
18 paragraph (10).

19           (6) TITLE 39, UNITED STATES CODE.—

20                   (A) Section 3202(a)(1) of title 39, United  
21 States Code is amended—

22                           (i) in subparagraph (D), by striking  
23 the semicolon and inserting “; and”;

24                           (ii) by striking subparagraph (E); and

1                   (iii) by redesignating subparagraph  
2                   (F) as subparagraph (E).

3                   (B) Section 3203(b) of title 39, United  
4                   States Code, is amended by striking “(1)(E), (2),  
5                   and (3)” and inserting “(2) and (3)”.

6                   (C) Section 3206(b) of title 39, United  
7                   States Code, is amended by striking “(1)(F)”  
8                   and inserting “(1)(E)”.

9                   (7) NATIONAL AND COMMUNITY SERVICE ACT OF  
10                  1990.—Section 162(b) of the National and Community  
11                  Service Act of 1990 (42 U.S.C. 12622(b)) (as amend-  
12                  ed by subsection (c)(4)) is further amended by strik-  
13                  ing the last sentence.

14               (e) REORGANIZATION PLANS.—Except with respect to  
15               functions transferred under section 188, the authority  
16               granted to the Employment and Training Administration,  
17               the Office of Vocational and Adult Education, or any unit  
18               of the Employment and Training Administration or the Of-  
19               fice of Vocational and Adult Education by any reorganiza-  
20               tion plan shall terminate on July 1, 1998.

1 **Subtitle E—Repeals of Employment**  
2 **and Training and Vocational**  
3 **and Adult Education Programs**

4 **SEC. 191. REPEALS.**

5 (a) *IMMEDIATE REPEALS.*—The following provisions  
6 are repealed:

7 (1) *Section 204 of the Immigration Reform and*  
8 *Control Act of 1986 (8 U.S.C. 1255a note).*

9 (2) *Title II of Public Law 95–250 (92 Stat.*  
10 *172).*

11 (3) *The Displaced Homemakers Self-Sufficiency*  
12 *Assistance Act (29 U.S.C. 2301 et seq.).*

13 (4) *Section 211 of the Appalachian Regional De-*  
14 *velopment Act of 1965 (40 U.S.C. App. 211).*

15 (5) *Subtitle C of title VII of the Stewart B.*  
16 *McKinney Homeless Assistance Act (42 U.S.C. 11441*  
17 *et seq.).*

18 (6) *Section 5322 of title 49, United States Code.*

19 (7) *Subchapter I of chapter 421 of title 49, Unit-*  
20 *ed States Code.*

21 (b) *SUBSEQUENT REPEALS.*—The following provisions  
22 are repealed:

23 (1) *The Adult Education Act (20 U.S.C. 1201 et*  
24 *seq.).*

1           (2) *The Carl D. Perkins Vocational and Applied*  
2 *Technology Education Act (20 U.S.C. 2301 et seq.).*

3           (3) *The School-to-Work Opportunities Act of*  
4 *1994 (20 U.S.C. 6101 et seq.).*

5           (4) *The Job Training Partnership Act (29*  
6 *U.S.C. 1501 et seq.).*

7           (5) *Title VII of the Stewart B. McKinney Home-*  
8 *less Assistance Act (42 U.S.C. 11421 et seq.), other*  
9 *than subtitle C of such title.*

10       (c) *EFFECTIVE DATES.*—

11           (1) *IMMEDIATE REPEALS.*—*The repeals made by*  
12 *subsection (a) shall take effect on the date of enact-*  
13 *ment of this Act.*

14           (2) *SUBSEQUENT REPEALS.*—*The repeals made*  
15 *by subsection (b) shall take effect on July 1, 1998.*

16 **SEC. 192. CONFORMING AMENDMENTS.**

17       (a) *IMMEDIATE REPEALS.*—

18           (1) *REFERENCES TO SECTION 204 OF THE IMMI-*  
19 *GRATION REFORM AND CONTROL ACT OF 1986.*—*The*  
20 *table of contents for the Immigration Reform and*  
21 *Control Act of 1986 is amended by striking the item*  
22 *relating to section 204 of such Act.*

23           (2) *REFERENCES TO TITLE II OF PUBLIC LAW*  
24 *95-250.*—*Section 103 of Public Law 95-250 (16*  
25 *U.S.C. 79l) is amended—*

1           (A) by striking the second sentence of sub-  
2           section (a); and

3           (B) by striking the second sentence of sub-  
4           section (b).

5           (3) REFERENCES TO SUBTITLE C OF TITLE VII  
6           OF THE STEWART B. MCKINNEY HOMELESS ASSIST-  
7           ANCE ACT.—

8           (A) Section 762(a) of the Stewart B.  
9           McKinney Homeless Assistance Act (42 U.S.C.  
10          11472(a)) is amended—

11           (i) by striking “each of the following  
12           programs” and inserting “the emergency  
13           community services homeless grant program  
14           established in section 751”; and

15           (ii) by striking “tribes:” and all that  
16           follows and inserting “tribes.”.

17          (B) The table of contents of such Act is  
18          amended by striking the items relating to sub-  
19          title C of title VII of such Act.

20          (4) REFERENCES TO TITLE 49, UNITED STATES  
21          CODE.—

22          (A) Sections 5313(b)(1) and 5314(a)(1) of  
23          title 49, United States Code, are amended by  
24          striking “5317, and 5322” and inserting “and  
25          5317”.

1           (B) *The table of contents for chapter 53 of*  
2           *title 49, United States Code, is amended by*  
3           *striking the item relating to section 5322.*

4           (b) *SUBSEQUENT REPEALS.—*

5           (1) *REFERENCES TO THE ADULT EDUCATION*  
6           *ACT.—*

7           (A) *Subsection (b) of section 402 of the Ref-*  
8           *ugee Education Assistance Act (8 U.S.C. 1522*  
9           *note) is repealed.*

10           (B) *Paragraph (20) of section 3 of the Li-*  
11           *brary Services and Construction Act (20 U.S.C.*  
12           *351a(20)) is amended to read as follows:*

13           “(20) *The term ‘educationally disadvantaged*  
14           *adult’ means an individual who—*

15           “(A) *is age 16 or older, or beyond the age*  
16           *of compulsory school attendance under State law;*

17           “(B) *is not enrolled in secondary school;*

18           “(C) *demonstrates basic skills equivalent to*  
19           *or below that of students at the fifth grade level;*  
20           *or*

21           “(D) *has been placed in the lowest or begin-*  
22           *ning level of an adult education program when*  
23           *that program does not use grade level equiva-*  
24           *lencies as a measure of students’ basic skills.’”.*

1           (C)(i) Section 1202(c)(1) of the Elementary  
2           and Secondary Education Act of 1965 (20  
3           U.S.C. 6362(c)(1)) is amended by striking  
4           “Adult Education Act” and inserting “Workforce  
5           Development Act of 1995”.

6           (ii) Section 1205(8)(B) of such Act (20  
7           U.S.C. 6365(8)(B)) is amended by striking  
8           “Adult Education Act” and inserting “Workforce  
9           Development Act of 1995”.

10          (iii) Section 1206(a)(1)(A) of such Act (20  
11          U.S.C. 6366(a)(1)(A)) is amended by striking  
12          “an adult basic education program under the  
13          Adult Education Act” and inserting “adult edu-  
14          cation activities under the Workforce Develop-  
15          ment Act of 1995”.

16          (iv) Section 3113(1) of such Act (20 U.S.C.  
17          6813(1)) is amended by striking “section 312 of  
18          the Adult Education Act” and inserting “section  
19          3 of the Workforce Development Act of 1995”.

20          (v) Section 9161(2) of such Act (20 U.S.C.  
21          7881(2)) is amended by striking “section 312(2)  
22          of the Adult Education Act” and inserting “sec-  
23          tion 3 of the Workforce Development Act of  
24          1995”.

1           (D) Section 203(b)(8) of the Older Ameri-  
2           cans Act (42 U.S.C. 3013(b)(8)) is amended by  
3           striking “Adult Education Act” and inserting  
4           “Workforce Development Act of 1995”.

5           (2) REFERENCES TO THE CARL D. PERKINS VO-  
6           CATIONAL AND APPLIED TECHNOLOGY EDUCATION  
7           ACT.—

8           (A) Section 245A(h)(4)(C) of the Immigra-  
9           tion and Nationality Act (8 U.S.C.  
10           1255a(h)(4)(C)) is amended by striking “Voca-  
11           tional Education Act of 1963” and inserting  
12           “Workforce Development Act of 1995”.

13           (B) Section 4461 of the National Defense  
14           Authorization Act for Fiscal Year 1993 (10  
15           U.S.C. 1143 note) is amended—

16                   (i) by striking paragraph (4); and

17                   (ii) by redesignating paragraphs (5)  
18                   and (6) as paragraphs (4) and (5), respec-  
19                   tively.

20           (C) Section 626(g) of the Individuals with  
21           Disabilities Education Act (20 U.S.C. 1425(g))  
22           is amended—

23                   (i) by striking “1973,” and inserting  
24                   “1973 and”; and

1                   (ii) by striking “, and the Carl D. Per-  
2                   kins Vocational and Applied Technology  
3                   Education Act”.

4                   (D) *The Goals 2000: Educate America Act*  
5                   (20 U.S.C. 5801 et seq.) is amended—

6                   (i) in section 306 (20 U.S.C. 5886)—

7                   (I) in subsection (c)(1)(A), by  
8                   striking all beginning with “which  
9                   process” through “Act” and inserting  
10                  “which process shall include coordina-  
11                  tion with the benchmarks described in  
12                  section 121(c)(2) of the Workforce De-  
13                  velopment Act of 1995”; and

14                  (II) in subsection (l), by striking  
15                  “Carl D. Perkins Vocational and Ap-  
16                  plied Technology Education Act” and  
17                  inserting “Workforce Development Act  
18                  of 1995”; and

19                  (ii) in section 311(b) (20 U.S.C.  
20                  5891(b)), by striking paragraph (6).

21                  (E) *The Elementary and Secondary Edu-*  
22                  *cation Act of 1965* (20 U.S.C. 6301 et seq.) is  
23                  amended—

24                  (i) in section 1114(b)(2)(C)(v) (20  
25                  U.S.C. 6314(b)(2)(C)(v)), by striking “Carl

1 *D. Perkins Vocational and Applied Tech-*  
2 *nology Education Act,” and inserting*  
3 *“Workforce Development Act of 1995”;*

4 *(ii) in section 9115(b)(5) (20 U.S.C.*  
5 *7815(b)(5)), by striking “Carl D. Perkins*  
6 *Vocational and Applied Technology Edu-*  
7 *cation Act” and inserting “Workforce Devel-*  
8 *opment Act of 1995”;*

9 *(iii) in section 14302(a)(2) (20 U.S.C.*  
10 *8852(a)(2))—*

11 *(I) by striking subparagraph (C);*

12 *and*

13 *(II) by redesignating subpara-*  
14 *graphs (D), (E), and (F) as subpara-*  
15 *graphs (C), (D), and (E), respectively;*

16 *and*

17 *(iv) in the matter preceding subpara-*  
18 *graph (A) of section 14307(a)(1) (20 U.S.C.*  
19 *8857(a)(1)), by striking “Carl D. Perkins*  
20 *Vocational and Applied Technology Edu-*  
21 *cation Act” and inserting “Workforce Devel-*  
22 *opment Act of 1995”.*

23 *(F) Section 533(c)(4)(A) of the Equity in*  
24 *Educational Land-Grant Status Act of 1994 (7*  
25 *U.S.C. 301 note) is amended by striking “(20*

1           *U.S.C. 2397h(3)*” and inserting “, as such sec-  
2           tion was in effect on the day preceding the date  
3           of enactment of the Workforce Development Act  
4           of 1995”.

5           (G) Section 563 of the Improving America’s  
6           Schools Act of 1994 (20 U.S.C. 6301 note) is  
7           amended by striking “the date of enactment of  
8           an Act reauthorizing the Carl D. Perkins Voca-  
9           tional and Applied Technology Education Act  
10          (20 U.S.C. 2301 et seq.)” and inserting “July 1,  
11          1998”.

12          (H) Section 135(c)(3)(B) of the Internal  
13          Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B))  
14          is amended—

15                 (i) by striking “subparagraph (C) or  
16                 (D) of section 521(3) of the Carl D. Perkins  
17                 Vocational Education Act” and inserting  
18                 “subparagraph (C) or (D) of section 3(3) of  
19                 the Workforce Development Act of 1995”;  
20                 and

21                 (ii) by striking “any State (as defined  
22                 in section 521(27) of such Act)” and insert-  
23                 ing “any State or outlying area (as the  
24                 terms ‘State’ and ‘outlying area’ are defined  
25                 in section 3 of such Act)”.

1           (I) Section 214(c) of the Appalachian Re-  
2           gional Development Act of 1965 (40 U.S.C. App.  
3           214(c)) is amended by striking “Carl D. Perkins  
4           Vocational Education Act” and inserting  
5           “Workforce Development Act of 1995”.

6           (J) Section 104 of the Vocational Education  
7           Amendments of 1968 (82 Stat. 1091) is amended  
8           by striking “section 3 of the Carl D. Perkins Vo-  
9           cational Education Act” and inserting “the  
10          Workforce Development Act of 1995”.

11          (K) The Older Americans Act of 1965 (42  
12          U.S.C. 3001 et seq.) is amended—

13                 (i) in section 502(b)(1)(N)(i) (42  
14                 U.S.C. 3056(b)(1)(N)(i)), by striking “or  
15                 the Carl D. Perkins Vocational and Applied  
16                 Technology Education Act (20 U.S.C. 2301  
17                 et seq.)”; and

18                 (ii) in section 505(d)(2) (42 U.S.C.  
19                 3056c(d)(2))—

20                         (I) by striking “the Secretary of  
21                         Education” and inserting “the  
22                         Workforce Development Partnership”;

23                         (II) by striking “employment and  
24                         training programs” and inserting

1                   “workforce development activities”;  
2                   and

3                   (III) by striking “the Carl D.  
4                   Perkins Vocational and Applied Tech-  
5                   nology Education Act (20 U.S.C. 2301  
6                   et seq.)” and inserting “the Workforce  
7                   Development Act of 1995”.

8                   (3) SCHOOL-TO-WORK OPPORTUNITIES ACT OF  
9                   1994.—

10                   (A) Section 1114(b)(2)(C)(v) of the Elemen-  
11                   tary and Secondary Education Act of 1965 (20  
12                   U.S.C. 6314(b)(2)(C)(v)) (as amended in para-  
13                   graph (2)(E)(i)) is further amended by striking  
14                   “the School-to-Work Opportunities Act of 1994,”.

15                   (B) Section 5204 of such Act (20 U.S.C.  
16                   7234) is amended—

17                   (i) by striking paragraph (4); and  
18                   (ii) by redesignating paragraphs (5)  
19                   through (7) as paragraphs (4) through (6),  
20                   respectively.

21                   (C) Section 9115(b)(5) of such Act (20  
22                   U.S.C. 7815(b)(5)) (as amended in paragraph  
23                   (2)(E)(ii)) is further amended by striking “the  
24                   School-to-Work Opportunities Act of 1994 and”.

1           (D) Section 14302(a)(2) of such Act (20  
2 U.S.C. 8852(a)(2)) (as amended in paragraph  
3 (2)(E)(iii)) is further amended—

4           (i) in subparagraph (C) (as redesignig-  
5 nated in such paragraph), by striking the  
6 semicolon and inserting “; and”;

7           (ii) by striking subparagraph (D) (as  
8 redesignated in such paragraph); and

9           (iii) by redesignating subparagraph  
10 (E) (as redesignated in such paragraph) as  
11 subparagraph (D).

12          (E) Section 14307(a)(1) of such Act (20  
13 U.S.C. 8857(a)(1)) (as amended in paragraph  
14 (2)(E)(iv)) is further amended by striking “, the  
15 School-to-Work Opportunities Act of 1994,”.

16          (F) Section 14701(b)(1) of such Act (20  
17 U.S.C. 8941(b)(1)) is amended—

18           (i) in subparagraph (B)(ii), by strik-  
19 ing “, and the School-to-Work Opportuni-  
20 ties Act of 1994, and be coordinated with  
21 evaluations of such Acts” and inserting  
22 “and be coordinated with evaluations of  
23 such Act”; and

1                   (ii) in subparagraph (C)(ii), by strik-  
2                   ing “, the School-to-Work Opportunities Act  
3                   of 1994,”.

4                   (4) JOB TRAINING PARTNERSHIP ACT.—

5                   (A) Section 3502(d) of title 5, United States  
6                   Code, is amended—

7                   (i) in paragraph (3)—

8                   (I) in subparagraph (A), by strik-  
9                   ing clause (i) and inserting the follow-  
10                  ing:

11                  “(i) the Governor of the appropriate State;  
12                  and”; and

13                  (II) in subparagraph (B)(iii), by  
14                  striking “other services under the Job  
15                  Training Partnership Act” and insert-  
16                  ing “other workforce development ac-  
17                  tivities under the Workforce Develop-  
18                  ment Act of 1995”; and

19                  (ii) in paragraph (4), in the second  
20                  sentence, by striking “Secretary of Labor on  
21                  matters relating to the Job Training Part-  
22                  nership Act” and inserting “Workforce De-  
23                  velopment Partnership on matters relating  
24                  to the Workforce Development Act of 1995”.

1           (B) Section 5(l) of the Food Stamp Act of  
2           1977 (7 U.S.C. 2014(l)) is amended by striking  
3           “Notwithstanding section 142(b) of the Job  
4           Training Partnership Act (29 U.S.C. 1552(b)),  
5           earnings to individuals participating in on-the-  
6           job training programs under section  
7           204(b)(1)(C) or section 264(c)(1)(A) of the Job  
8           Training Partnership Act” and inserting “Earn-  
9           ings to individuals participating in on-the-job  
10          training under the Workforce Development Act of  
11          1995”.

12          (C) Section 6 of the Food Stamp Act of  
13          1977 (7 U.S.C. 2015) is amended—

14               (i) in subsection (d)(4)(N), by striking  
15               “the State public employment offices and  
16               agencies operating programs under the Job  
17               Training Partnership Act” and inserting  
18               “the State employment service offices and  
19               other State agencies and entities providing  
20               workforce employment activities under the  
21               Workforce Development Act of 1995”; and

22               (ii) in subsection (e)(3), by striking  
23               subparagraph (A) and inserting the follow-  
24               ing:

1           “(A) a program relating to workforce em-  
2           ployment activities carried out under the  
3           Workforce Development Act of 1995;”

4           (D) The second sentence of section 17(b)(2)  
5           of the Food Stamp Act of 1977 (7 U.S.C.  
6           2026(b)(2)) is amended—

7                   (i) by striking “to accept an offer of  
8                   employment from a political subdivision or  
9                   a prime sponsor pursuant to the Com-  
10                  prehensive Employment and Training Act  
11                  of 1973, as amended (29 U.S.C. 812),” and  
12                  inserting “to accept an offer of employment  
13                  from a service provider carrying out  
14                  workforce employment activities through a  
15                  program carried out under the Workforce  
16                  Development Act of 1995,”; and

17                   (ii) by striking “: Provided, That all of  
18                  the political subdivision’s” and all that fol-  
19                  lows and inserting “, if all of the jobs sup-  
20                  ported under the program have been made  
21                  available to participants in the program be-  
22                  fore the service provider providing the jobs  
23                  extends an offer of employment under this  
24                  paragraph, and if the service provider, in  
25                  employing the person, complies with the re-

1            *quirements of Federal law that relate to the*  
2            *program.”.*

3            *(E) Section 245A(h)(4)(F) of the Immigra-*  
4            *tion and Nationality Act (8 U.S.C.*  
5            *1255a(h)(4)(F)) is amended by striking “The*  
6            *Job Training Partnership Act.” and inserting*  
7            *“The Workforce Development Act of 1995.”.*

8            *(F) Section 402(a)(4) of the Refugee Edu-*  
9            *cation Assistance Act of 1980 (8 U.S.C. 1522*  
10           *note) is amended by striking “the Comprehensive*  
11           *Employment and Training Act of 1973” and in-*  
12           *serting “the Workforce Development Act of*  
13           *1995”.*

14           *(G) Section 4461(1) of the National Defense*  
15           *Authorization Act for Fiscal Year 1993 (10*  
16           *U.S.C. 1143 note) is amended by striking “The*  
17           *Job Training Partnership Act (29 U.S.C. 1501*  
18           *et seq.).” and inserting “The Workforce Develop-*  
19           *ment Act of 1995.”.*

20           *(H) Section 4471 of the National Defense*  
21           *Authorization Act for Fiscal Year 1993 (10*  
22           *U.S.C. 2501 note) is amended—*

23                    *(i) in subsection (d)(2), by striking*  
24                    *“the State dislocated” and all that follows*  
25                    *through “and the chief” and inserting “the*

1           *Governor of the appropriate State and the*  
2           *chief”;*

3           (ii) *in subsection (e)—*

4                 (I) *in the first sentence, by strik-*  
5                 *ing “for training, adjustment assist-*  
6                 *ance, and employment services” and*  
7                 *all that follows through “except where”*  
8                 *and inserting “to participate in*  
9                 *workforce employment activities car-*  
10                *ried out under the Workforce Develop-*  
11                *ment Act of 1995, except in a case in*  
12                *which”;* and

13                (II) *by striking the second sen-*  
14                *tence; and*

15           (iii) *in subsection (f)—*

16                 (I) *in paragraph (3)—*

17                 (aa) *in subparagraph (B), by*  
18                 *striking “the State dislocated”*  
19                 *and all that follows through “and*  
20                 *the chief” and inserting “the Gov-*  
21                 *ernor of the appropriate State*  
22                 *and the chief”;* and

23                 (bb) *in subparagraph (C), by*  
24                 *striking “grantee under section*  
25                 *325(a) or 325A(a)” and all that*

1 follows through “employment serv-  
2 ices” and inserting “recipient of  
3 assistance under the Workforce  
4 Development Act of 1995 provid-  
5 ing workforce employment activi-  
6 ties”; and

7 (II) in paragraph (4), by striking  
8 “for training,” and all that follows  
9 through “beginning” and inserting “to  
10 participate in workforce employment  
11 activities under the Workforce Develop-  
12 ment Act of 1995 beginning”.

13 (I) Section 4492(b) of the National Defense  
14 Authorization Act for Fiscal Year 1993 (10  
15 U.S.C. 1143 note) is amended by striking “the  
16 Job Training Partnership Act” and inserting  
17 “the Workforce Development Act of 1995”.

18 (J) Section 4003(5)(C) of the National De-  
19 fense Authorization Act for Fiscal Year 1991 (10  
20 U.S.C. 2391 note) is amended by inserting before  
21 the period the following: “, as in effect on the  
22 day before the date of enactment of the Workforce  
23 Development Act of 1995”.

24 (K) Section 1333(c)(2)(B) of the National  
25 Defense Authorization Act for Fiscal Year 1994

1           (10 U.S.C. 2701 note) is amended by striking  
2           “Private industry councils (as described in sec-  
3           tion 102 of the Job Training Partnership Act  
4           (29 U.S.C. 1512)).” and inserting “Local part-  
5           nerships or local workforce development boards,  
6           as appropriate, established under section 118 of  
7           the Workforce Development Act of 1995.”.

8           (L) The fourth sentence of section  
9           7(j)(13)(E) of the Small Business Act (15 U.S.C.  
10          636(j)(13)(E)) is amended by striking “the Job  
11          Training Partnership Act (29 U.S.C. 1501 et  
12          seq.)” and inserting “the Workforce Development  
13          Act of 1995”.

14          (M) Section 4(f)(2)(B) of the Employment  
15          Act of 1946 (15 U.S.C. 1022a(f)(2)(B)) is  
16          amended by striking “and include these in the  
17          annual Employment and Training Report of the  
18          President required under section 705(a) of the  
19          Comprehensive Employment and Training Act  
20          of 1973 (hereinafter in this Act referred to as  
21          ‘CETA’)” and inserting “and prepare and sub-  
22          mit to the President an annual report contain-  
23          ing the recommendations”.

1           (N) Section 206 of the Full Employment  
2           and Balanced Growth Act of 1978 (15 U.S.C.  
3           3116) is amended—

4                   (i) in subsection (b)—

5                           (I) in the matter preceding para-  
6                           graph (1), by striking “CETA” and  
7                           inserting “the Workforce Development  
8                           Act of 1995”; and

9                           (II) in paragraph (1), by striking  
10                           “(including use of section 110 of CETA  
11                           when necessary)”; and

12                   (ii) in subsection (c)(1), by striking  
13                   “CETA” and inserting “activities carried  
14                   out under the Workforce Development Act of  
15                   1995”.

16           (O) Section 401(d) of the Full Employment  
17           and Balanced Growth Act of 1978 (15 U.S.C.  
18           3151(d)) is amended by striking “include, in the  
19           annual Employment and Training Report of the  
20           President provided under section 705(a) of  
21           CETA,” and inserting “include, in the annual  
22           report referred to in section 4(f)(2)(B) of the  
23           Employment Act of 1946 (15 U.S.C.  
24           1022a(f)(2)(B)),”.

1           (P) Subsections (a), (b), and (c) of section  
2           665 of title 18, United States Code are amended  
3           by striking “the Comprehensive Employment  
4           and Training Act or the Job Training Partner-  
5           ship Act” and inserting “the Workforce Develop-  
6           ment Act of 1995”.

7           (Q) Section 239(e) of the Trade Act of 1974  
8           (19 U.S.C. 2311(e)) is amended by striking  
9           “under title III of the Job Training Partnership  
10          Act” and inserting “made available under the  
11          Workforce Development Act of 1995”.

12          (R) Section 480(b)(14) of the Higher Edu-  
13          cation Act of 1965 (20 U.S.C. 1087vv(b)(14)) is  
14          amended by striking “Job Training Partnership  
15          Act noneducational benefits” and inserting “ben-  
16          efits received through participation in workforce  
17          employment activities under the Workforce De-  
18          velopment Act of 1995”.

19          (S) Section 626 of the Individuals with Dis-  
20          abilities Education Act (20 U.S.C. 1425) is  
21          amended—

22                 (i) in the first sentence of subsection  
23                 (a), by striking “(including the State job  
24                 training coordinating councils and service  
25                 delivery area administrative entities estab-

1            *lished under the Job Training Partnership*  
2            *Act)” and inserting “(including any state-*  
3            *wide workforce development boards estab-*  
4            *lished under section 105 of the Workforce*  
5            *Development Act of 1995 and local entities,*  
6            *as defined in section 3 of the Workforce De-*  
7            *velopment Act of 1995)”;*

8            *(ii) in subsection (e)—*

9                    *(I) in paragraphs (3)(C) and*  
10                   *(4)(A)(iii), by striking “local Private*  
11                   *Industry Councils (PICS) authorized*  
12                   *by the Job Training Partnership Act*  
13                   *(JTPA),” and inserting “local partner-*  
14                   *ships or local workforce development*  
15                   *boards, as appropriate, established*  
16                   *under section 118 of the Workforce De-*  
17                   *velopment Act of 1995,”; and*

18                   *(II) in clauses (iii), (iv), (v), and*  
19                   *(vii) of paragraph (4)(B), by striking*  
20                   *“PICS authorized by the JTPA” and*  
21                   *inserting “local partnerships or local*  
22                   *workforce development boards, as ap-*  
23                   *propriate, established under section*  
24                   *118 of the Workforce Development Act*  
25                   *of 1995”;* and

1                   (iii) in subsection (g), by striking “the  
2                   Job Training Partnership Act (JTPA),”  
3                   and inserting “the Workforce Development  
4                   Act of 1995,”.

5                   (T) Subsection (a) of section 302 of the De-  
6                   partment of Education Organization Act (20  
7                   U.S.C. 3443(a)) (as redesignated in section  
8                   271(a)(2) of the Improving America’s Schools  
9                   Act of 1994) is amended by striking “under sec-  
10                  tion 303(c)(2) of the Comprehensive Employment  
11                  and Training Act” and inserting “relating to  
12                  such education”.

13                  (U) Section 504(c)(3) of the National Skill  
14                  Standards Act of 1994 (20 U.S.C. 5934(c)(3)) is  
15                  amended by striking “the Capacity Building and  
16                  Information and Dissemination Network estab-  
17                  lished under section 453(b) of the Job Training  
18                  Partnership Act (29 U.S.C. 1733(b)) and”.

19                  (V) Section 508(1) of the National Skill  
20                  Standards Act of 1994 (20 U.S.C. 5938(1)) is  
21                  amended to read as follows:

22                  “(1) *COMMUNITY-BASED ORGANIZATION.*—The  
23                  term ‘community-based organization’ means a private  
24                  nonprofit organization of demonstrated effectiveness  
25                  that is representative of a community or a significant

1 *segment of a community and that provides workforce*  
2 *development activities, as defined in section 3 of the*  
3 *Workforce Development Act of 1995.”.*

4 *(W) Section 1205(8)(B) of the Elementary*  
5 *and Secondary Education Act of 1965 (20*  
6 *U.S.C. 6365(8)(B)) (as amended in paragraph*  
7 *(1)(C)(ii)) is further amended by striking “, the*  
8 *Individuals with Disabilities Education Act, and*  
9 *the Job Training Partnership Act” and inserting*  
10 *“and the Individuals with Disabilities Edu-*  
11 *cation Act”.*

12 *(X) Section 1414(c)(8) of the Elementary*  
13 *and Secondary Education Act of 1965 (20*  
14 *U.S.C. 6434(c)(8)) is amended by striking “pro-*  
15 *grams under the Job Training Partnership Act,”*  
16 *and inserting “programs under the Workforce*  
17 *Development Act of 1995,”.*

18 *(Y) Section 1423(9) of the Elementary and*  
19 *Secondary Education Act of 1965 (20 U.S.C.*  
20 *6453(9)) is amended by striking “programs*  
21 *under the Job Training and Partnership Act”*  
22 *and inserting “programs under the Workforce*  
23 *Development Act of 1995”.*

24 *(Z) Section 1425(9) of the Elementary and*  
25 *Secondary Education Act of 1965 (20 U.S.C.*

1           6455(9)) is amended by striking “, such as funds  
2           under the Job Training Partnership Act,” and  
3           inserting “, such as funds made available under  
4           the Workforce Development Act of 1995,”.

5           (AA) Section 5303(b)(2)(B) of the Elemen-  
6           tary and Secondary Education Act of 1965 (20  
7           U.S.C. 7263(b)(2)(B)) is amended by striking  
8           “private industry council (established under the  
9           Job Training Partnership Act),” and inserting  
10          “local partnership or local workforce develop-  
11          ment board, as appropriate, established under  
12          section 118 of the Workforce Development Act of  
13          1995,”.

14          (BB) The last sentence of section 505 of the  
15          FREEDOM Support Act (22 U.S.C. 5855) is  
16          amended by striking “, through the Defense Con-  
17          version” and all that follows through “or  
18          through” and inserting “or through”.

19          (CC) Section 42(i)(3)(D)(i)(II) of the Inter-  
20          nal Revenue Code of 1986 is amended by strik-  
21          ing “assistance under” and all that follows  
22          through “or under” and inserting “assistance  
23          under the Workforce Development Act of 1995 or  
24          under”.

1           (DD) Section 51(d) of the Internal Revenue  
2 Code of 1986 is amended by striking paragraph  
3 (10).

4           (EE) Section 6334(d)(12) of the Internal  
5 Revenue Code of 1986 is amended to read as fol-  
6 lows:

7           “(12) ASSISTANCE UNDER THE WORKFORCE DE-  
8 VELOPMENT ACT OF 1995.—Any amount payable to a  
9 participant in workforce development activities car-  
10 ried out under the Workforce Development Act of 1995  
11 from funds appropriated under such Act.”.

12           (FF) Section 204(b) of the Emergency Jobs  
13 and Unemployment Assistance Act of 1974 (26  
14 U.S.C. 3304 note) is amended by striking “des-  
15 ignate as an area” and all that follows and in-  
16 serting “designate as an area under this section  
17 an area that is a substate area under the  
18 Workforce Development Act of 1995.”.

19           (GG) Section 223 of the Emergency Jobs  
20 and Unemployment Assistance Act of 1974 (26  
21 U.S.C. 3304 note) is amended—

22           (i) in paragraph (3), by striking “as-  
23 sistance provided” and all that follows and  
24 inserting “assistance provided under the  
25 Workforce Development Act of 1995;”; and

1           (ii) in paragraph (4), by striking  
2           “funds provided” and all that follows and  
3           inserting “funds provided under the  
4           Workforce Development Act of 1995;”.

5           (HH) Section 612(b) of the Rehabilitation  
6           Act of 1973 (29 U.S.C. 795a(b)) is amended by  
7           striking “the Job Training Partnership Act” and  
8           inserting “the Workforce Development Act of  
9           1995”.

10          (II) Section 701 of the Job Training Re-  
11          form Amendments of 1992 (29 U.S.C. 1501 note)  
12          is repealed.

13          (JJ) Section 7 of Public Law 98–524 (29  
14          U.S.C. 1551 note) is repealed.

15          (KK) Section 402 of the Veterans’ Benefits  
16          and Programs Improvement Act of 1988 (29  
17          U.S.C. 1721 note) is amended—

18               (i) in subsection (a), by striking “title  
19               III of the Job Training Partnership Act (29  
20               U.S.C. 1651 et seq.)” and inserting “the  
21               Workforce Development Act of 1995”;

22               (ii) in subsection (c), by striking “the  
23               office designated or created under section  
24               322(b) of the Job Training Partnership

1           Act” and inserting “the Workforce Develop-  
2           ment Partnership”; and

3           (iii) in subsection (d)—

4           (I) in paragraph (1), by striking  
5           “under—” and all that follows through  
6           “the Veterans’” and inserting “under  
7           the Veterans’”; and

8           (II) in paragraph (2), by striking  
9           “Employment and training” and all  
10          that follows and inserting “Workforce  
11          employment activities under the  
12          Workforce Development Act of 1995.”.

13          (LL) Section 13(b) of the Veterans’ Job  
14          Training Act (29 U.S.C. 1721 note) is amended  
15          by striking “assistance under the Job Training  
16          Partnership Act (29 U.S.C. 1501 et seq.)” and  
17          inserting “assistance under the Workforce Devel-  
18          opment Act of 1995”.

19          (MM) Section 14(b)(3)(B)(i)(II) of the Vet-  
20          erans’ Job Training Act (29 U.S.C. 1721 note)  
21          is amended by striking “under part C of title IV  
22          of the Job Training Partnership Act (29 U.S.C.  
23          1501 et seq.)” and inserting “under the  
24          Workforce Development Act of 1995”.

1           (NN) Section 15(c)(2) of the Veterans' Job  
2 Training Act (29 U.S.C. 1721 note) is amend-  
3 ed—

4           (i) in the second sentence, by striking  
5 “part C of title IV of the Job Training  
6 Partnership Act (29 U.S.C. 1501 et seq.)”  
7 and inserting “the Workforce Development  
8 Act of 1995”; and

9           (ii) in the third sentence, by striking  
10 “title III of”.

11          (OO) Section 3(a)(2) of the Worker Adjust-  
12 ment and Retraining Notification Act (29  
13 U.S.C. 2102(a)(2)) is amended by striking “to  
14 the State” and all that follows through “and the  
15 chief” and inserting “to the Governor of the ap-  
16 propriate State and the chief”.

17          (PP) Section 6703(a) of title 31, United  
18 States Code, is amended by striking paragraph  
19 (4) and inserting the following:

20          “(4) Programs under the Workforce Development  
21 Act of 1995.”.

22          (QQ) Section 512 of the Veterans' Rehabili-  
23 tation and Education Amendments of 1980 (38  
24 U.S.C. 4101 note) is amended by striking “the  
25 Comprehensive Employment and Training Act

1           (29 U.S.C. et seq.),” and inserting “the  
2           Workforce Development Act of 1995,”.

3           (RR) Section 4102A(d) of title 38, United  
4           States Code, is amended by striking “the Job  
5           Training Partnership Act” and inserting “the  
6           Workforce Development Act of 1995”.

7           (SS) Section 4103A(c)(4) of title 38, United  
8           States Code, is amended by striking “(including  
9           part C of title IV of the Job Training Partner-  
10          ship Act (29 U.S.C. 1501 et seq.))”.

11          (TT) Section 4213 of title 38, United States  
12          Code, is amended by striking “any employment  
13          or training program assisted under the Job  
14          Training Partnership Act (29 U.S.C. 1501 et  
15          seq.),” and inserting “any workforce employment  
16          activity carried out under the Workforce Devel-  
17          opment Act of 1995,”.

18          (UU) Section 23 of the United States Hous-  
19          ing Act of 1937 (42 U.S.C. 1437u) is amended—

20                 (i) in subsection (b)(2)(A), by striking  
21                 “the Job Training” and all that follows  
22                 through “or the” and inserting “the  
23                 Workforce Development Act of 1995 or the”;

24                 (ii) in the first sentence of subsection  
25                 (f)(2), by striking “programs under the”

1           *and all that follows through “and the” and*  
2           *inserting “programs under the Workforce*  
3           *Development Act of 1995 and the”;* and

4           *(iii) in subsection (g)—*

5                   *(I) in paragraph (2), by striking*  
6                   *“programs under the” and all that fol-*  
7                   *lows through “and the” and inserting*  
8                   *“programs under the Workforce Devel-*  
9                   *opment Act of 1995 and the”;* and

10                   *(II) in paragraph (3)(H), by*  
11                   *striking “program under” and all that*  
12                   *follows through “and any other” and*  
13                   *inserting “program under the*  
14                   *Workforce Development Act of 1995*  
15                   *and any other”.*

16           *(VV) Section 504(c)(3) of the Housing Act*  
17           *of 1949 (42 U.S.C. 1474(c)(3)) is amended by*  
18           *striking “pursuant to” and all that follows*  
19           *through “or the” and inserting “pursuant to the*  
20           *Workforce Development Act of 1995 or the”.*

21           *(WW) Section 203 of the Older Americans*  
22           *Act of 1965 (42 U.S.C. 3013) is amended—*

23                   *(i) in subsection (a)(2), by striking the*  
24                   *last sentence and inserting the following:*  
25                   *“In particular, the Secretary of Labor and*

1           *the Secretary of Education shall consult*  
2           *and cooperate with the Assistant Secretary*  
3           *in carrying out the Workforce Development*  
4           *Act of 1995.”; and*

5                     *(ii) in subsection (b), by striking para-*  
6                     *graph (1) and inserting the following:*

7           *“(1) the Workforce Development Act of 1995,”.*

8                     *(XX) Section 502 of the Older Americans*  
9           *Act of 1965 (42 U.S.C. 3056) is amended—*

10                    *(i) in subsection (b)(1)(N)(i), by strik-*  
11                    *ing “the Job Training Partnership Act (29*  
12                    *U.S.C. 1501 et seq.)” and inserting “the*  
13                    *Workforce Development Act of 1995”; and*

14                    *(ii) in subsection (e)(2)(C), by striking*  
15                    *“programs carried out under section 124 of*  
16                    *the Job Training Partnership Act (29*  
17                    *U.S.C. 1534)” and inserting “workforce em-*  
18                    *ployment activities carried out under the*  
19                    *Workforce Development Act of 1995”.*

20                    *(YY) Section 503(b)(1) of the Older Ameri-*  
21           *cans Act of 1995 (42 U.S.C. 3056a(b)(1)) is*  
22           *amended by striking “the Job Training Partner-*  
23           *ship Act,” each place it appears and inserting*  
24           *“the Workforce Development Act of 1995,”.*

1           (ZZ) Section 510 of the Older Americans  
2 Act of 1995 (42 U.S.C. 3056h) is amended by  
3 striking “the Job Training Partnership Act, eli-  
4 gible individuals shall be deemed to satisfy the  
5 requirements of sections 203 and 204(d)(5)(A) of  
6 such Act (29 U.S.C. 1603, 1604(d)(5)(A))” and  
7 inserting “the Workforce Development Act of  
8 1995, eligible individuals shall be deemed to sat-  
9 isfy the requirements of such Act”.

10           (AAA) Section 1801(b)(3) of the Omnibus  
11 Crime Control and Safe Streets Act of 1968 (42  
12 U.S.C. 3796ee(b)(3)) is amended by striking “ac-  
13 tivities carried out under part B of title IV of  
14 the Job Training Partnership Act (relating to  
15 Job Corps) (29 U.S.C. 1691 et seq.)” and insert-  
16 ing “activities carried out under chapter 2 of  
17 subtitle B of the Workforce Development Act of  
18 1995”.

19           (BBB) The second sentence of section 2(a)  
20 of the Environmental Programs Assistance Act of  
21 1984 (42 U.S.C. 4368a(a)) is amended by strik-  
22 ing “and title IV of the Job Training Partner-  
23 ship Act” and inserting “and the Workforce De-  
24 velopment Act of 1995”.

1           (CCC) *The second sentence of section 103(d)*  
2 *of the Domestic Volunteer Service Act of 1973*  
3 *(42 U.S.C. 4953(d)) is amended to read as fol-*  
4 *lows: “Whenever feasible, such efforts shall be co-*  
5 *ordinated with a local partnership or local*  
6 *workforce development board, as appropriate, es-*  
7 *tablished under section 118 of the Workforce De-*  
8 *velopment Act of 1995.”.*

9           (DDD) *Subsections (c)(2) and (d)(2) of sec-*  
10 *tion 109 of the Domestic Volunteer Service Act*  
11 *of 1973 (42 U.S.C. 4959) is amended by striking*  
12 *“administrative entities designated to administer*  
13 *job training plans under the Job Training Part-*  
14 *nership Act” and inserting “local entities, as de-*  
15 *efined in section 3 of the Workforce Development*  
16 *Act of 1995”.*

17           (EEE) *Section 304(c)(1) of the Age Dis-*  
18 *crimination Act of 1975 (42 U.S.C. 6103(c)(1))*  
19 *is amended by striking “the Comprehensive Em-*  
20 *ployment and Training Act of 1974 (29 U.S.C.*  
21 *801, et seq.), as amended,” and inserting “the*  
22 *Workforce Development Act of 1995”.*

23           (FFF) *Section 414(b)(3) of the Energy Con-*  
24 *servation and Production Act (42 U.S.C.*  
25 *6864(b)(3)) is amended by striking “the Com-*

1        *prehensive Employment and Training Act of*  
2        *1973” and inserting “the Workforce Development*  
3        *Act of 1995”.*

4                *(GGG) Section 233 of the National Energy*  
5        *Conservation Policy Act (42 U.S.C. 6873) is*  
6        *amended, in the matter preceding paragraph (1),*  
7        *by striking “the Comprehensive Employment*  
8        *and Training Act of 1973” and inserting “the*  
9        *Workforce Development Act of 1995”.*

10               *(HHH) Section 3161(c)(6) of the National*  
11        *Defense Authorization Act for Fiscal Year 1993*  
12        *(42 U.S.C. 7274h(c)(6)) is amended by striking*  
13        *subparagraph (A) and inserting the following:*

14               *“(A) programs carried out jointly by the*  
15        *Secretary of Labor and the Secretary of Edu-*  
16        *cation under the Workforce Development Act of*  
17        *1995;”.*

18               *(III) Section 617(a)(3) of the Community*  
19        *Economic Development Act of 1981 (42 U.S.C.*  
20        *9806(a)(3)) is amended by striking “activities*  
21        *such as those described in the Comprehensive*  
22        *Employment and Training Act” and inserting*  
23        *“workforce employment activities described in*  
24        *the Workforce Development Act of 1995”.*

1           (JJJ) Section 103(b)(2) of the Stewart B.  
2           McKinney Homeless Assistance Act (42 U.S.C.  
3           11302(b)(2)) is amended by striking “the Job  
4           Training Partnership Act” and inserting “the  
5           Workforce Development Act of 1995”.

6           (KKK) Section 177(d) of the National and  
7           Community Service Act of 1990 (42 U.S.C.  
8           12637(d)) is amended to read as follows:

9           “(d) TREATMENT OF BENEFITS.—Allowances, earn-  
10          ings, and payments to individuals participating in pro-  
11          grams that receive assistance under this title shall not be  
12          considered to be income for the purposes of determining eli-  
13          gibility for and the amount of income transfer and in-kind  
14          aid furnished under any Federal or federally assisted pro-  
15          gram based on need, other than as provided under the So-  
16          cial Security Act (42 U.S.C. 301 et seq.).”.

17          (LLL) Section 198C of the National and  
18          Community Service Act of 1990 (42 U.S.C.  
19          12653c) is amended—

20                 (i) in subsection (b)(1), by striking “a  
21                 military installation described in section  
22                 325(e)(1) of the Job Training Partnership  
23                 Act (29 U.S.C. 1662d(e)(1)).” and inserting  
24                 “a military installation being closed or re-  
25                 aligned under—

1           “(A) the Defense Base Closure and Realign-  
2           ment Act of 1990 (part A of title XXIX of Public  
3           Law 101–510; 10 U.S.C. 2687 note); and

4           “(B) title II of the Defense Authorization  
5           Amendments and Base Closure and Realignment  
6           Act (Public Law 100–526; 10 U.S.C. 2687  
7           note).”; and

8                     (ii) in subsection (e)(1)(B), by striking  
9                     clause (iii) and inserting the following:

10                   “(iii) an at-risk youth (as defined in section  
11                   131 of the Workforce Development Act of 1995).”.

12                   (MMM) Section 199L(a) of the National  
13                   and Community Service Act of 1990 (42 U.S.C.  
14                   12655m(a)) is amended by striking “the Job  
15                   Training Partnership Act (29 U.S.C. 1501 et  
16                   seq.)” and inserting “the Workforce Development  
17                   Act of 1995”.

18                   (NNN) Subparagraphs (H) and (M) of sub-  
19                   section (c)(2), and subsection (d)(7), of section  
20                   454 of the Cranston-Gonzalez National Afford-  
21                   able Housing Act (42 U.S.C. 12899c) are amend-  
22                   ed by striking “the Job Training Partnership  
23                   Act” and inserting “the Workforce Development  
24                   Act of 1995”.

1           (OOO) *The first sentence of section 456(e) of*  
2           *the Cranston-Gonzalez National Affordable*  
3           *Housing Act (42 U.S.C. 12899e(e)) is amended*  
4           *by inserting “(as in effect on the day before the*  
5           *date of enactment of the Workforce Development*  
6           *Act of 1995)” after “the Job Training Partner-*  
7           *ship Act” each place it appears.*

8           (PPP) *Section 31113(a)(4)(C) of the Violent*  
9           *Crime Control and Law Enforcement Act of*  
10           *1994 (42 U.S.C. 13823(a)(4)(C)) is amended by*  
11           *striking “authorized under the Job Training*  
12           *Partnership Act (29 U.S.C. 1501 et seq.)” and*  
13           *inserting “or workforce employment activities*  
14           *authorized under the Workforce Development Act*  
15           *of 1995”.*

16           (5) *STEWART B. MCKINNEY HOMELESS ASSIST-*  
17           *ANCE ACT.—*

18           (A) *Section 6703(a) of title 31, United*  
19           *States Code, is amended—*

20                   (i) *by striking paragraph (15); and*

21                   (ii) *by redesignating paragraphs (16)*  
22                   *through (19) as paragraphs (15) through*  
23                   *(18), respectively.*

24           (B) *Section 14205(a)(1) of the Elementary*  
25           *and Secondary Education Act of 1965 (20*

1           *U.S.C. 8825(a)(1)) is amended by striking “the*  
2           *Indian education programs under part A of title*  
3           *IX of this Act, and the education for homeless*  
4           *children and youth program under subtitle B of*  
5           *title VII of the Stewart B. McKinney Homeless*  
6           *Assistance Act,” and inserting “and the Indian*  
7           *education programs under part A of title IX,”.*

8           *(c) RECOMMENDED LEGISLATION.—*

9           *(1) PREPARATION.—After consultation with the*  
10          *appropriate committees of Congress and the Director*  
11          *of the Office of Management and Budget, the Federal*  
12          *Partnership shall prepare and submit to Congress rec-*  
13          *ommended legislation containing technical and con-*  
14          *forming amendments to reflect the changes made by*  
15          *section 191(b).*

16          *(2) SUBMISSION TO CONGRESS.—Not later than*  
17          *March 31, 1997, the Federal Partnership shall submit*  
18          *the recommended legislation referred to under para-*  
19          *graph (1).*

20          *(d) EFFECTIVE DATES.—*

21          *(1) IMMEDIATE REPEALS.—The amendments*  
22          *made by subsection (a) shall take effect on the date*  
23          *of enactment of this Act.*

1           (2) *SUBSEQUENT REPEALS.*—The amendments  
2           made by subsection (b) shall take effect on July 1,  
3           1998.

4           **TITLE II—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES**

5                           **OPMENT-RELATED ACTIVITIES**  
6                           **TIES**  
7                           **Subtitle A—Amendments to the**  
8                           **Rehabilitation Act of 1973**

9           **SEC. 201. REFERENCES.**

10           *Except as otherwise expressly provided in this subtitle,*  
11           *whenever in this subtitle an amendment or repeal is ex-*  
12           *pressed in terms of an amendment to, or repeal of, a section*  
13           *or other provision, the reference shall be considered to be*  
14           *made to a section or other provision of the Rehabilitation*  
15           *Act of 1973 (29 U.S.C. 701 et seq.).*

16           **SEC. 202. FINDINGS AND PURPOSES.**

17           *Section 2 (29 U.S.C. 701) is amended—*

18                           (1) *in subsection (a)(4), by striking “the provi-*  
19                           *sion of individualized training, independent living*  
20                           *services, educational and support services,” and in-*  
21                           *serting “implementation of a statewide workforce de-*  
22                           *velopment system that provides meaningful and effec-*  
23                           *tive participation for individuals with disabilities in*  
24                           *workforce development activities and activities carried*  
25                           *out through the vocational rehabilitation program es-*

1        *tablished under title I, and through the provision of*  
2        *independent living services, support services,”; and*

3                *(2) in subsection (b)(1)(A), by inserting “state-*  
4        *wide workforce development systems that include, as*  
5        *integral components,” after “(A)”.*

6        **SEC. 203. CONSOLIDATED REHABILITATION PLAN.**

7                *(a) IN GENERAL.—Section 6 (29 U.S.C. 705) is re-*  
8        *pealed.*

9                *(b) CONFORMING AMENDMENT.—The table of contents*  
10        *for the Act is amended by striking the item relating to sec-*  
11        *tion 6.*

12        **SEC. 204. DEFINITIONS.**

13                *Section 7 (29 U.S.C. 706) is amended by adding at*  
14        *the end the following new paragraphs:*

15                *“(36) The term ‘statewide workforce development sys-*  
16        *tem’ means a statewide system, as defined in section 3 of*  
17        *the Workforce Development Act of 1995.*

18                *“(37) The term ‘workforce development activities’ has*  
19        *the meaning given the term in section 3 of the Workforce*  
20        *Development Act of 1995.*

21                *“(38) The term ‘workforce employment activities’*  
22        *means the activities described in paragraphs (2) through*  
23        *(8) of section 106(a) of the Workforce Development Act of*  
24        *1995, including activities described in section 106(a)(6) of*

1 *such Act provided through a voucher described in section*  
2 *106(a)(9) of such Act.”.*

3 **SEC. 205. ADMINISTRATION.**

4 *Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by*  
5 *inserting “; including providing assistance to achieve the*  
6 *meaningful and effective participation by individuals with*  
7 *disabilities in the activities carried out through a statewide*  
8 *workforce development system” before the semicolon.*

9 **SEC. 206. REPORTS.**

10 *Section 13 (29 U.S.C. 712) is amended in the fourth*  
11 *sentence by striking “The data elements” and all that fol-*  
12 *lows through “age,” and inserting the following: “The infor-*  
13 *mation shall include all information that is required to be*  
14 *submitted in the report described in section 121(a) of the*  
15 *Workforce Development Act of 1995 and that pertains to*  
16 *the employment of individuals with disabilities, including*  
17 *information on age.”.*

18 **SEC. 207. EVALUATION.**

19 *Section 14(a) (29 U.S.C. 713(a)) is amended in the*  
20 *third sentence by striking “to the extent feasible,” and all*  
21 *that follows through the end of the sentence and inserting*  
22 *the following: “to the maximum extent appropriate, be con-*  
23 *sistent with the State benchmarks established under para-*  
24 *graphs (1) and (2) of section 121(c) of the Workforce Devel-*  
25 *opment Act of 1995. For purposes of this section, the Sec-*

1 *retary may modify or supplement such benchmarks after*  
2 *consultation with the National Board established under sec-*  
3 *tion 182 of the Workforce Development Act of 1995, to the*  
4 *extent necessary to address unique considerations applicable*  
5 *to the participation of individuals with disabilities in the*  
6 *vocational rehabilitation program established under title I*  
7 *and activities carried out under other provisions of this*  
8 *Act.”.*

9 **SEC. 208. DECLARATION OF POLICY.**

10 *Section 100(a) (29 U.S.C. 720(a)) is amended—*

11 *(1) in paragraph (1)—*

12 *(A) in subparagraph (E), by striking “;*  
13 *and” and inserting a semicolon;*

14 *(B) in subparagraph (F)—*

15 *(i) by inserting “workforce develop-*  
16 *ment activities and” before “vocational re-*  
17 *habilitation services”; and*

18 *(ii) by striking the period and insert-*  
19 *ing “; and”; and*

20 *(C) by adding at the end the following sub-*  
21 *paragraph:*

22 *“(G) linkages between the vocational rehabilita-*  
23 *tion program established under this title and other*  
24 *components of the statewide workforce development*  
25 *system are critical to ensure effective and meaningful*

1 *participation by individuals with disabilities in*  
2 *workforce development activities.”; and*

3 *(2) in paragraph (2)—*

4 *(A) by striking “a comprehensive” and in-*  
5 *serting “statewide comprehensive”; and*

6 *(B) by striking “program of vocational re-*  
7 *habilitation that is designed” and inserting*  
8 *“programs of vocational rehabilitation, each of*  
9 *which is—*

10 *“(A) an integral component of a statewide*  
11 *workforce development system; and*

12 *“(B) designed”.*

13 **SEC. 209. STATE PLANS.**

14 *(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a))*  
15 *is amended—*

16 *(1) in the first sentence, by striking “, or shall*  
17 *submit” and all that follows through “et seq.)” and*  
18 *inserting “, and shall submit the State plan on the*  
19 *same dates as the State submits the State plan de-*  
20 *scribed in section 104 of the Workforce Development*  
21 *Act of 1995 to the Federal Partnership established*  
22 *under section 181 of such Act”;*

23 *(2) by inserting after the first sentence the fol-*  
24 *lowing: “The State shall also submit the State plan*  
25 *for vocational rehabilitation services for review and*

1 *comment to any State workforce development board*  
2 *established for the State under section 105 of the*  
3 *Workforce Development Act of 1995, which shall sub-*  
4 *mit the comments on the State plan to the designated*  
5 *State unit.”;*

6 (3) *by striking paragraphs (10), (12), (13), (15),*  
7 *(17), (19), (23), (27), (28), (30), (34), and (35);*

8 (4) *in paragraph (20), by striking “(20)” and*  
9 *inserting “(B)”;*

10 (5) *by redesignating paragraphs (3), (4), (5),*  
11 *(6), (7), (8), (9), (14), (16), (18), (21), (22), (24),*  
12 *(25), (26), (29), (31), (32), (33), and (36) as para-*  
13 *graphs (4), (5), (6), (7), (8), (9), (10), (12), (13),*  
14 *(14), (15), (16), (17), (18), (19), (20), (21), (22), (23),*  
15 *and (24), respectively;*

16 (6) *in paragraph (1)(B)—*

17 (A) *by redesignating clauses (i), (ii), and*  
18 *(iii) as clauses (ii), (iii), and (iv), respectively;*  
19 *and*

20 (B) *by inserting before clause (ii) (as redesi-*  
21 *gnated in subparagraph (A)) the following: “(i)*  
22 *a State entity primarily responsible for imple-*  
23 *menting workforce employment activities through*  
24 *the statewide workforce development system of*  
25 *the State,”;*

1           (7) *in paragraph (2)—*

2                 (A) *in the matter preceding subparagraph*  
3           (A), *by striking “(1)(B)(i)” and inserting*  
4           “*(1)(B)(ii)*”; *and*

5                 (B) *in subparagraph (B)(ii), by striking*  
6           “*(1)(B)(ii)*” *and inserting “(1)(B)(iii)”;*

7           (8) *by inserting after paragraph (2) the follow-*  
8           *ing paragraph:*

9           “*(3) provide a plan for expanding and improving vo-*  
10          *catinal rehabilitation services for individuals with disabil-*  
11          *ities on a statewide basis, including—*

12                 “*(A) a statement of values and goals;*

13                 “*(B) evidence of ongoing efforts to use outcome*  
14          *measures to make decisions about the effectiveness and*  
15          *future direction of the vocational rehabilitation pro-*  
16          *gram established under this title in the State; and*

17                 “*(C) information on specific strategies for*  
18          *strengthening the program as an integral component*  
19          *of the statewide workforce development system estab-*  
20          *lished in the State, including specific innovative,*  
21          *state-of-the-art approaches for achieving sustained*  
22          *success in improving and expanding vocational reha-*  
23          *bilitation services provided through the program, for*  
24          *all individuals with disabilities who seek employment,*  
25          *through plans, policies, and procedures that link the*

1        *program with other components of the system, includ-*  
2        *ing plans, policies, and procedures relating to—*

3                *“(i) entering into cooperative agreements,*  
4                *between the designated State unit and appro-*  
5                *priate entities responsible for carrying out the*  
6                *other components of the statewide workforce de-*  
7                *velopment system, which agreements may pro-*  
8                *vide for—*

9                        *“(I) provision of intercomponent staff*  
10                      *training and technical assistance regarding*  
11                      *the availability and benefits of, and eligi-*  
12                      *bility standards for, vocational rehabilita-*  
13                      *tion services, and regarding the provision of*  
14                      *equal, effective, and meaningful participa-*  
15                      *tion by individuals with disabilities in*  
16                      *workforce employment activities in the*  
17                      *State through program accessibility, use of*  
18                      *nondiscriminatory policies and procedures,*  
19                      *and provision of reasonable accommoda-*  
20                      *tions, auxiliary aids and services, and reha-*  
21                      *bilitation technology, for individuals with*  
22                      *disabilities;*

23                      *“(II) use of information and financial*  
24                      *management systems that link all compo-*  
25                      *nents of the statewide workforce development*

1            *system, that link the components to other*  
2            *electronic networks, and that relate to such*  
3            *subjects as labor market and occupational*  
4            *information, and information on job vacan-*  
5            *cies, skill qualifications, career planning,*  
6            *and workforce development activities;*

7            *“(III) use of customer service features*  
8            *such as common intake and referral proce-*  
9            *dures, customer data bases, resource infor-*  
10           *mation, and human service hotlines;*

11           *“(IV) establishment of cooperative ef-*  
12           *forts with employers to facilitate job place-*  
13           *ment and to develop and sustain working*  
14           *relationships with employers, trade associa-*  
15           *tions, and labor organizations;*

16           *“(V) identification of staff roles and*  
17           *responsibilities and available resources for*  
18           *each entity that carries out a component of*  
19           *the statewide workforce development system*  
20           *with regard to paying for necessary services*  
21           *(consistent with State law); and*

22           *“(VI) specification of procedures for re-*  
23           *solving disputes among such entities; and*

24           *“(ii) providing for the replication of such*  
25           *cooperative agreements at the local level between*

1           *individual offices of the designated State unit*  
2           *and local entities carrying out activities through*  
3           *the statewide workforce development system;”;*

4           *(9) in paragraph (6) (as redesignated in para-*  
5           *graph (5))—*

6                     *(A) by striking subparagraph (A) and in-*  
7                     *serting the following:*

8                     *“(A) contain the plans, policies, and methods to*  
9                     *be followed in carrying out the State plan and in the*  
10                    *administration and supervision of the plan, includ-*  
11                    *ing—*

12                    *“(i)(I) the results of a comprehensive, state-*  
13                    *wide assessment of the rehabilitation needs of in-*  
14                    *dividuals with disabilities (including individuals*  
15                    *with severe disabilities, individuals with disabili-*  
16                    *ties who are minorities, and individuals with*  
17                    *disabilities who have been unserved, or under-*  
18                    *served, by the vocational rehabilitation system)*  
19                    *who are residing within the State; and*

20                    *“(II) the response of the State to the assess-*  
21                    *ment;*

22                    *“(ii) a description of the method to be used*  
23                    *to expand and improve services to individuals*  
24                    *with the most severe disabilities, including indi-*  
25                    *viduals served under part C of title VI;*

1           “(iii) with regard to community rehabilita-  
2           tion programs—

3                   “(I) a description of the method to be  
4                   used (such as a cooperative agreement) to  
5                   utilize the programs to the maximum extent  
6                   feasible; and

7                   “(II) a description of the needs of the pro-  
8                   grams, including the community rehabilitation  
9                   programs funded under the Act entitled “An Act  
10                  to Create a Committee on Purchases of Blind-  
11                  made Products, and for other purposes”, ap-  
12                  proved June 25, 1938 (commonly known as the  
13                  Wagner-O’Day Act; 41 U.S.C. 46 et seq.) and  
14                  such programs funded by State use contracting  
15                  programs; and

16                  “(iv) an explanation of the methods by  
17                  which the State will provide vocational rehabili-  
18                  tation services to all individuals with disabilities  
19                  within the State who are eligible for such serv-  
20                  ices, and, in the event that vocational rehabilita-  
21                  tion services cannot be provided to all such eligi-  
22                  ble individuals with disabilities who apply for  
23                  such services, information—

24                   “(I) showing and providing the jus-  
25                   tification for the order to be followed in se-

1           lecting individuals to whom vocational re-  
2           habilitation services will be provided (which  
3           order of selection for the provision of voca-  
4           tional rehabilitation services shall be deter-  
5           mined on the basis of serving first the indi-  
6           viduals with the most severe disabilities in  
7           accordance with criteria established by the  
8           State, and shall be consistent with priorities  
9           in such order of selection so determined,  
10          and outcome and service goals for serving  
11          individuals with disabilities, established in  
12          regulations prescribed by the Commis-  
13          sioner);

14               “(II) showing the outcomes and service  
15               goals, and the time within which the out-  
16               comes and service goals may be achieved,  
17               for the rehabilitation of individuals receiv-  
18               ing such services; and

19               “(III) describing how individuals with  
20               disabilities who will not receive such serv-  
21               ices if such order is in effect will be referred  
22               to other components of the statewide  
23               workforce development system for access to  
24               services offered by the components;”;

1           (B) by striking subparagraph (C) and in-  
2           serting the following subparagraphs:

3           “(C) with regard to the statewide assessment of  
4           rehabilitation needs described in subparagraph  
5           (A)(i)—

6           “(i) provide that the State agency will make  
7           reports at such time, in such manner, and con-  
8           taining such information, as the Commissioner  
9           may require to carry out the functions of the  
10          Commissioner under this title, and comply with  
11          such provisions as are necessary to assure the  
12          correctness and verification of such reports; and

13          “(ii) provide that reports made under  
14          clause (i) will include information regarding in-  
15          dividuals with disabilities and, if an order of se-  
16          lection described in subparagraph (A)(iv)(I) is  
17          in effect in the State, will separately include in-  
18          formation regarding individuals with the most  
19          severe disabilities, on—

20                  “(I) the number of such individuals  
21                  who are evaluated and the number rehabili-  
22                  tated;

23                  “(II) the costs of administration, coun-  
24                  seling, provision of direct services, develop-  
25                  ment of community rehabilitation pro-

1           *grams, and other functions carried out*  
2           *under this Act; and*

3                   *“(III) the utilization by such individ-*  
4                   *uals of other programs pursuant to para-*  
5                   *graph (11); and*

6           *“(D) describe—*

7                   *“(i) how a broad range of rehabilitation*  
8                   *technology services will be provided at each stage*  
9                   *of the rehabilitation process;*

10                   *“(ii) how a broad range of such rehabilita-*  
11                   *tion technology services will be provided on a*  
12                   *statewide basis; and*

13                   *“(iii) the training that will be provided to*  
14                   *vocational rehabilitation counselors, client assist-*  
15                   *ance personnel, personnel of the providers of one-*  
16                   *stop delivery of core services described in section*  
17                   *106(a)(2) of the Workforce Development Act of*  
18                   *1995, and other related services personnel;”;*

19                   *(10) in subparagraph (A) of paragraph (8) (as*  
20                   *redesignated in paragraph (5))—*

21                   *(A) in clause (i)(II), by striking “, based on*  
22                   *projections” and all that follows through “rel-*  
23                   *evant factors”; and*

24                   *(B) by striking clauses (iii) and (iv) and*  
25                   *inserting the following clauses:*

1           “(iii) a description of the ways in which the sys-  
2           tem for evaluating the performance of rehabilitation  
3           counselors, coordinators, and other personnel used in  
4           the State facilitates the accomplishment of the pur-  
5           pose and policy of this title, including the policy of  
6           serving, among others, individuals with the most se-  
7           vere disabilities;

8           “(iv) provide satisfactory assurances that the  
9           system described in clause (iii) in no way impedes  
10          such accomplishment; and”;

11          (11) in paragraph (9) (as redesignated in para-  
12          graph (5)) by striking “required—” and all that fol-  
13          lows through “(B) prior” and inserting “required  
14          prior”;

15          (12) in paragraph (10) (as redesignated in para-  
16          graph (5))—

17                 (A) in subparagraph (B), by striking “writ-  
18                 ten rehabilitation program” and inserting “em-  
19                 ployment plan”; and

20                 (B) in subparagraph (C), by striking “plan  
21                 in accordance with such program” and inserting  
22                 “State plan in accordance with the employment  
23                 plan”;

24          (13) in paragraph (11)—

1           (A) in subparagraph (A), by striking  
2           “State’s public” and all that follows and insert-  
3           ing “State programs that are not part of the  
4           statewide workforce development system of the  
5           State;”; and

6           (B) in subparagraph (C)—

7                 (i) by striking “if appropriate—” and  
8                 all that follows through “entering into” and  
9                 inserting “if appropriate, entering into”;

10                (ii) by redesignating subclauses (I),  
11                (II), and (III) as clauses (i), (ii), and (iii),  
12                respectively; and

13                (iii) by indenting the clauses and  
14                aligning the margins of the clauses with the  
15                margins of clause (ii) of subparagraph (A)  
16                of paragraph (8) (as redesignated in para-  
17                graph (5));

18           (14) in paragraph (14) (as redesignated in para-  
19           graph (5))—

20                 (A) by striking “(14)” and inserting  
21                 “(14)(A)”; and

22                 (B) by inserting before the semicolon the fol-  
23                 lowing “, and, in the case of the designated State  
24                 unit, will take actions to take such views into ac-  
25                 count that include providing timely notice, hold-

1           *ing public hearings, preparing a summary of*  
2           *hearing comments, and documenting and dis-*  
3           *seminating information relating to the manner*  
4           *in which the comments will affect services; and”;*

5           *(15) in paragraph (16) (as redesignated in para-*  
6           *graph (5)), by striking “referrals to other Federal and*  
7           *State programs” and inserting “referrals within the*  
8           *statewide workforce development system of the State*  
9           *to programs”;* and

10           *(16) in paragraph (17) (as redesignated in para-*  
11           *graph (5))—*

12                   *(A) in subparagraph (B), by striking “writ-*  
13                   *ten rehabilitation program” and inserting “em-*  
14                   *ployment plan”;* and

15                   *(B) in subparagraph (C)—*

16                           *(i) in clause (ii), by striking “; and”*  
17                           *and inserting a semicolon;*

18                           *(ii) in clause (iii), by striking the*  
19                           *semicolon and inserting “; and”;* and

20                           *(iii) by adding at the end the following*  
21                           *clause:*

22                                   *“(iv) the manner in which students who are*  
23                                   *individuals with disabilities and who are not in*  
24                                   *special education programs can access and re-*

1            *ceive vocational rehabilitation services, where*  
2            *appropriate;”.*

3            *(b) CONFORMING AMENDMENTS.—*

4            *(1) Section 7 (29 U.S.C. 706) is amended—*

5                    *(A) in paragraph (3)(B)(ii), by striking*  
6                    *“101(a)(1)(B)(i)” and inserting*  
7                    *“101(a)(1)(B)(ii)”;* and

8                    *(B) in paragraph (22)(A)(i)(II), by striking*  
9                    *“101(a)(5)(A)” each place it appears and insert-*  
10                   *ing “101(a)(6)(A)(iv)”.*

11            *(2) Section 12(d) (29 U.S.C. 711(d)) is amended*  
12            *by striking “101(a)(5)(A)” and inserting*  
13            *“101(a)(6)(A)(iv)”.*

14            *(3) Section 101(a) (29 U.S.C. 721(a)) is amend-*  
15            *ed—*

16                    *(A) in paragraph (1)(A), by striking “para-*  
17                    *graph (4) of this subsection” and inserting*  
18                    *“paragraph (5)”;*

19                    *(B) in paragraph (2)—*

20                            *(i) in the matter preceding subpara-*  
21                            *graph (A), by striking “paragraph*  
22                            *(1)(B)(i)” and inserting “paragraph*  
23                            *(1)(B)(ii)”;* and

1           (ii) in subparagraph (B)(i), by strik-  
2           ing “paragraph (1)(B)(ii)” and inserting  
3           “paragraph (1)(B)(iii)”;

4           (C) in paragraph (17) (as redesignated in  
5           subsection (a)(5)), by striking “paragraph  
6           (11)(C)(ii)” and inserting “paragraph (11)(C)”;

7           (D) in paragraph (22) (as redesignated in  
8           subsection (a)(5)), by striking “paragraph (36)”  
9           and inserting “paragraph (24)”;

10          (E) in subparagraph (C) of paragraph (24)  
11          (as redesignated in subsection (a)(5)), by strik-  
12          ing “101(a)(1)(A)(i)” and inserting “paragraph  
13          (1)(A)(i)”.

14          (4) Section 102 (29 U.S.C. 722) is amended—

15               (A) in subsection (a)(3), by striking  
16               “101(a)(24)” and inserting “101(a)(17)”;

17               (B) in subsection (d)(2)(C)(ii)—

18                       (i) in subclause (II), by striking  
19                       “101(a)(36)” and inserting “101(a)(24)”;  
20                       and

21                       (ii) in subclause (III), by striking  
22                       “101(a)(36)(C)(ii)” and inserting  
23                       “101(a)(24)(C)(ii)”.

1           (5) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is  
2 amended by striking “101(a)(36)” and inserting  
3 “101(a)(24)”.

4           (6) Section 107(a) (29 U.S.C. 727(a)) is amend-  
5 ed—

6           (A) in paragraph (2)(F), by striking  
7 “101(a)(32)” and inserting “101(a)(22)”;

8           (B) in paragraph (3)(A), by striking  
9 “101(a)(5)(A)” and inserting  
10 “101(a)(6)(A)(iv)”; and

11           (C) in paragraph (4), by striking  
12 “101(a)(35)” and inserting “101(a)(8)(A)(iii)”.

13           (7) Section 111(a) (29 U.S.C. 731(a)) is amend-  
14 ed—

15           (A) in paragraph (1), by striking “and de-  
16 velopment and implementation” and all that fol-  
17 lows through “referred to in section  
18 101(a)(34)(B)”; and

19           (B) in paragraph (2)(A), by striking “and  
20 such payments shall not be made in an amount  
21 which would result in a violation of the provi-  
22 sions of the State plan required by section  
23 101(a)(17)”.

24           (8) Section 124(a)(1)(A) (29 U.S.C.  
25 744(a)(1)(A)) is amended by striking “(not including

1 *sums used in accordance with section*  
2 *101(a)(34)(B))”.*

3 *(9) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is*  
4 *amended by striking “101(a)(22)” and inserting*  
5 *“101(a)(16)”.*

6 *(10) Section 635(b)(2) (29 U.S.C. 795n(b)(2)) is*  
7 *amended by striking “101(a)(5)” and inserting*  
8 *“101(a)(6)(A)(i)(I)”.*

9 *(11) Section 802(h)(2)(B)(ii) (29 U.S.C.*  
10 *797a(h)(2)(B)(ii)) is amended by striking*  
11 *“101(a)(5)(A)” and inserting “101(a)(6)(A)(iv)”.*

12 *(12) Section 102(e)(23)(A) of the Technology-Re-*  
13 *lated Assistance for Individuals With Disabilities Act*  
14 *of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by*  
15 *striking “section 101(a)(36) of the Rehabilitation Act*  
16 *of 1973 (29 U.S.C. 721(a)(36))” and inserting “sec-*  
17 *tion 101(a)(24) of the Rehabilitation Act of 1973 (29*  
18 *U.S.C. 721(a)(24))”.*

19 **SEC. 210. INDIVIDUALIZED EMPLOYMENT PLANS.**

20 *(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is*  
21 *amended—*

22 *(1) by striking the section heading and inserting*  
23 *the following:*

1 **“SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.”;**

2 (2) in subsection (a)(6), by striking “written re-  
3 habilitation program” and inserting “employment  
4 plan”;

5 (3) in subsection (b)—

6 (A) in paragraph (1)(A)—

7 (i) in clause (i), by striking “written  
8 rehabilitation program” and inserting “em-  
9 ployment plan”; and

10 (ii) in clause (ii), by striking “pro-  
11 gram” and inserting “plan”;

12 (B) in paragraph (1)(B)—

13 (i) in the matter preceding clause (i),  
14 by striking “written rehabilitation pro-  
15 gram” and inserting “employment plan”;

16 (ii) in clause (iv)—

17 (I) by striking subclause (I) and  
18 inserting the following:

19 “(I) include a statement of the specific voca-  
20 tional rehabilitation services to be provided (includ-  
21 ing, if appropriate, rehabilitation technology services  
22 and training in how to use such services) that in-  
23 cludes specification of the public or private entity  
24 that will provide each such vocational rehabilitation  
25 service and the projected dates for the initiation and  
26 the anticipated duration of each such service; and”;

- 1                   (ii) by striking subclause (II);  
2                   and  
3                   (III) by redesignating subclause  
4                   (III) as subclause (II); and  
5                   (iii) in clause (xi)(I), by striking “pro-  
6                   gram” and inserting “plan”;  
7                   (C) in paragraph (1)(C), by striking “writ-  
8                   ten rehabilitation program and amendments to  
9                   the program” and inserting “employment plan  
10                  and amendments to the plan”; and  
11                  (D) in paragraph (2)—  
12                   (i) by striking “program” each place  
13                   the term appears and inserting “plan”; and  
14                   (ii) by striking “written rehabilita-  
15                   tion” each place the term appears and in-  
16                   serting “employment”;  
17                  (4) in subsection (c)—  
18                   (A) in paragraph (1), by striking “written  
19                   rehabilitation program” and inserting “employ-  
20                   ment plan”; and  
21                   (B) by striking “written program” each  
22                   place the term appears and inserting “plan”;  
23                  and  
24                  (5) in subsection (d)—

1           (A) in paragraph (5), by striking “written  
2           rehabilitation program” and inserting “employ-  
3           ment plan”; and

4           (B) in paragraph (6)(A), by striking the  
5           second sentence.

6           (b) CONFORMING AMENDMENTS.—

7           (1) The table of contents for the Act is amended  
8           by striking the item relating to section 102 and in-  
9           serting the following:

“Sec. 102. Individualized employment plans.”

10           (2) Paragraphs (22)(B) and (27)(B), and sub-  
11           paragraphs (B) and (C) of paragraph (34) of section  
12           7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C.  
13           711(e)(1)), section 501(e) (29 U.S.C. 791(e)), sub-  
14           paragraphs (C), (D), and (E) of section 635(b)(6) (29  
15           U.S.C. 795n(b)(6) (C), (D), and (E)), section  
16           802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section  
17           803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended  
18           by striking “written rehabilitation program” each  
19           place the term appears and inserting “employment  
20           plan”.

21           (3) Section 7(22)(B)(i) (29 U.S.C.  
22           706(22)(B)(i)) is amended by striking “rehabilitation  
23           program” and inserting “employment plan”.

24           (4) Section 107(a)(3)(D) (29 U.S.C.  
25           727(a)(3)(D)) is amended by striking “written reha-

1        *bilitation programs” and inserting “employment*  
2        *plans”.*

3            (5) *Section 101(b)(7)(A)(ii)(II) of the Tech-*  
4        *nology-Related Assistance for Individuals With Dis-*  
5        *abilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II))*  
6        *is amended by striking “written rehabilitation pro-*  
7        *gram” and inserting “employment plan”.*

8        **SEC. 211. SCOPE OF VOCATIONAL REHABILITATION SERV-**  
9            **ICES.**

10        *Section 103 (29 U.S.C. 723) is amended—*

11            (1) *in subsection (a)(4)—*

12                    (A) *in subparagraph (B), by striking “sur-*  
13                    *gery or”;*

14                    (B) *in subparagraph (D), by striking the*  
15                    *comma at the end and inserting “; and”;*

16                    (C) *by striking subparagraph (E); and*

17                    (D) *by redesignating subparagraph (F) as*  
18                    *subparagraph (E); and*

19            (2) *in subsection (b)(1), by striking “the most se-*  
20        *vere”.*

21        **SEC. 212. STATE REHABILITATION ADVISORY COUNCIL.**

22            (a) *IN GENERAL.—Section 105 (29 U.S.C. 725) is*  
23        *amended—*

24            (1) *in subsection (b)(1)(A)(vi), by inserting be-*  
25        *fore the semicolon the following: “who, to the extent*

1 *feasible, are members of any State workforce develop-*  
2 *ment board established for the State under section 105*  
3 *of the Workforce Development Act of 1995”; and*

4 *(2) in subsection (c)—*

5 *(A) by redesignating paragraphs (3)*  
6 *through (7) as paragraphs (4) through (8), re-*  
7 *spectively;*

8 *(B) by inserting after paragraph (2) the fol-*  
9 *lowing new paragraph:*

10 *“(3) advise the designated State agency and the*  
11 *designated State unit regarding strategies for ensur-*  
12 *ing that the vocational rehabilitation program estab-*  
13 *lished under this title becomes an integral part of the*  
14 *statewide workforce development system of the State;”;*  
15 *and*

16 *(C) in paragraph (6) (as redesignated in*  
17 *subparagraph (A))—*

18 *(i) by striking “6024), and” and in-*  
19 *serting “6024),”; and*

20 *(ii) by striking the semicolon at the*  
21 *end and inserting the following: “, and any*  
22 *State workforce development board estab-*  
23 *lished for the State under section 105 of the*  
24 *Workforce Development Act of 1995;”.*



1           (1) by repealing part C; and

2           (2) by redesignating parts D and E as parts C  
3 and D, respectively.

4           (b) *CONFORMING AMENDMENTS.*—The table of contents  
5 for the Act is amended—

6           (1) by striking the items relating to part C of  
7 title I; and

8           (2) by striking the items relating to parts D and  
9 E of title I and inserting the following:

“PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

“Sec. 130. Vocational rehabilitation services grants.

“PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

“Sec. 140. Review of data collection and reporting system.

“Sec. 141. Exchange of data.”.

10 **SEC. 215. EFFECTIVE DATE.**

11           (a) *IN GENERAL.*—Except as provided in subsection  
12 (b), the amendments made by this subtitle shall take effect  
13 on the date of enactment of this Act.

14           (b) *STATEWIDE SYSTEM REQUIREMENTS.*—The  
15 changes made in the Rehabilitation Act of 1973 (29 U.S.C.  
16 701 et seq.) by the amendments made by this subtitle that  
17 relate to State benchmarks, or other components of a state-  
18 wide system, shall take effect—

19           (1) in a State that submits and obtains approval  
20 of an interim plan under section 173 for program  
21 year 1997, on July 1, 1997; and

22           (2) in any other State, on July 1, 1998.

1           ***Subtitle B—Amendments to the***  
2                           ***Wagner-Peyser Act***

3   ***SEC. 221. GENERAL PROGRAM REQUIREMENTS.***

4           *Section 1 of the Wagner-Peyser Act (29 U.S.C. 49) is*  
5   *amended by striking “national system” and all that follows*  
6   *and inserting “national system of employment service of-*  
7   *fices open to the public, there shall be in the Federal Part-*  
8   *nership a United States Employment Service.”.*

9   ***SEC. 222. DEFINITIONS.***

10           *(a) IN GENERAL.—Section 2 of the Wagner-Peyser Act*  
11   *(29 U.S.C. 49a) is amended—*

12                   *(1) by striking paragraphs (1), (2), (3), and (4);*

13                   *(2) by inserting before paragraph (5) the follow-*  
14   *ing paragraphs:*

15                   *“(1) the term ‘Federal Partnership’ has the*  
16   *meaning given the term in section 3 of the Workforce*  
17   *Development Act of 1995;*

18                   *“(2) the term ‘one-stop career center system’*  
19   *means a means of providing one-stop delivery of core*  
20   *services described in section 106(a)(2)(B) of the*  
21   *Workforce Development Act of 1995;*

22                   *“(3) the term ‘Secretary’, used without further*  
23   *modification, means the Secretary of Labor and the*  
24   *Secretary of Education, acting jointly; and”;* and

1           (3) *by redesignating paragraph (5) as para-*  
2 *graph (4).*

3           (b) *CONFORMING AMENDMENTS.—*

4           (1) *SECRETARY.—Section 7(d) of the Wagner-*  
5 *Peyser Act (29 U.S.C. 49f(d)) is amended by striking*  
6 *“Secretary of Labor” and inserting “Secretary”.*

7           (2) *DIRECTOR.—Section 12 of the Wagner-Peyser*  
8 *Act (29 U.S.C. 49k) is amended by striking “The Di-*  
9 *rector, with the approval of the Secretary of Labor,”*  
10 *and inserting “The Secretary”.*

11 **SEC. 223. FUNCTIONS.**

12           (a) *IN GENERAL.—Section 3(a) of the Wagner-Peyser*  
13 *Act (29 U.S.C. 49b(a)) is amended to read as follows:*

14           “(a) *The Federal Partnership shall—*

15                   “(1) *assist in the coordination and development*  
16 *of a nationwide system of labor exchange services for*  
17 *the general public, provided through the one-stop ca-*  
18 *reer center systems of the States;*

19                   “(2) *assist in the development of continuous im-*  
20 *provement models for such nationwide system that en-*  
21 *sure private sector satisfaction with the system and*  
22 *meet the demands of jobseekers relating to the system;*  
23 *and*

24                   “(3) *ensure, for individuals otherwise eligible to*  
25 *receive unemployment compensation, the continuation*

1       of any activities in which the individuals are re-  
2       quired to participate to receive the compensation.”.

3       (b) *CONFORMING AMENDMENTS.*—Section 508(b) of the  
4       Unemployment Compensation Amendments of 1976 (42  
5       U.S.C. 603a(b)) is amended—

6             (1) by striking “the third sentence of section  
7       3(a)” and inserting “section 3(b)”; and

8             (2) by striking “49b(a)” and inserting “49b(b)”.

9       **SEC. 224. DESIGNATION OF STATE AGENCIES.**

10       Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c)  
11       is amended—

12             (1) by striking “a State shall, through its legisla-  
13       ture,” and inserting “a Governor shall”; and

14             (2) by striking “the United States Employment  
15       Service” and inserting “the Federal Partnership”.

16       **SEC. 225. APPROPRIATIONS.**

17       Section 5(c) of the Wagner-Peyser Act (29 U.S.C.  
18       49d(c)) is amended by striking paragraph (3).

19       **SEC. 226. DISPOSITION OF ALLOTTED FUNDS.**

20       Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f)  
21       is amended—

22             (1) in subsection (b)(2), by striking “and the ap-  
23       propriate private industry council and chief elected  
24       official or officials” and inserting “; and the appro-  
25       priate local partnership established under section

1        *118(a) of the Workforce Development Act of 1995 (or,*  
2        *where established, the appropriate local workforce de-*  
3        *velopment board described in section 118(b) of such*  
4        *Act)”;*

5                *(2) in subsection (c)(2), by striking “any pro-*  
6        *gram under” and all that follows and inserting “any*  
7        *activity carried out under the Workforce Development*  
8        *Act of 1995.”;*

9                *(3) in subsection (d)—*

10                *(A) by striking “United States Employment*  
11        *Service” and inserting “Federal Partnership”;*  
12        *and*

13                *(B) by striking “administrative entity*  
14        *under the Job Training Partnership Act” and*  
15        *inserting “local entity under the Workforce De-*  
16        *velopment Act of 1995”; and*

17                *(4) by adding at the end the following subsection:*

18        *“(e) All job search, placement, recruitment, labor mar-*  
19        *ket information, and other labor exchange services author-*  
20        *ized under subsection (a) shall be provided through the one-*  
21        *stop career center system established by the State.”.*

22        **SEC. 227. STATE PLANS.**

23        *Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g)*  
24        *is amended—*

1           (1) by striking subsection (a) and inserting the  
2           following new subsection:

3           “(a) Any State desiring to receive assistance under  
4           this Act shall include in the portion of the State workforce  
5           development plan described in section 104 of the Workforce  
6           Development Act of 1995 relating to workforce employment  
7           activities, detailed plans for carrying out this Act in such  
8           State.”;

9           (2) by striking subsections (b), (c), and (e);

10           (3) in subsection (d), by striking “United States  
11           Employment Service” and inserting “Federal Part-  
12           nership”; and

13           (4) by redesignating subsection (d) as subsection  
14           (b).

15   **SEC. 228. FEDERAL ADVISORY COUNCIL.**

16           Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j)  
17           is repealed.

18           **Subtitle C—Amendments to the**  
19           **Immigration and Nationality Act**

20   **SEC. 231. PROHIBITION ON USE OF FUNDS FOR CERTAIN**  
21           **EMPLOYMENT ACTIVITIES.**

22           Section 412(c)(1) of the Immigration and Nationality  
23           Act is amended by adding at the end the following new sub-  
24           paragraph:

1       “(D) Funds available under this paragraph may not  
2 be provided to States for workforce employment activities  
3 authorized and funded under the Workforce Development  
4 Act of 1995.”

5       ***Subtitle D—Amendments to the***  
6       ***National Literacy Act of 1991***

7       ***SEC. 241. NATIONAL INSTITUTE FOR LITERACY.***

8       *Section 102 of the National Literacy Act of 1991 (20*  
9 *U.S.C. 1213c note) is amended to read as follows:*

10      ***“SEC. 102. NATIONAL INSTITUTE FOR LITERACY.***

11      ***“(a) ESTABLISHMENT.—***

12           ***“(1) IN GENERAL.—****There is established the Na-*  
13 *tional Institute for Literacy (referred to in this sec-*  
14 *tion as the ‘Institute’). The Institute shall be adminis-*  
15 *tered by the Federal Partnership established under*  
16 *section 181 of the Workforce Development Act of 1995*  
17 *(referred to in this Act as the ‘Federal Partnership’).*  
18 *The Federal Partnership may include in the Institute*  
19 *any research and development center, institute, or*  
20 *clearinghouse that the Federal Partnership determines*  
21 *is appropriately included in the Institute.*

22           ***“(2) OFFICES.—****The Institute shall have offices*  
23 *separate from the offices of the Department of Edu-*  
24 *cation or the Department of Labor.*

1           “(3) *RECOMMENDATIONS.*—*The Federal Partner-*  
2           *ship shall consider the recommendations of the Na-*  
3           *tional Institute Council established under subsection*  
4           *(d) in planning the goals of the Institute and in the*  
5           *implementation of any programs to achieve such*  
6           *goals. The daily operations of the Institute shall be*  
7           *carried out by the Director of the Institute appointed*  
8           *under subsection (g). If such Council’s recommenda-*  
9           *tions are not followed, the Federal Partnership shall*  
10          *provide a written explanation to such Council con-*  
11          *cerning actions the Federal Partnership has taken*  
12          *that includes the Federal Partnership’s reasons for*  
13          *not following such Council’s recommendations with*  
14          *respect to such actions. Such Council may also re-*  
15          *quest a meeting with the Federal Partnership to dis-*  
16          *cuss such Council’s recommendations.*

17          “(b) *DUTIES.*—

18                 “(1) *IN GENERAL.*—*The Institute is authorized,*  
19                 *in order to improve the quality and accountability of*  
20                 *the adult basic skills and literacy delivery system,*  
21                 *to—*

22                         “(A) *coordinate the support of research and*  
23                         *development on literacy and basic skills edu-*  
24                         *cation across Federal agencies and carry out*

1           *basic and applied research and development on*  
2           *topics such as—*

3                   “(i) *identifying effective models of*  
4                   *basic skills and literacy education for adults*  
5                   *and families that are essential to success in*  
6                   *job training, work, the family, and the com-*  
7                   *munity;*

8                   “(ii) *carrying out evaluations of the ef-*  
9                   *fectiveness of literacy and adult education*  
10                  *programs and services, including those sup-*  
11                  *ported by this Act; and*

12                  “(iii) *supporting the development of*  
13                  *models at the State and local level of ac-*  
14                  *countability systems that consist of goals,*  
15                  *performance measures, benchmarks, and as-*  
16                  *sessments that can be used to improve the*  
17                  *quality of literacy and adult education serv-*  
18                  *ices;*

19                  “(B) *provide technical assistance, informa-*  
20                  *tion, and other program improvement activities*  
21                  *to national, State, and local organizations, such*  
22                  *as—*

23                       “(i) *providing information and train-*  
24                       *ing to State and local workforce develop-*  
25                       *ment boards and one-stop centers concern-*

1            *ing how literacy and basic skills services*  
2            *can be incorporated in a coordinated*  
3            *workforce development model;*

4            *“(ii) improving the capacity of na-*  
5            *tional, State, and local public and private*  
6            *literacy and basic skills professional devel-*  
7            *opment and technical assistance organiza-*  
8            *tions, such as the State Literacy Resource*  
9            *Centers established under section 103; and*

10           *“(iii) providing information on-line*  
11           *and in print to all literacy and basic skills*  
12           *programs about best practices, models of col-*  
13           *laboration for effective workforce, family,*  
14           *English as a Second Language, and other*  
15           *literacy programs, and other informational*  
16           *and communication needs; and*

17           *“(C) work with the Federal Partnership, the*  
18           *Departments of Education, Labor, and Health*  
19           *and Human Services, and the Congress to ensure*  
20           *that they have the best information available on*  
21           *literacy and basic skills programs in formulating*  
22           *Federal policy around the issues of literacy,*  
23           *basic skills, and workforce development.*

24           *“(2) CONTRACTS, COOPERATIVE AGREEMENTS,*  
25           *AND GRANTS.—The Institute may enter into contracts*

1     *or cooperative agreements with, or make grants to, in-*  
2     *dividuals, public or private nonprofit institutions,*  
3     *agencies, organizations, or consortia of such institu-*  
4     *tions, agencies, or organizations to carry out the ac-*  
5     *tivities of the Institute. Such grants, contracts, or*  
6     *agreements shall be subject to the laws and regula-*  
7     *tions that generally apply to grants, contracts, or*  
8     *agreements entered into by Federal agencies.*

9     “(c) *LITERACY LEADERSHIP.*—

10             “(1) *FELLOWSHIPS.*—*The Institute is, in con-*  
11             *sultation with the Council, authorized to award fel-*  
12             *lowships, with such stipends and allowances that the*  
13             *Director considers necessary, to outstanding individ-*  
14             *uals pursuing careers in adult education or literacy*  
15             *in the areas of instruction, management, research, or*  
16             *innovation.*

17             “(2) *USE OF FELLOWSHIPS.*—*Fellowships*  
18             *awarded under this subsection shall be used, under*  
19             *the auspices of the Institute, to engage in research,*  
20             *education, training, technical assistance, or other ac-*  
21             *tivities to advance the field of adult education or lit-*  
22             *eracy, including the training of volunteer literacy*  
23             *providers at the national, State, or local level.*

1           “(3) *DESIGNATION.*—*Individuals receiving fel-*  
2 *lowships pursuant to this subsection shall be known*  
3 *as ‘Literacy Leader Fellows’.*

4           “(d) *NATIONAL INSTITUTE COUNCIL.*—

5           “(1) *IN GENERAL.*—

6           “(A) *ESTABLISHMENT.*—*There is estab-*  
7 *lished the National Institute Council (in this sec-*  
8 *tion referred to as the “Council”). The Council*  
9 *shall consist of 10 individuals appointed by the*  
10 *President with the advice and consent of the Sen-*  
11 *ate from individuals who—*

12           “(i) *are not otherwise officers or em-*  
13 *ployees of the Federal Government;*

14           “(ii) *are representative of entities or*  
15 *groups described in subparagraph (B); and*

16           “(iii) *are chosen from recommenda-*  
17 *tions made to the President by individuals*  
18 *who represent such entities or groups.*

19           “(B) *ENTITIES OR GROUPS.*—*Entities or*  
20 *groups described in this subparagraph are—*

21           “(i) *literacy organizations and provid-*  
22 *ers of literacy services, including—*

23           “(I) *providers of literacy services*  
24 *receiving assistance under this Act;*  
25 *and*

1                   “(II) nonprofit providers of lit-  
2                   eracy services;

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

5                   “(iii) literacy students;

6                   “(iv) experts in the area of literacy re-  
7                   search;

8                   “(v) State and local governments; and

9                   “(vi) organized labor.

10                  “(2) DUTIES.—The Council shall—

11                   “(A) make recommendations concerning the  
12                   appointment of the Director and staff of the In-  
13                   stitute;

14                   “(B) provide independent advice on the op-  
15                   eration of the Institute; and

16                   “(C) receive reports from the Federal Part-  
17                   nership and the Director.

18                  “(3) FEDERAL ADVISORY COMMITTEE ACT.—Ex-  
19                   cept as otherwise provided, the Council established by  
20                   this subsection shall be subject to the provisions of the  
21                   Federal Advisory Committee Act.

22                  “(4) APPOINTMENT.—

23                   “(A) DURATION.—Each member of the  
24                   Council shall be appointed for a term of 3 years.

1           *Any such member may be appointed for not*  
2           *more than 2 consecutive terms.*

3           “(B) *VACANCIES.*—*Any member appointed*  
4           *to fill a vacancy occurring before the expiration*  
5           *of the term for which the member’s predecessor*  
6           *was appointed shall be appointed only for the re-*  
7           *mainder of that term. A member may serve after*  
8           *the expiration of that member’s term until a suc-*  
9           *cessor has taken office. A vacancy in the Council*  
10           *shall be filled in the manner in which the origi-*  
11           *nal appointment was made. A vacancy in the*  
12           *Council shall not affect the powers of the Coun-*  
13           *cil.*

14           “(5) *QUORUM.*—*A majority of the members of*  
15           *the Council shall constitute a quorum but a lesser*  
16           *number may hold hearings. Any recommendation*  
17           *may be passed only by a majority of its members*  
18           *present.*

19           “(6) *ELECTION OF OFFICERS.*—*The Chairperson*  
20           *and Vice Chairperson of the Council shall be elected*  
21           *by the members. The term of office of the Chairperson*  
22           *and Vice Chairperson shall be 2 years.*

23           “(7) *MEETINGS.*—*The Council shall meet at the*  
24           *call of the Chairperson or a majority of its members.*

1       “(e) *GIFTS, BEQUESTS, AND DEVISES.*—*The Institute*  
2 *and the Council may accept (but not solicit), use, and dis-*  
3 *pose of gifts, bequests, or devises of services or property, both*  
4 *real and personal, for the purpose of aiding or facilitating*  
5 *the work of the Institute or the Council, respectively. Gifts,*  
6 *bequests, or devises of money and proceeds from sales of*  
7 *other property received as gifts, bequests, or devises shall*  
8 *be deposited in the Treasury and shall be available for dis-*  
9 *bursement upon order of the Institute or the Council, respec-*  
10 *tively.*

11       “(f) *MAILS.*—*The Council and the Institute may use*  
12 *the United States mails in the same manner and under the*  
13 *same conditions as other departments and agencies of the*  
14 *United States.*

15       “(g) *STAFF.*—*The Director of the Federal Partnership,*  
16 *after considering recommendations made by the Council,*  
17 *shall appoint and fix the pay of a Director of the Institute*  
18 *and staff of the Institute.*

19       “(h) *APPLICABILITY OF CERTAIN CIVIL SERVICE*  
20 *LAWS.*—*The Director of the Institute and staff of the Insti-*  
21 *tute may be appointed without regard to the provisions of*  
22 *title 5, United States Code, governing appointments in the*  
23 *competitive service, and may be paid without regard to the*  
24 *provisions of chapter 51 and subchapter III of chapter 53*  
25 *of that title relating to classification and General Schedule*

1 *pay rates, except that an individual so appointed may not*  
2 *receive pay in excess of the annual rate of basic pay payable*  
3 *for GS-15 of the General Schedule.*

4       “(i) *EXPERTS AND CONSULTANTS.*—*The Council and*  
5 *the Institute may procure temporary and intermittent serv-*  
6 *ices under section 3109(b) of title 5, United States Code.*

7       “(j) *REPORT.*—*The Institute shall submit a report bi-*  
8 *ennially to the Committee on Economic and Educational*  
9 *Opportunities of the House of Representatives and the Com-*  
10 *mittee on Labor and Human Resources of the Senate. Each*  
11 *report submitted under this subsection shall include—*

12               “(1) *a comprehensive and detailed description of*  
13 *the Institute’s operations, activities, financial condi-*  
14 *tion, and accomplishments in the field of literacy for*  
15 *such fiscal year;*

16               “(2) *a description of how plans for the operation*  
17 *of the Institute for the succeeding fiscal year will fa-*  
18 *cilitate achievement of the goals of the Institute and*  
19 *the goals of the literacy programs within the Federal*  
20 *Partnership, the Department of Education, the De-*  
21 *partment of Labor, and the Department of Health*  
22 *and Human Services; and*

23               “(3) *any additional minority, or dissenting*  
24 *views submitted by members of the Council.*

1       “(k) *FUNDING.*—Any amounts appropriated to the  
2 *Federal Partnership, the Secretary of Education, the Sec-*  
3 *retary of Labor, or the Secretary of Health and Human*  
4 *Services for purposes that the Institute is authorized to per-*  
5 *form under this section may be provided to the Institute*  
6 *for such purposes.”.*

7       ***SEC. 242. STATE LITERACY RESOURCE CENTERS.***

8       *Section 103 of the National Literacy Act of 1991 is*  
9 *amended to read as follows:*

10       ***“SEC. 103. STATE LITERACY RESOURCE CENTERS.***

11       “(a) *PURPOSE.*—*The purpose of this section is to es-*  
12 *tablish a network of State or regional adult literacy re-*  
13 *source centers to assist State and local public and private*  
14 *nonprofit efforts to eliminate illiteracy by—*

15               “(1) *stimulating the coordination of literacy*  
16 *services;*

17               “(2) *enhancing the capacity of State and local*  
18 *organizations to provide literacy services; and*

19               “(3) *servng as a reciprocal link between the Na-*  
20 *tional Institute for Literacy established under section*  
21 *102 and service providers for the purpose of sharing*  
22 *information, data, research, and expertise and lit-*  
23 *eracy resources.*

24       “(b) *ESTABLISHMENT.*—*From amounts appropriated*  
25 *pursuant to section 124(b)(7) of the Workforce Development*

1 *Act of 1995, the Secretary of Labor and the Secretary of*  
2 *Education, acting jointly on the advice of the Federal Part-*  
3 *nership, are authorized to make grants for purposes of es-*  
4 *tablishing a network of State or regional adult literacy re-*  
5 *source centers.*

6 “(c) ALLOTMENT.—

7 “(1) *IN GENERAL.*—*From sums available for*  
8 *purposes of making grants under this section for any*  
9 *fiscal year, the Secretary of Labor and the Secretary*  
10 *of Education, acting jointly on the advice of the Fed-*  
11 *eral Partnership, shall allot to each State having an*  
12 *application approved under subsection (f) an amount*  
13 *that bears the same ratio to such sums as the amount*  
14 *allotted to such State—*

15 “(A) *in the case of fiscal years 1996, 1997,*  
16 *and 1998 under section 313(b) of the Adult Edu-*  
17 *cation Act (20 U.S.C. 1201(b)) for fiscal year*  
18 *1995 for the purpose of making grants under sec-*  
19 *tion 321 of such Act (20 U.S.C. 1203), bears to*  
20 *the aggregate amount allotted to all States under*  
21 *such section for fiscal year 1995 for such pur-*  
22 *pose; and*

23 “(B) *in the case of fiscal years 1999, 2000,*  
24 *and 2001, under section 102 of the Workforce De-*  
25 *velopment Act of 1995 for the fiscal year preced-*

1           *ing the fiscal year for which the determination*  
2           *is made, bears to the aggregate amount allotted*  
3           *to all States under such section for such preced-*  
4           *ing fiscal year.*

5           “(2) *CONTRACTS.*—*The chief executive officer of*  
6           *each State that receives its allotment under this sec-*  
7           *tion shall contract on a competitive basis with the*  
8           *State educational agency, 1 or more local educational*  
9           *agencies, a State office on literacy, a volunteer orga-*  
10          *nization, a community-based organization, an insti-*  
11          *tution of higher education, or another nonprofit en-*  
12          *tity to operate a State or regional literacy resource*  
13          *center. No applicant participating in a competition*  
14          *pursuant to the preceding sentence shall participate*  
15          *in the review of its own application.*

16          “(d) *USE OF FUNDS.*—*Funds provided to each State*  
17          *under subsection (c)(1) to carry out this section shall be*  
18          *used to conduct activities to—*

19                 “(1) *improve and promote the diffusion and*  
20                 *adoption of state-of-the-art teaching methods, tech-*  
21                 *nologies, and program evaluations;*

22                 “(2) *develop innovative approaches to the coordi-*  
23                 *nation of literacy services within and among States*  
24                 *and with the Federal Government;*

1           “(3) assist public and private agencies in coordi-  
2           nating the delivery of literacy services;

3           “(4) encourage government and industry part-  
4           nerships, including partnerships with small busi-  
5           nesses, private nonprofit organizations, and commu-  
6           nity-based organizations;

7           “(5) encourage innovation and experimentation  
8           in literacy activities that will enhance the delivery of  
9           literacy services and address emerging problems;

10          “(6) provide technical and policy assistance to  
11          State and local governments and service providers to  
12          improve literacy policy and programs and access to  
13          such programs;

14          “(7) provide training and technical assistance to  
15          literacy instructors in reading instruction and in—

16                 “(A) selecting and making the most effective  
17                 use of state-of-the-art methodologies, instruc-  
18                 tional materials, and technologies such as—

19                         “(i) computer assisted instruction;

20                         “(ii) video tapes;

21                         “(iii) interactive systems; and

22                         “(iv) data link systems; or

23                 “(B) assessing learning style, screening for  
24                 learning disabilities, and providing individual-  
25                 ized remedial reading instruction; or

1           “(8) encourage and facilitate the training of full-  
2           time professional adult educators.

3           “(e) ALTERNATIVE USES OF EQUIPMENT.—Equipment  
4           purchased pursuant to this section, when not being used to  
5           carry out the provisions of this section, may be used for  
6           other instructional purposes if—

7           “(1) the acquisition of the equipment was rea-  
8           sonable and necessary for the purpose of conducting  
9           a properly designed project or activity under this sec-  
10          tion;

11          “(2) the equipment is used after regular program  
12          hours or on weekends; and

13          “(3) such other use is—

14                 “(A) incidental to the use of the equipment  
15                 under this section;

16                 “(B) does not interfere with the use of the  
17                 equipment under this section; and

18                 “(C) does not add to the cost of using the  
19                 equipment under this section.

20          “(f) APPLICATIONS.—Each State or group of States,  
21          as appropriate, that desires to receive a grant under this  
22          section for a regional adult literacy resource center, a State  
23          adult literacy resource center, or both, shall submit to the  
24          Federal Partnership an application that describes how the  
25          State or group of States will—

1           “(1) develop a literacy resource center or expand  
2           an existing literacy resource center;

3           “(2) provide services and activities with the as-  
4           sistance provided under this section;

5           “(3) assure access to services of the center for the  
6           maximum participation of all public and private  
7           programs and organizations providing or seeking to  
8           provide basic skills instruction, including local edu-  
9           cational agencies, agencies responsible for corrections  
10          education, welfare agencies, labor organizations, busi-  
11          nesses, volunteer groups, and community-based orga-  
12          nizations;

13          “(4) address the measurable goals for improving  
14          literacy levels as set forth in the plan submitted pur-  
15          suant to section 104 of the Workforce Development Act  
16          of 1995; and

17          “(5) develop procedures for the coordination of  
18          literacy activities for statewide and local literacy ef-  
19          forts conducted by public and private organizations,  
20          and for enhancing the systems of service delivery.

21          “(g) PAYMENTS; FEDERAL SHARE.—

22          “(1) PAYMENTS.—The Secretary of Labor and  
23          the Secretary of Education, acting jointly on the ad-  
24          vice of the Federal Partnership, shall pay to each  
25          State having an application approved pursuant to

1        *subsection (f) the Federal share of the cost of the ac-*  
2        *tivities described in the application.*

3            *“(2) FEDERAL SHARE.—The Federal share—*

4                    *“(A) for each of the first 2 fiscal years in*  
5                    *which the State receives funds under this section*  
6                    *shall not exceed 80 percent;*

7                    *“(B) for each of the third and fourth fiscal*  
8                    *years in which the State receives funds under*  
9                    *this section shall not exceed 70 percent; and*

10                   *“(C) for the fifth and each succeeding fiscal*  
11                   *year in which the State receives funds under this*  
12                   *section shall not exceed 60 percent.*

13            *“(3) NON-FEDERAL SHARE.—The non-Federal*  
14            *share of payments under this section may be in cash*  
15            *or in kind, fairly evaluated, including plant, equip-*  
16            *ment, or services.*

17            *“(h) REGIONAL CENTERS.—*

18                   *“(1) IN GENERAL.—A group of States may enter*  
19                   *into an interstate agreement to develop and operate*  
20                   *a regional adult literacy resource center for purposes*  
21                   *of receiving assistance under this section if the States*  
22                   *determine that a regional approach is more appro-*  
23                   *priate for their situation.*

24                   *“(2) REQUIREMENTS.—Any State that receives*  
25                   *assistance under this section as part of a regional*

1 center shall only be required to provide under sub-  
2 section (g) 50 percent of the funds such State would  
3 otherwise be required to provide under such sub-  
4 section.

5 “(3) *MINIMUM.*—In any fiscal year in which the  
6 amount a State will receive under this section is less  
7 than \$100,000, the Federal Partnership may des-  
8 ignate the State to receive assistance under this sec-  
9 tion only as part of a regional center.

10 “(4) *INAPPLICABILITY.*—The provisions of para-  
11 graph (3) shall not apply to any State that can dem-  
12 onstrate to the Federal Partnership that the total  
13 amount of Federal, State, local and private funds ex-  
14 pended to carry out the purposes of this section would  
15 equal or exceed \$100,000.

16 “(5) *SPECIAL RULE.*—In any fiscal year in  
17 which paragraph (2) applies, the Federal Partnership  
18 may allow certain States that receive assistance as  
19 part of a regional center to reserve a portion of such  
20 assistance for a State adult literacy resource center  
21 pursuant to this section.”.

22 **SEC. 243. NATIONAL WORKFORCE LITERACY ASSISTANCE**  
23 **COLLABORATIVE.**

24 Subsection (c) of section 201 of the National Literacy  
25 Act of 1991 (20 U.S.C. 1211–1) is repealed.

1 **SEC. 244. FAMILY LITERACY PUBLIC BROADCASTING PRO-**  
2 **GRAM.**

3 *Section 304 of the National Literacy Act of 1991 (20*  
4 *U.S.C. 1213c note) is repealed.*

5 **SEC. 245. MANDATORY LITERACY PROGRAM.**

6 *Paragraph (3) of section 601(i) of the National Lit-*  
7 *eracy Act of 1991 (20 U.S.C. 1211-2(i) is amended—*

8 *(1) by striking “1994, and” and inserting*  
9 *“1994,”; and*

10 *(2) by inserting “, and such sums as may be nec-*  
11 *essary for each of the fiscal years 1996, 1997, 1998,*  
12 *1999, 2000, and 2001” before the period.*

13 **TITLE III—MUSEUMS AND**  
14 **LIBRARIES**

15 **SEC. 301. MUSEUM AND LIBRARY SERVICES.**

16 *The Museum Services Act (20 U.S.C. 961 et seq.) is*  
17 *amended to read as follows:*

18 **“TITLE II—MUSEUM AND**  
19 **LIBRARY SERVICES**

20 **“Subtitle A—General Provisions**

21 **“SEC. 201. SHORT TITLE.**

22 *“This title may be cited as the ‘Museum and Library*  
23 *Services Act’.*

24 **“SEC. 202. GENERAL DEFINITIONS.**

25 *“As used in this title:*

1           “(1) *COMMISSION.*—The term ‘Commission’  
2           means the National Commission on Libraries and In-  
3           formation Science established under section 3 of the  
4           National Commission on Libraries and Information  
5           Science Act (20 U.S.C. 1502).

6           “(2) *DIRECTOR.*—The term ‘Director’ means the  
7           Director of the Institute appointed under section 204.

8           “(3) *INSTITUTE.*—The term ‘Institute’ means the  
9           Institute of Museum and Library Services established  
10          under section 203.

11          “(4) *MUSEUM BOARD.*—The term ‘Museum  
12          Board’ means the National Museum Services Board  
13          established under section 276.

14          **“SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.**

15          “(a) *ESTABLISHMENT.*—There is established within  
16          the Foundation an Institute of Museum and Library Serv-  
17          ices.

18          “(b) *OFFICES.*—The Institute shall consist of an Office  
19          of Museum Services and an Office of Library Services.  
20          There shall be a National Museum Services Board in the  
21          Office of Museum Services.

22          **“SEC. 204. DIRECTOR OF THE INSTITUTE.**

23          “(a) *APPOINTMENT.*—

1           “(1) *IN GENERAL.*—*The Institute shall be headed*  
2 *by a Director, appointed by the President, by and*  
3 *with the advice and consent of the Senate.*

4           “(2) *TERM.*—*The Director shall serve for a term*  
5 *of 4 years.*

6           “(3) *QUALIFICATIONS.*—*Beginning with the first*  
7 *individual appointed to the position of Director after*  
8 *the date of enactment of this Act, every second indi-*  
9 *vidual so appointed shall be appointed from among*  
10 *individuals who have special competence with regard*  
11 *to library and information services. Beginning with*  
12 *the second individual appointed to the position of Di-*  
13 *rector after the date of enactment of this Act, every*  
14 *second individual so appointed shall be appointed*  
15 *from among individuals who have special competence*  
16 *with regard to museum services.*

17           “(b) *COMPENSATION.*—*The Director shall be com-*  
18 *pensated at the rate provided for level III of the Executive*  
19 *Schedule under section 5314 of title 5, United States Code.*

20           “(c) *DUTIES AND POWERS.*—*The Director shall per-*  
21 *form such duties and exercise such powers as may be pre-*  
22 *scribed by law, including—*

23           “(1) *awarding financial assistance for activities*  
24 *described in this title; and*

1           “(2) using not less than 5 percent and not more  
2           than 7 percent of the funds made available under this  
3           title for each fiscal year to award financial assistance  
4           for projects that involve both—

5                   “(A) activities relating to library and infor-  
6                   mation services, as described in subtitle B, car-  
7                   ried out in accordance with such subtitle; and

8                   “(B) activities relating to museum services,  
9                   as described in subtitle C, carried out in accord-  
10                  ance with such subtitle.

11          “(d) *NONDELEGATION.*—The Director shall not dele-  
12          gate any of the functions of the Director to any person who  
13          is not directly responsible to the Director.

14          “(e) *COORDINATION.*—The Director shall ensure co-  
15          ordination of the policies and activities of the Institute with  
16          the policies and activities of other agencies and offices of  
17          the Federal Government having interest in and responsibil-  
18          ities for the improvement of museums and libraries and in-  
19          formation services.

20          “**SEC. 205. DEPUTY DIRECTORS.**

21          “(a) *APPOINTMENT.*—The Office of Library Services  
22          shall be headed by a Deputy Director, who shall be ap-  
23          pointed by the Director from among individuals who have  
24          a graduate degree in library science and expertise in li-  
25          brary and information services. The Office of Museum Serv-

1 ices shall be headed by a Deputy Director, who shall be ap-  
2 pointed by the Director from among individuals who have  
3 expertise in museum services.

4 “(b) *COMPENSATION.*—Each such position of Deputy  
5 Director shall be a Senior Executive Service position, which  
6 shall be paid at a rate of pay for a position at ES-1 of  
7 the Senior Executive Service schedule.

8 **“SEC. 206. PERSONNEL.**

9 “(a) *IN GENERAL.*—The Director may, in accordance  
10 with applicable provisions of title 5, United States Code,  
11 appoint and determine the compensation of such employees  
12 as the Director determines to be necessary to carry out the  
13 duties of the Institute.

14 “(b) *VOLUNTARY SERVICES.*—The Director may accept  
15 and utilize the voluntary services of individuals and reim-  
16 burse the individuals for travel expenses, including per  
17 diem in lieu of subsistence, in the same amounts and to  
18 the same extent as authorized under section 5703 of title  
19 5, United States Code, for persons employed intermittently  
20 in Federal Government service.

21 **“SEC. 207. CONTRIBUTIONS.**

22 “The Institute shall have authority to solicit, accept,  
23 receive, and invest in the name of the United States, gifts,  
24 bequests, or devises of money and other property or services  
25 and to use such property or services in furtherance of the

1 *functions of the Institute. Any proceeds from such gifts, be-*  
2 *quests, or devises, after acceptance by the Institute, shall*  
3 *be paid by the donor or the representative of the donor to*  
4 *the Director. The Director shall enter the proceeds in a spe-*  
5 *cial interest bearing account to the credit of the Institute*  
6 *for the purposes in each case specified.*

7 **“Subtitle B—Library Services and**  
8 **Technology**

9 **“SEC. 211. SHORT TITLE.**

10 *“This subtitle may be cited as the ‘Library Services*  
11 *and Technology Act’.*

12 **“SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF**  
13 **NEED.**

14 *“(a) STATEMENT OF PURPOSE.—The purposes of this*  
15 *subtitle are as follows:*

16 *“(1) To stimulate excellence and promote equity*  
17 *and lifelong access to learning and information re-*  
18 *sources in all types of libraries.*

19 *“(2) To combine the ability of the Federal Gov-*  
20 *ernment to stimulate significant improvement and*  
21 *innovation in library services with support at State*  
22 *and local levels, and with cooperative programs with*  
23 *other agencies and with public and private sector*  
24 *partnerships, to achieve national library service goals.*

1           “(3) To establish national library service goals  
2 for the 21st century. Such goals are that every person  
3 in America will be served by a library that—

4                   “(A) provides all users access to informa-  
5 tion through regional, State, national, and inter-  
6 national electronic networks;

7                   “(B) contributes to a productive workforce,  
8 and to economic development, by providing re-  
9 sources and services designed to meet local com-  
10 munity needs;

11                   “(C) provides a full range of resources and  
12 programs to develop reading and critical think-  
13 ing skills for children and adults;

14                   “(D) provides targeted services to people of  
15 diverse geographic, cultural, and socioeconomic  
16 backgrounds, to individuals with disabilities,  
17 and to people with limited functional literacy or  
18 information skills; and

19                   “(E) provides adequate hours of operation,  
20 facilities, staff, collections, and electronic access  
21 to information.

22           “(b) *RECOGNITION OF NEED.*—The Congress recog-  
23 nizes that strong library services are essential to empower  
24 people to succeed in our Nation’s increasingly global and  
25 technological environment.

1 **“SEC. 213. DEFINITIONS.**

2 *“As used in this subtitle:*

3 *“(1) INDIAN TRIBE.—The term ‘Indian tribe’*  
4 *means any tribe, band, nation, or other organized*  
5 *group or community, including any Alaska native*  
6 *village, regional corporation, or village corporation,*  
7 *as defined in or established pursuant to the Alaska*  
8 *Native Claims Settlement Act (43 U.S.C. 1601 et*  
9 *seq.), which is recognized by the Secretary of the Inte-*  
10 *rior as eligible for the special programs and services*  
11 *provided by the United States to Indians because of*  
12 *their status as Indians.*

13 *“(2) LIBRARY CONSORTIA.—The term ‘library*  
14 *consortia’ means any local, statewide, regional, inter-*  
15 *state, or international cooperative association of li-*  
16 *brary entities which provides for the systematic and*  
17 *effective coordination of the resources of school, public,*  
18 *academic, and special libraries and information cen-*  
19 *ters for improved services for their clientele.*

20 *“(3) LIBRARY ENTITY.—The term ‘library entity’*  
21 *means a library that performs all activities of a li-*  
22 *brary relating to the collection and organization of li-*  
23 *brary materials and other information and that*  
24 *makes the materials and information publicly avail-*  
25 *able. Such term includes State library administrative*  
26 *agencies and the libraries, library related entities, co-*

1        *operatives, and consortia through which library serv-*  
2        *ices are made publicly available.*

3            “(4) *PUBLIC LIBRARY.*—*The term ‘public li-*  
4        *brary’ means a library that serves free of charge all*  
5        *residents of a community, district, or region, and re-*  
6        *ceives its financial support in whole or in part from*  
7        *public funds. Such term also includes a research li-*  
8        *brary, which, for the purposes of this sentence, means*  
9        *a library, which—*

10            “(A) *makes its services available to the pub-*  
11        *lic free of charge;*

12            “(B) *has extensive collections of books,*  
13        *manuscripts, and other materials suitable for*  
14        *scholarly research which are not available to the*  
15        *public through public libraries;*

16            “(C) *engages in the dissemination of hu-*  
17        *manistic knowledge through services to readers,*  
18        *fellowships, educational and cultural programs,*  
19        *publications of significant research, and other*  
20        *activities; and*

21            “(D) *is not an integral part of an institu-*  
22        *tion of higher education.*

23            “(5) *STATE.*—*The term ‘State’, unless otherwise*  
24        *specified, includes the several States of the United*  
25        *States, the District of Columbia, the Commonwealth*

1 *of Puerto Rico, Guam, American Samoa, the United*  
2 *States Virgin Islands, the Commonwealth of the*  
3 *Northern Mariana Islands, the Republic of the Mar-*  
4 *shall Islands, the Federated States of Micronesia, and*  
5 *the Republic of Palau.*

6 “(6) *STATE ADVISORY COUNCIL.*—The term  
7 ‘*State advisory council*’ means an advisory council  
8 established pursuant to section 252.

9 “(7) *STATE LIBRARY ADMINISTRATIVE AGEN-*  
10 *CY.*—The term ‘*State library administrative agency*’  
11 means the official agency of a State charged by law  
12 of that State with the extension and development of  
13 public library services throughout the State, which  
14 has adequate authority under law of the State to ad-  
15 minister the State plan in accordance with the provi-  
16 sions of this subtitle.

17 “(8) *STATE PLAN.*—The term ‘*State plan*’ means  
18 the document which gives assurances that the offi-  
19 cially designated State library administrative agency  
20 has the fiscal and legal authority and capability to  
21 administer all aspects of this subtitle, provides assur-  
22 ances for establishing the State’s policies, priorities,  
23 criteria, and procedures necessary to the implementa-  
24 tion of all programs under this subtitle, submits cop-  
25 ies for approval as required by regulations promul-

1       gated by the Director, and identifies a State's library  
2       needs and sets forth the activities to be taken toward  
3       meeting the identified needs supported with the assist-  
4       ance of Federal funds made available under this sub-  
5       title.

6       **“SEC. 214. AUTHORIZATION OF APPROPRIATIONS.**

7       “(a) *AUTHORITY.*—

8               “(1) *IN GENERAL.*—There are authorized to be  
9       appropriated to the Secretary of Education—

10               “(A) for the purpose of awarding grants  
11       under subchapter A of chapter 2 and for related  
12       administrative expenses, \$75,000,000 for fiscal  
13       year 1996, and such sums as may be necessary  
14       for each of the 4 succeeding fiscal years; and

15               “(B) for the purpose of awarding grants  
16       under subchapter B of chapter 2 and for related  
17       administrative expenses, \$75,000,000 for fiscal  
18       year 1996, and such sums as may be necessary  
19       for each of the 4 succeeding fiscal years.

20               “(2) *TRANSFER.*—The Secretary of Education  
21       shall transfer any funds appropriated under the au-  
22       thority of paragraph (1) to the Director to enable the  
23       Director to carry out this subtitle.

24               “(b) *JOINT PROJECTS.*—Not less than 5 percent and  
25       not more than 7 percent of the funds appropriated under

1 *this section for a fiscal year may be made available for*  
2 *projects described in section 204(c)(2) for the fiscal year.*

3 *“(c) ADMINISTRATION.—Not more than 10 percent of*  
4 *the funds appropriated under this section for a fiscal year*  
5 *may be used to pay for the Federal administrative costs*  
6 *of carrying out this subtitle.*

7 **“CHAPTER 1—BASIC PROGRAM**  
8 **REQUIREMENTS**

9 **“SEC. 221. RESERVATIONS AND ALLOTMENTS.**

10 *“(a) RESERVATIONS.—From the amount appropriated*  
11 *under the authority of section 214(a) for any fiscal year,*  
12 *the Director—*

13 *“(1) shall reserve 1½ percent to award grants in*  
14 *accordance with section 261; and*

15 *“(2) shall reserve 8 percent to carry out a na-*  
16 *tional leadership program in library science in ac-*  
17 *cordance with section 262.*

18 *“(b) ALLOTMENTS.—*

19 *“(1) IN GENERAL.—From the sums appropriated*  
20 *under the authority of section 214(a) and not reserved*  
21 *under subsection (a) for any fiscal year, the Director*  
22 *shall allot the minimum allotment, as determined*  
23 *under paragraph (3), to each State. Any sums re-*  
24 *maining after minimum allotments have been made*

1       for such year shall be allotted in the manner set forth  
2       in paragraph (2).

3           “(2) *REMAINDER.*—From the remainder of any  
4       sums appropriated under the authority of section  
5       214(a) that are not reserved under subsection (a) and  
6       not allotted under paragraph (1) for any fiscal year,  
7       the Director shall allot to each State an amount that  
8       bears the same relation to such remainder as the pop-  
9       ulation of the State bears to the population of all the  
10      States.

11          “(3) *MINIMUM ALLOTMENT.*—

12           “(A) *IN GENERAL.*—For the purposes of this  
13       subsection, the minimum allotment shall be—

14           “(i) with respect to appropriations for  
15       the purposes of subchapter A of chapter 2,  
16       \$200,000 for each State, except that the  
17       minimum allotment shall be \$40,000 in the  
18       case of Guam, American Samoa, the United  
19       States Virgin Islands, the Commonwealth of  
20       the Northern Mariana Islands, the Republic  
21       of the Marshall Islands, the Federated  
22       States of Micronesia, and the Republic of  
23       Palau; and

24           “(ii) with respect to appropriations for  
25       the purposes of subchapter B of chapter 2,

1           \$200,000 for each State, except that the  
2           minimum allotment shall be \$40,000 in the  
3           case of Guam, American Samoa, the United  
4           States Virgin Islands, the Commonwealth of  
5           the Northern Mariana Islands, the Republic  
6           of the Marshall Islands, the Federated  
7           States of Micronesia, and the Republic of  
8           Palau.

9           “(B) *RATABLE REDUCTIONS.*—If the sums  
10          appropriated under the authority of section  
11          214(a) and not reserved under subsection (a) for  
12          any fiscal year are insufficient to fully satisfy  
13          the aggregate of the minimum allotments for all  
14          States for that purpose for such year, each of  
15          such minimum allotments shall be reduced rat-  
16          ably.

17          “(4) *DATA.*—The population of each State and of  
18          all the States shall be determined by the Director on  
19          the basis of the most recent data available from the  
20          Bureau of the Census.

21        **“SEC. 222. ADMINISTRATION AND EVALUATION.**

22          “(a) *IN GENERAL.*—Not more than 5 percent of the  
23          total funds received under this subtitle for any fiscal year  
24          by a State may be used for administration.

1       “(b) *CONSTRUCTION.*—*Nothing in this section shall be*  
2 *construed to limit spending for evaluation costs under sec-*  
3 *tion 251 from sources other than this subtitle.*

4       **“SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE**  
5               **OF EFFORT REQUIREMENTS.**

6       “(a) *PAYMENTS.*—*The Director shall pay to each State*  
7 *library administrative agency having a State plan ap-*  
8 *proved under section 224 the Federal share of the cost of*  
9 *the activities described in the State plan.*

10       “(b) *FEDERAL SHARE.*—

11               “(1) *IN GENERAL.*—*Except as provided in para-*  
12 *graph (3), the Federal share shall be 50 percent.*

13               “(2) *NON-FEDERAL SHARE.*—*The non-Federal*  
14 *share of payments shall be provided from non-Fed-*  
15 *eral, State, or local sources.*

16               “(3) *SPECIAL RULE.*—*The Federal share—*

17                       “(A) *for the Commonwealth of Puerto Rico,*  
18 *Guam, American Samoa, the United States Vir-*  
19 *gin Islands, and the Commonwealth of the*  
20 *Northern Mariana Islands, shall be 66 percent;*  
21 *and*

22                       “(B) *for the Republic of the Marshall Is-*  
23 *lands, the Federated States of Micronesia, and*  
24 *the Republic of Palau, shall be 100 percent.*

25       “(c) *MAINTENANCE OF EFFORT.*—

1           “(1) *IN GENERAL.*—The amount otherwise pay-  
2           able to a State for a fiscal year under chapter 2 shall  
3           be reduced if the level of State expenditures, as de-  
4           scribed in paragraph (2), for the previous fiscal year  
5           are less than the average of the total of such expendi-  
6           tures for the 3 fiscal years preceding that previous fis-  
7           cal year. The amount of the reduction in allotment  
8           for any fiscal year shall be in exact proportion to the  
9           amount which the State fails to meet the requirement  
10          of this subsection.

11          “(2) *LEVEL OF STATE EXPENDITURES.*—The  
12          level of State expenditures for the purposes of para-  
13          graph (1) shall include all State dollars expended by  
14          the State library administrative agency for library  
15          programs that are consistent with the purposes of this  
16          subtitle. All funds included in the maintenance of ef-  
17          fort calculation under this subsection shall be ex-  
18          pended during the fiscal year for which the deter-  
19          mination is made, and shall not include capital ex-  
20          penditures, special one-time project costs, or similar  
21          windfalls.

22          “(3) *WAIVER.*—The Director may waive the re-  
23          quirements of paragraph (1) if the Director deter-  
24          mines that such a waiver would be equitable due to  
25          exceptional or uncontrollable circumstances such as a

1       *natural disaster or a precipitous and unforeseen de-*  
2       *cline in the financial resources of the State.*

3       **“SEC. 224. STATE PLANS.**

4       “(a) *STATE PLAN REQUIRED.*—

5               “(1) *IN GENERAL.*—*In order to be eligible to re-*  
6       *ceive a grant under this subtitle, a State library ad-*  
7       *ministrative agency shall submit a State plan to the*  
8       *Director not later than April 1, 1996.*

9               “(2) *DURATION.*—*The State plan shall cover a*  
10       *period of 5 fiscal years.*

11               “(3) *REVISIONS.*—*If a State library administra-*  
12       *tive agency makes a substantive revision to its State*  
13       *plan, then the State library administrative agency*  
14       *shall submit to the Director an amendment to the*  
15       *State plan containing such revision not later than*  
16       *April 1 of the fiscal year preceding the fiscal year for*  
17       *which the amendment will be effective.*

18       “(b) *CONTENTS.*—*The State plan shall—*

19               “(1) *specify priorities for improvement of library*  
20       *services so that all people in the State have convenient*  
21       *and appropriate access to information delivered by li-*  
22       *braries through new and emerging technologies as-*  
23       *sisted under subchapter A of chapter 2;*

24               “(2) *identify those persons who need special serv-*  
25       *ices under subchapter B of chapter 2 and specify pri-*

1 *orities for meeting the purpose described in section*  
2 *241(a);*

3 *“(3) describe how section 243 will be imple-*  
4 *mented within the State, specify the accountability*  
5 *and evaluation procedures to be followed by public li-*  
6 *braries receiving funds under such section, and speci-*  
7 *fy whether and how funds are to be aggregated under*  
8 *section 243(b)(2) to improve library services provided*  
9 *to children in the State described in section 243(a)(2);*

10 *“(4) describe the activities and services for which*  
11 *assistance is sought, including—*

12 *“(A) priorities for the use of funds under*  
13 *this subtitle; and*

14 *“(B) a description of the types of libraries*  
15 *and library entities that will be eligible to re-*  
16 *ceive funds under this subtitle;*

17 *“(5) provide that any funds paid to the State in*  
18 *accordance with the State plan shall be expended sole-*  
19 *ly for the purposes for which the funds are authorized*  
20 *and appropriated and that such fiscal control and*  
21 *fund accounting procedures have been adopted as may*  
22 *be necessary to assure proper disbursement of, and ac-*  
23 *count for, Federal funds paid to the State (including*  
24 *any such funds paid by the State to any other entity)*  
25 *under this subtitle;*

1           “(6) provide procedures to ensure that the State  
2           library administrative agency shall involve libraries  
3           and users throughout the State in policy decisions re-  
4           garding implementation of this subtitle, and develop-  
5           ment of the State plan, including establishing the  
6           State advisory council;

7           “(7) provide satisfactory assurance that the  
8           State library administrative agency—

9                   “(A) will make such reports, in such form  
10                   and containing such information, as the Director  
11                   may require to carry out this subtitle and to de-  
12                   termine the extent to which funds provided under  
13                   this subtitle have been effective in carrying out  
14                   the purposes of this subtitle, including reports on  
15                   evaluations under section 251;

16                   “(B) will keep such records and afford such  
17                   access thereto as the Director may find necessary  
18                   to assure the correctness and verification of such  
19                   reports;

20                   “(C) will provide to State advisory council  
21                   members an orientation regarding the provisions  
22                   of this subtitle and members’ responsibilities, in-  
23                   cluding clear, easily understandable information  
24                   about the State plan; and

1           “(D) will report annually at a meeting of  
2           the State advisory council on the State library  
3           administrative agency’s progress toward meeting  
4           the goals and objectives of the State plan;

5           “(8) describe the process for assessing the needs  
6           for library and information services within the State,  
7           and describe the results of the most recent needs as-  
8           sessment;

9           “(9) establish goals and objectives for achieving  
10          within the State the purposes of this subtitle, includ-  
11          ing the purposes in sections 212(a), 231(a), and  
12          241(a); and

13          “(10) describe how the State library administra-  
14          tive agency, in consultation with the State advisory  
15          council, will—

16                 “(A) administer this subtitle; and

17                 “(B) conduct evaluations under section 251,  
18                 including a description of the types of evaluation  
19                 methodologies to be employed.

20          “(c) ACCOUNTABILITY.—Each State plan shall—

21                 “(1) establish State-defined performance goals to  
22                 set forth the level of performance to be achieved by an  
23                 activity assisted under this subtitle;

24                 “(2) express such goals in an objective, quantifi-  
25                 able, and measurable form unless authorized to be in

1 *an alternative form in accordance with section*  
2 *1115(b) of title 31, United States Code;*

3 *“(3) briefly describe the operational processes,*  
4 *skills and technology, and the human, capital, infor-*  
5 *mation, or other resources, required to meet the per-*  
6 *formance goals;*

7 *“(4) establish performance indicators in accord-*  
8 *ance with subsection (d) to be used in measuring or*  
9 *assessing the relevant outputs, service levels, and out-*  
10 *comes, of each activity assisted under this subtitle;*

11 *“(5) provide a basis for comparing actual pro-*  
12 *gram results with the established performance goals;*  
13 *and*

14 *“(6) describe the means to be used to verify and*  
15 *validate measured values.*

16 *“(d) PERFORMANCE INDICATORS.—Performance indi-*  
17 *cators described in subsection (c)(4) shall include—*

18 *“(1) evidence of progress toward the national li-*  
19 *brary service goals under section 212(a)(3);*

20 *“(2) consultation with the State educational*  
21 *agency;*

22 *“(3) identification of activities suitable for na-*  
23 *tionwide replication; and*

24 *“(4) progress in improvement of library services*  
25 *provided to children described in section 243(a)(2).*

1       “(e) APPROVAL.—

2               “(1) IN GENERAL.—The Director shall approve  
3 any State plan under this subtitle that meets the re-  
4 quirements of this subtitle and provides satisfactory  
5 assurances that the provisions of such plan will be  
6 carried out.

7               “(2) PUBLIC AVAILABILITY.—Each State library  
8 administrative agency receiving a grant under this  
9 subtitle shall make the State plan available to the  
10 public.

11               “(3) ADMINISTRATION.—If the Director deter-  
12 mines that the State plan does not meet the require-  
13 ments of this section, the Director shall—

14                       “(A) immediately notify the State library  
15 administrative agency of such determination and  
16 the reasons for such determination;

17                       “(B) offer the State library administrative  
18 agency the opportunity to revise its State plan;

19                       “(C) provide technical assistance in order to  
20 assist the State library administrative agency to  
21 meet the requirements of this section; and

22                       “(D) provide the State library administra-  
23 tive agency the opportunity for a hearing.



1 *accordance with the State plan. Such services and subgrants*  
2 *shall involve—*

3 *“(1) organization, access, and delivery of infor-*  
4 *mation;*

5 *“(2) lifelong learning, and workforce and eco-*  
6 *nomic development; or*

7 *“(3) support of technology infrastructure.*

8 ***“Subchapter B—Information Empowerment***  
9 ***Through Special Services***

10 ***“SEC. 241. GRANTS TO STATES FOR INFORMATION***  
11 ***EMPOWERMENT THROUGH SPECIAL SERV-***  
12 ***ICES.***

13 *“(a) PURPOSE.—The purpose of this subchapter is to*  
14 *provide for the improvement of library and information*  
15 *services targeted to persons of all ages and cultures who*  
16 *have difficulty using a library and to communities which*  
17 *are geographically disadvantaged in access to libraries, who*  
18 *or which need special materials or services, or who or which*  
19 *will benefit from outreach services for equity of access to*  
20 *library services and information technologies, including*  
21 *children (from birth through age 17) from families living*  
22 *below the income official poverty line (as defined by the Of-*  
23 *fice of Management and Budget, and revised annually in*  
24 *accordance with section 673(2) of the Community Services*

1 *Block Grant Act (42 U.S.C. 9902(2)) applicable to a family*  
2 *of the size involved).*

3 “(b) GRANTS.—

4 “(1) IN GENERAL.—*The Director shall award*  
5 *grants under this subchapter from allotments under*  
6 *section 221(b) to States that have State plans ap-*  
7 *proved under section 224.*

8 “(2) FEDERAL SHARE.—*Grants awarded under*  
9 *paragraph (1) shall be used to pay the Federal share*  
10 *of the cost of the activities under section 242 that are*  
11 *described in a State plan approved under section 224.*

12 **“SEC. 242. AUTHORIZED ACTIVITIES.**

13 “*Each State that receives a grant under section 241(b)*  
14 *may use the grant funds to provide statewide services and*  
15 *subgrants to public libraries, other types of libraries and*  
16 *library consortia, or library linkages with other entities, in*  
17 *accordance with the State plan. Such services and subgrants*  
18 *shall involve activities that—*

19 “(1) *increase literacy and lifelong learning;*

20 “(2) *serve persons in rural, underserved, or*  
21 *inner-city areas; or*

22 “(3) *support the provision of special services.*

23 **“SEC. 243. SERVICES FOR CHILDREN IN POVERTY.**

24 “(a) STATE LEVEL RESERVATION.—

1           “(1) *IN GENERAL.*—*Except as provided in sub-*  
2           *section (c), from the total amount that each State li-*  
3           *brary administrative agency receives under this sub-*  
4           *chapter for a fiscal year, such agency shall reserve the*  
5           *amount of funds determined under paragraph (2) to*  
6           *provide assistance to public libraries in the State to*  
7           *enable such libraries to enhance the provision of spe-*  
8           *cial services to children described in such paragraph*  
9           *who are served by such libraries.*

10           “(2) *AMOUNT.*—

11           “(A) *IN GENERAL.*—*Except as provided in*  
12           *subparagraph (B), the amount of funds a State*  
13           *library administrative agency shall reserve*  
14           *under paragraph (1) shall be equal to the sum*  
15           *of—*

16                   “(i) *\$1.50 for every preschooler (birth*  
17                   *through age 5) in the State from a family*  
18                   *living below the income official poverty line*  
19                   *(as defined by the Office of Management*  
20                   *and Budget, and revised annually in ac-*  
21                   *cordance with section 673(2) of the Commu-*  
22                   *nity Services Block Grant Act (42 U.S.C.*  
23                   *9902(2)) applicable to a family of the size*  
24                   *involved); and*

1                   “(ii) \$1.00 for every school-age child  
2                   (ages 6 through 17) in the State from such  
3                   a family.

4                   “(B) MAXIMUM.—The maximum amount  
5                   that a State library administrative agency may  
6                   reserve under paragraph (1) for any fiscal year  
7                   shall not exceed 15 percent of the total amount  
8                   such agency receives under this subchapter for  
9                   such year.

10                  “(b) WITHIN STATE DISTRIBUTION.—

11                   “(1) IN GENERAL.—Except as provided in para-  
12                   graph (2), each public library in a State shall receive  
13                   under this section for a fiscal year an amount that  
14                   bears the same relation to the amount the State li-  
15                   brary administrative agency reserves under subsection  
16                   (a) for such year as the number of children described  
17                   in subsection (a)(2) served by such public library for  
18                   the preceding fiscal year bears to the number of such  
19                   children served by all public libraries in the State for  
20                   such preceding fiscal year.

21                   “(2) EXCEPTION.—

22                   “(A) IN GENERAL.—If a State library ad-  
23                   ministrative agency determines that the amount  
24                   available under paragraph (1) for a fiscal year  
25                   for 2 or more public libraries is too small to be

1           *effective, then such agency may aggregate such*  
2           *amounts for such year.*

3           “(B) *REQUIREMENTS.—Each State library*  
4           *administrative agency aggregating amounts*  
5           *under subparagraph (A) for a fiscal year—*

6                   “(i) *shall only aggregate the amount*  
7                   *available under paragraph (1) for a public*  
8                   *library for a fiscal year if the amount so*  
9                   *available for such year is \$3,000 or less;*  
10                  *and*

11                   “(ii) *shall use such aggregated amounts*  
12                   *to enhance the library services provided to*  
13                   *the children described in subsection (a)(2)*  
14                   *served by the public libraries for which such*  
15                   *agency aggregated such amounts for such*  
16                   *year.*

17           “(c) *ADJUSTMENTS.—*

18                   “(1) *APPROPRIATIONS INCREASE.—For any fis-*  
19                   *cal year for which the amount appropriated to carry*  
20                   *out this subtitle is greater than the amount appro-*  
21                   *priated to carry out this subtitle for the preceding fis-*  
22                   *cal year by a percentage that equals or exceeds 10*  
23                   *percent, the amount each State library administrative*  
24                   *agency shall reserve under subsection (a)(2) for the*

1       *fiscal year for which the determination is made shall*  
2       *be increased by the same such percentage.*

3               “(2) *APPROPRIATIONS DECREASE.*—*For any fis-*  
4       *cal year for which the amount appropriated to carry*  
5       *out this subtitle is less than the amount appropriated*  
6       *to carry out this subtitle for the preceding fiscal year*  
7       *by a percentage that equals or exceeds 10 percent, the*  
8       *amount each State library administrative agency*  
9       *shall reserve under subsection (a)(2) for the fiscal*  
10       *year for which the determination is made shall be de-*  
11       *creased by the same such percentage.*

12              “(d) *PLAN.*—*Each public library desiring assistance*  
13       *under this section shall submit a plan for the expenditure*  
14       *of funds under this section to the State library administra-*  
15       *tive agency. Such plan shall include a description of how*  
16       *the library will—*

17                   “(1) *identify the children described in subsection*  
18       *(a)(2);*

19                   “(2) *collaborate with community representatives*  
20       *to ensure planning and implementation of appro-*  
21       *priate, helpful library services; and*

22                   “(3) *establish indicators of success.*

23              “(e) *PRIORITIES.*—*Priorities for the use of funds under*  
24       *this section may include activities for children described in*  
25       *subsection (a)(2) such as—*

1           “(1) development of after-school homework sup-  
2           port and summer and vacation reading programs;

3           “(2) development of family literacy programs;

4           “(3) extension of branch hours to provide space  
5           and resources for homework;

6           “(4) development of coalitions and training pro-  
7           grams involving libraries and other service providers  
8           in the State;

9           “(5) development of technological resources;

10          “(6) hiring specialized outreach staff; and

11          “(7) development of peer tutoring programs.

12           **“CHAPTER 3—ADMINISTRATIVE**

13                           **PROVISIONS**

14           **“Subchapter A—State Requirements**

15   **“SEC. 251. STATE EVALUATION.**

16          “(a) *IN GENERAL.*—Each State receiving a grant  
17          under this subtitle shall annually evaluate, in accordance  
18          with subsections (b) and (c), the activities assisted under  
19          subchapters A and B of chapter 2.

20          “(b) *SUBCHAPTER A ACTIVITIES.*—Each evaluation of  
21          activities assisted under subchapter A of chapter 2 shall in-  
22          clude a description of how effective such activities are in  
23          ensuring that—

24                  “(1) every American will have affordable access  
25                  to information resources through electronic networks;

1           “(2) every public library will be connected to na-  
2           tional and international electronic networks;

3           “(3) every State library agency will promote  
4           planning and provide support for full library partici-  
5           pation in electronic networks;

6           “(4) every public librarian will possess the  
7           knowledge and skills needed to help people obtain in-  
8           formation through electronic sources; and

9           “(5) every public library will be equipped with  
10          the technology needed to help people obtain informa-  
11          tion in an effective and timely manner.

12          “(c) SUBCHAPTER B ACTIVITIES.—

13               “(1) IN GENERAL.—Each evaluation of activities  
14               assisted under subchapter B of chapter 2 shall in-  
15               clude—

16                       “(A) with respect to activities to increase  
17                       literacy and lifelong learning—

18                               “(i) an analysis of the current situa-  
19                               tion in the State;

20                               “(ii) how such activities will meet the  
21                               needs of the current situation in the State  
22                               and the target groups to be served; and

23                               “(iii) a report of the effect of such ac-  
24                               tivities in relation to the objectives of such  
25                               activities;

1           “(B) with respect to activities to serve peo-  
2           ple in rural and urban areas—

3                   “(i) procedures used to identify library  
4                   users within a community;

5                   “(ii) a description of needs and target  
6                   groups to be served;

7                   “(iii) an analysis of the levels of suc-  
8                   cess to be targeted;

9                   “(iv) a report of the effect of such ac-  
10                  tivities in relation to the objectives of such  
11                  activities; and

12                  “(v) a description of the background of  
13                  the current level of library service to people  
14                  in rural and urban areas, and how such ac-  
15                  tivities will extend, improve, and further  
16                  provide library resources to such people;

17           “(C) with respect to activities to support the  
18           provision of special services—

19                   “(i) an analysis of the current situa-  
20                   tion in the State;

21                   “(ii) how such activities will meet the  
22                   needs of the current situation in the State;  
23                   and

1                   “(iii) a report of the effect of such ac-  
2                   tivities in relation to the objectives of such  
3                   activities; and

4                   “(D) with respect to activities to serve chil-  
5                   dren under section 243—

6                   “(i) an analysis of the current local  
7                   situations;

8                   “(ii) a description of such activities,  
9                   including objectives and costs of such activi-  
10                  ties; and

11                  “(iii) a report of the effect of such ac-  
12                  tivities in relation to the objectives of such  
13                  activities.

14                  “(2) INFORMATION.—Each public library receiv-  
15                  ing assistance under section 243 shall submit to the  
16                  State library administrative agency such information  
17                  as such agency may require to meet the requirements  
18                  of paragraph (1)(D).

19                  **“SEC. 252. STATE ADVISORY COUNCILS.**

20                  “(a) COUNCILS REQUIRED.—Each State desiring as-  
21                  sistance under this subtitle shall establish a State advisory  
22                  council.

23                  “(b) COMPOSITION.—Each State advisory council shall  
24                  be broadly representative of the library entities in the State,  
25                  including public, school, academic, special, and institu-

1 *tional libraries, and libraries serving individuals with dis-*  
2 *abilities.*

3 “(c) *DUTIES.*—*Each State advisory council shall—*

4 “(1) *consult with the State library administra-*  
5 *tive agency regarding the development of the State*  
6 *plan;*

7 “(2) *advise the State library administrative*  
8 *agency on the development of, and policy matters*  
9 *arising in the administration of, the State plan, in-*  
10 *cluding mechanisms for evaluation;*

11 “(3) *assist the State library administrative*  
12 *agency in—*

13 “(A) *the dissemination of information re-*  
14 *garding activities assisted under this subtitle;*  
15 *and*

16 “(B) *the evaluation of activities assisted*  
17 *under this subtitle; and*

18 “(4) *establish bylaws to carry out such council’s*  
19 *duties under this subsection.*

20 **“Subchapter B—Federal Requirements**

21 **“SEC. 261. SERVICES FOR INDIAN TRIBES.**

22 “(a) *GRANTS AUTHORIZED.*—*From amounts reserved*  
23 *under section 221(a)(1) for any fiscal year the Director*  
24 *shall award grants to organizations primarily serving and*  
25 *representing Indian tribes to enable such organizations to*

1 *carry out the authorized activities described in subsection*  
2 *(b).*

3       “(b) *AUTHORIZED ACTIVITIES.*—*Grant funds awarded*  
4 *under this section may be used for—*

5           “(1) *inservice or preservice training of Indians*  
6 *as library personnel;*

7           “(2) *the purchase of library materials;*

8           “(3) *the conduct of special library programs for*  
9 *Indians;*

10          “(4) *salaries of library personnel;*

11          “(5) *transportation to enable Indians to have ac-*  
12 *cess to library services;*

13          “(6) *dissemination of information about library*  
14 *services;*

15          “(7) *assessment of tribal library needs; and*

16          “(8) *contracts to provide public library services*  
17 *to Indians living on or near reservations or to accom-*  
18 *plish any activities described in paragraphs (1)*  
19 *through (7).*

20       “(c) *PROHIBITION.*—*No funds shall be awarded pursu-*  
21 *ant to this section unless such funds will be administered*  
22 *by a librarian.*

23       “(d) *DUPLICATION.*—*In awarding grants under this*  
24 *section, the Director shall take such actions as may be nec-*  
25 *essary to prevent the grant funds provided under this sec-*

1 *tion from being received by any 2 or more entities to serve*  
2 *the same population.*

3       “(e) *MAINTENANCE OF EFFORT.*—Each organization  
4 *that receives a grant under this section and supports a pub-*  
5 *lic library system shall continue to expend from Federal,*  
6 *State, and local sources an amount not less than the*  
7 *amount expended by such organization from such sources*  
8 *for public library services during the second fiscal year pre-*  
9 *ceding the fiscal year for which the determination is made.*

10       “(f) *CONSTRUCTION.*—Nothing in this section shall be  
11 *construed to prohibit the dissemination of restricted collec-*  
12 *tions of tribal cultural materials with funds made available*  
13 *under this section.*

14       “(g) *APPLICATION.*—

15               “(1) *IN GENERAL.*—Any organization which de-  
16 *sires to receive a grant under this section shall submit*  
17 *an application to the Director that—*

18                       “(A) *describes the activities and services for*  
19 *which assistance is sought; and*

20                       “(B) *contains such information as the Di-*  
21 *rector may require by regulation.*

22       “(2) *CRITERIA.*—The Director shall issue criteria  
23 *for the approval of applications under this section,*  
24 *but such criteria shall not include—*

25                       “(A) *an allotment formula; or*

1                   “(B) a matching of funds requirement.

2   **“SEC. 262. NATIONAL LEADERSHIP PROGRAM.**

3           “(a) *IN GENERAL.*—From the amounts reserved under  
4 *section 221(a)(2) for any fiscal year the Director shall es-*  
5 *tablish and carry out a program of national leadership and*  
6 *evaluation activities to enhance the quality of library serv-*  
7 *ices nationwide. Such activities may include—*

8                   “(1) *education and training of persons in li-*  
9 *brary and information science, particularly in areas*  
10 *of new technology and other critical needs, including*  
11 *graduate fellowships, traineeships, institutes, or other*  
12 *programs;*

13                   “(2) *research and demonstration projects related*  
14 *to the improvement of libraries, education in library*  
15 *and information science, enhancement of library serv-*  
16 *ices through effective and efficient use of new tech-*  
17 *nologies, and dissemination of information derived*  
18 *from such projects; and*

19                   “(3) *preservation or digitization of library mate-*  
20 *rials and resources, giving priority to projects empha-*  
21 *sizing coordination, avoidance of duplication, and ac-*  
22 *cess by researchers beyond the institution or library*  
23 *entity undertaking the project.*

24           “(b) *GRANTS OR CONTRACTS.*—

1           “(1) *IN GENERAL.*—The Director may carry out  
2           the activities described in subsection (a) by awarding  
3           grants to, or entering into contracts with, library en-  
4           tities, agencies, or institutions of higher education.

5           “(2) *COMPETITIVE BASIS.*—Grants and contracts  
6           described in paragraph (1) shall be awarded on a  
7           competitive basis.

8           “(c) *SPECIAL RULE.*—The Director, with policy advice  
9           from the Museum Board shall make every effort to ensure  
10          that activities assisted under this section are administered  
11          by appropriate library and information services profes-  
12          sionals or experts and science professionals or experts.

13          **“SEC. 263. STATE AND LOCAL INITIATIVES.**

14          “Nothing in this subtitle shall be construed to interfere  
15          with State and local initiatives and responsibility in the  
16          conduct of library services. The administration of libraries,  
17          the selection of personnel and library books and materials,  
18          and insofar as consistent with the purposes of this subtitle,  
19          the determination of the best uses of the funds provided  
20          under this subtitle, shall be reserved to the States and their  
21          local subdivisions.

22          **“Subtitle C—Museum Services**

23          **“SEC. 271. PURPOSE.**

24          “It is the purpose of this subtitle—

1           “(1) to encourage and assist museums in their  
2           educational role, in conjunction with formal systems  
3           of elementary, secondary, and postsecondary edu-  
4           cation and with programs of nonformal education for  
5           all age groups;

6           “(2) to assist museums in modernizing their  
7           methods and facilities so that the museums may be  
8           better able to conserve the cultural, historic, and sci-  
9           entific heritage of the United States; and

10           “(3) to ease the financial burden borne by muse-  
11           ums as a result of their increasing use by the public.

12   **“SEC. 272. DEFINITIONS.**

13           “*As used in this subtitle, the term ‘museum’ means a*  
14           *public or private nonprofit agency or institution organized*  
15           *on a permanent basis for essentially educational or aes-*  
16           *thetic purposes, that utilizes a professional staff, owns or*  
17           *utilizes tangible objects, cares for the tangible objects, and*  
18           *exhibits the tangible objects to the public on a regular basis.*

19   **“SEC. 273. MUSEUM SERVICES ACTIVITIES.**

20           “(a) *GRANTS.—The Director, subject to the policy di-*  
21           *rection of the Museum Board, may make grants to museums*  
22           *to pay for the Federal share of the cost of increasing and*  
23           *improving museum services, through such activities as—*

1           “(1) programs to enable museums to construct or  
2           install displays, interpretations, and exhibitions in  
3           order to improve museum services to the public;

4           “(2) assisting museums in developing and main-  
5           taining professionally trained or otherwise experi-  
6           enced staff to meet their needs;

7           “(3) assisting museums in meeting their admin-  
8           istrative costs in preserving and maintaining their  
9           collections, exhibiting the collections to the public, and  
10          providing educational programs to the public through  
11          the use of the collections;

12          “(4) assisting museums in cooperating with each  
13          other in developing traveling exhibitions, meeting  
14          transportation costs, and identifying and locating col-  
15          lections available for loan;

16          “(5) assisting museums in conservation of their  
17          collections; and

18          “(6) developing and carrying out specialized  
19          programs for specific segments of the public, such as  
20          programs for urban neighborhoods, rural areas, In-  
21          dian reservations, and penal and other State institu-  
22          tions.

23          “(b) *CONTRACTS AND COOPERATIVE AGREEMENTS.*—

24                 “(1) *PROJECTS TO STRENGTHEN MUSEUM SERV-*  
25                 *ICES.*—The Director, subject to the policy direction of

1     *the Museum Board, is authorized to enter into con-*  
2     *tracts and cooperative agreements with appropriate*  
3     *entities to pay for the Federal share of enabling the*  
4     *entities to undertake projects designed to strengthen*  
5     *museum services, except that any contracts or cooper-*  
6     *ative agreements entered into pursuant to this sub-*  
7     *section shall be effective only to such extent or in such*  
8     *amounts as are provided in appropriations Acts.*

9             “(2) *LIMITATION ON AMOUNT.*—*The aggregate*  
10     *amount of financial assistance made available under*  
11     *this subsection for a fiscal year shall not exceed 15*  
12     *percent of the amount appropriated under this sub-*  
13     *title for such fiscal year.*

14             “(3) *OPERATIONAL EXPENSES.*—*No financial as-*  
15     *istance may be provided under this subsection to pay*  
16     *for operational expenses.*

17             “(c) *FEDERAL SHARE.*—

18                 “(1) *50 PERCENT.*—*Except as provided in para-*  
19     *graph (2), the Federal share described in subsections*  
20     *(a) and (b) shall be not more than 50 percent.*

21                 “(2) *100 PERCENT.*—*The Director may use not*  
22     *more than 20 percent of the funds made available*  
23     *under this section for a fiscal year to make grants*  
24     *under subsection (a), or enter into contracts or agree-*

1        *ments under subsection (b), for which the Federal*  
2        *share may be 100 percent.*

3        *“(d) REVIEW AND EVALUATION.—The Director shall*  
4        *establish procedures for reviewing and evaluating grants,*  
5        *contracts, and cooperative agreements made or entered into*  
6        *under this section. Procedures for reviewing grant applica-*  
7        *tions or contracts and cooperative agreements for financial*  
8        *assistance under this section shall not be subject to any re-*  
9        *view outside of the Institute.*

10        **“SEC. 274. ASSESSMENTS.**

11        *“(a) IN GENERAL.—The Director, subject to the policy*  
12        *direction of the Museum Board and in consultation with*  
13        *appropriate representatives of museums and other types of*  
14        *community institutions, agencies, and organizations, shall*  
15        *undertake an assessment of the collaborative possibilities*  
16        *museums can engage in to serve the public more broadly*  
17        *and effectively.*

18        *“(b) CONTENTS.—The assessment shall include—*

19                *“(1) an investigation of opportunities to estab-*  
20                *lish collaborative programs between museums within*  
21                *a community, including an investigation of the role*  
22                *that larger institutions can play as mentors to small-*  
23                *er institutions;*

1           “(2) an investigation of opportunities to estab-  
2           lish collaborative programs between museums and  
3           community organizations;

4           “(3) an investigation of the potential for collabo-  
5           ration between museums on technology issues to reach  
6           a broader audience; and

7           “(4) an investigation of opportunities for muse-  
8           ums to work with each other and with other commu-  
9           nity resources to serve the public better and to coordi-  
10          nate professional and financial development activi-  
11          ties.

12          “(c) *LIMITATION.*—This section shall not apply in any  
13          fiscal year for which the amount appropriated under sec-  
14          tion 277(a) is less than \$28,700,000.

15          **“SEC. 275. AWARD.**

16          “The Director, with the advice of the Museum Board,  
17          may annually award a National Award for Museum Serv-  
18          ice to outstanding museums that have made significant con-  
19          tributions in service to their communities.

20          **“SEC. 276. NATIONAL MUSEUM SERVICES BOARD.**

21          “(a) *ESTABLISHMENT.*—There is established in the In-  
22          stitute a National Museum Services Board.

23          “(b) *COMPOSITION AND QUALIFICATIONS.*—

24                  “(1) *COMPOSITION.*—The Museum Board shall  
25          consist of the Director and 14 members appointed by

1       *the President, by and with the advice and consent of*  
2       *the Senate.*

3               “(2) *QUALIFICATIONS.*—*The appointive members*  
4       *of the Museum Board shall be selected from among*  
5       *citizens of the United States—*

6                       “(A) *who are members of the general public;*

7                       “(B) *who are or have been affiliated with—*

8                               “(i) *resources that, collectively, are*  
9                               *broadly representative of the curatorial,*  
10                              *conservation, educational, and cultural re-*  
11                              *sources of the United States; and*

12                             “(ii) *museums that, collectively, are*  
13                             *broadly representative of various types of*  
14                             *museums, including museums relating to*  
15                             *science, history, technology, and art, zoos,*  
16                             *and botanical gardens; and*

17                       “(C) *who are recognized for their broad*  
18                       *knowledge, expertise, or experience in museums*  
19                       *or commitment to museums.*

20               “(3) *GEOGRAPHIC AND OTHER REPRESENTA-*  
21       *TION.*—*Members of the Museum Board shall be ap-*  
22       *pointed to reflect persons from various geographic re-*  
23       *gions of the United States. The Museum Board may*  
24       *not include, at any time, more than 3 members from*  
25       *a single State. In making such appointments, the*

1 *President shall give due regard to equitable represen-*  
2 *tation of women, minorities, and persons with dis-*  
3 *abilities who are involved with museums.*

4 *“(c) TERMS.—*

5 *“(1) IN GENERAL.—Each appointive member of*  
6 *the Museum Board shall serve for a term of 5 years,*  
7 *except that—*

8 *“(A) of the members first appointed, 3 shall*  
9 *serve for terms of 5 years, 3 shall serve for terms*  
10 *of 4 years, 3 shall serve for terms of 3 years, 3*  
11 *shall serve for terms of 2 years, and 2 shall serve*  
12 *for terms of 1 year, as designated by the Presi-*  
13 *dent at the time of nomination for appointment;*  
14 *and*

15 *“(B) any member appointed to fill a va-*  
16 *cancy shall serve for the remainder of the term*  
17 *for which the predecessor of the member was ap-*  
18 *pointed.*

19 *“(2) REAPPOINTMENT.—No member of the Mu-*  
20 *seum Board who has been a member for more than*  
21 *7 consecutive years shall be eligible for reappoint-*  
22 *ment.*

23 *“(3) SERVICE UNTIL SUCCESSOR TAKES OF-*  
24 *FICE.—Notwithstanding any other provision of this*  
25 *subsection, a member shall serve after the expiration*

1       *of the term of the member until the successor to the*  
2       *member takes office.*

3       “(d) *DUTIES AND POWERS.*—*The Museum Board shall*  
4       *have the responsibility for general policies with respect to*  
5       *the duties, powers, and authorities vested in the Institute*  
6       *relating to museum services, including general policies with*  
7       *respect to—*

8               “(1) *financial assistance awarded under this*  
9       *title for museum services;*

10              “(2) *projects described in section 204(c)(2); and*

11              “(3) *measures to ensure that the policies and ac-*  
12       *tivities of the Institute for Museum and Library Serv-*  
13       *ices are coordinated with other activities of the Fed-*  
14       *eral Government.*

15       “(e) *CHAIRPERSON.*—*The President shall designate 1*  
16       *of the appointive members of the Museum Board as Chair-*  
17       *person of the Museum Board.*

18       “(f) *MEETINGS.*—

19              “(1) *IN GENERAL.*—*The Museum Board shall*  
20       *meet—*

21                      “(A) *not less than 3 times each year, in-*  
22       *cluding—*

23                              “(i) *not less than 2 times each year*  
24                              *separately; and*

1                   “(ii) not less than 1 time each year in  
2                   a joint meeting with the Commission, con-  
3                   vened for purposes of making general poli-  
4                   cies with respect to financial assistance for  
5                   projects described in section 204(c)(2); and  
6                   “(B) at the call of the Director.

7                   “(2) VOTE.—All decisions by the Museum Board  
8                   with respect to the exercise of the duties and powers  
9                   of the Museum Board shall be made by a majority  
10                  vote of the members of the Museum Board who are  
11                  present. All decisions by the Commission and the Mu-  
12                  seum Board with respect to the policies described in  
13                  paragraph (1)(A)(ii) shall be made by a  $\frac{2}{3}$  majority  
14                  vote of the total number of the members of the Com-  
15                  mission and the Museum Board who are present.

16                  “(g) QUORUM.—A majority of the members of the Mu-  
17                  seum Board shall constitute a quorum for the conduct of  
18                  business at official meetings of the Museum Board, but a  
19                  lesser number of members may hold hearings. A majority  
20                  of the members of the Commission and a majority of the  
21                  members of the Museum Board shall constitute a quorum  
22                  for the conduct of business at official joint meetings of the  
23                  Commission and the Museum Board.

24                  “(h) COMPENSATION AND TRAVEL EXPENSES.—

1           “(1) *COMPENSATION.*—Each member of the Mu-  
2           seum Board who is not an officer or employee of the  
3           Federal Government shall be compensated at a rate to  
4           be fixed by the President, but not to exceed the daily  
5           equivalent of the maximum rate authorized for a po-  
6           sition above grade GS-15 of the General Schedule  
7           under section 5108 of title 5, United States Code, for  
8           each day (including travel time) during which such  
9           member is engaged in the performance of the duties  
10          of the Museum Board. All members of the Museum  
11          Board who are officers or employees of the Federal  
12          Government shall serve without compensation in ad-  
13          dition to compensation received for their services as  
14          officers or employees of the Federal Government.

15          “(2) *TRAVEL EXPENSES.*—The members of the  
16          Museum Board shall be allowed travel expenses, in-  
17          cluding per diem in lieu of subsistence, in the same  
18          amounts and to the same extent, as authorized under  
19          section 5703 of title 5, United States Code, for per-  
20          sons employed intermittently in Federal Government  
21          service.

22          “(i) *COORDINATION.*—The Museum Board, with the  
23          advice of the Director, shall take steps to ensure that the  
24          policies and activities of the Institute are coordinated with  
25          other activities of the Federal Government.

1 **“SEC. 277. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) *GRANTS.*—For the purpose of carrying out this  
3 subtitle, there are authorized to be appropriated to the Di-  
4 rector \$28,700,000 for the fiscal year 1996, and such sums  
5 as may be necessary for each of the fiscal years 1997  
6 through 2000.

7 “(b) *ADMINISTRATION.*—Not more than 10 percent of  
8 the funds appropriated under this section for a fiscal year  
9 may be used to pay for the administrative costs of carrying  
10 out this subtitle.

11 “(c) *JOINT PROJECTS.*—Not less than 5 percent and  
12 not more than 7 percent of the funds appropriated under  
13 this section for a fiscal year may be made available for  
14 projects described in section 204(c)(2) for the fiscal year.

15 “(d) *SUMS REMAINING AVAILABLE.*—Sums appro-  
16 priated pursuant to subsection (a) for any fiscal year shall  
17 remain available for obligation until expended.”.

18 **SEC. 302. NATIONAL COMMISSION ON LIBRARIES AND IN-**  
19 **FORMATION SCIENCE.**

20 (a) *FUNCTIONS.*—Section 5 of the National Commis-  
21 sion on Libraries and Information Science Act (20 U.S.C.  
22 1504) is amended—

23 (1) by redesignating subsections (b) through (d)  
24 as subsections (d) through (f), respectively; and

25 (2) by inserting after subsection (a) the follow-  
26 ing:

1       “(b) The Commission shall have the responsibility to  
2 advise the Director of the Institute of Museum and Library  
3 Services on general policies with respect to the duties and  
4 powers vested in the Institute of Museum and Library Serv-  
5 ices relating to library services, including—

6               “(1) general policies with respect to—

7                       “(A) financial assistance awarded under the  
8 Museum and Library Services Act for library  
9 services; and

10                      “(B) projects described in section 204(c)(2)  
11 of such Act; and

12               “(2) measures to ensure that the policies and ac-  
13 tivities of the Institute of Museum and Library Serv-  
14 ices are coordinated with other activities of the Fed-  
15 eral Government.

16       “(c)(1) The Commission shall meet not less than 1 time  
17 each year in a joint meeting with the National Museum  
18 Services Board, convened for purposes of providing advice  
19 on general policy with respect to financial assistance for  
20 projects described in section 204(c)(2) of such Act.

21               “(2) All decisions by the Commission and the National  
22 Museum Services Board with respect to the advice on gen-  
23 eral policy described in paragraph (1) shall be made by  
24 a  $\frac{2}{3}$  majority vote of the total number of the members of

1 *the Commission and the National Museum Services Board*  
2 *who are present.*

3       “(3) *A majority of the members of the Commission and*  
4 *a majority of the members of the National Museum Services*  
5 *Board shall constitute a quorum for the conduct of business*  
6 *at official joint meetings of the Commission and the Na-*  
7 *tional Museum Services Board.”.*

8       **(b) MEMBERSHIP.**—*Section 6 of the National Commis-*  
9 *sion on Libraries and Information Science Act (20 U.S.C.*  
10 *1505) is amended—*

11           **(1) in subsection (a)—**

12                   **(A) in the first sentence, by striking “Li-**  
13 *brarian of Congress” and inserting “Librarian*  
14 *of Congress, the Director of the Institute of Mu-*  
15 *seum and Library Services (who shall serve as*  
16 *an ex officio, nonvoting member),”;*

17                   **(B) in the second sentence—**

18                           **(i) by striking “special competence or**  
19 *interest in” and inserting “special com-*  
20 *petence in or knowledge of; and*

21                           **(ii) by inserting before the period the**  
22 *following: “and at least one other of whom*  
23 *shall be knowledgeable with respect to the li-*  
24 *brary and information service and science*  
25 *needs of the elderly”;*

1           (C) in the third sentence, by inserting “ap-  
2           pointive” before “members”; and

3           (D) in the last sentence, by striking “term  
4           and at least” and all that follows and inserting  
5           “term.”; and

6           (2) in subsection (b), by striking “the rate speci-  
7           fied” and all that follows through “and while” and  
8           inserting “the daily equivalent of the maximum rate  
9           authorized for a position above grade GS-15 of the  
10          General Schedule under section 5108 of title 5, United  
11          States Code, for each day (including traveltime) dur-  
12          ing which the members are engaged in the business of  
13          the Commission. While”.

14 **SEC. 303. TRANSFER OF FUNCTIONS FROM INSTITUTE OF**  
15 **MUSEUM SERVICES.**

16          (a) *DEFINITIONS.*—For purposes of this section, unless  
17 otherwise provided or indicated by the context—

18           (1) the term “Federal agency” has the meaning  
19 given to the term “agency” by section 551(1) of title  
20 5, United States Code;

21           (2) the term “function” means any duty, obliga-  
22 tion, power, authority, responsibility, right, privilege,  
23 activity, or program; and

1           (3) the term “office” includes any office, admin-  
2           istration, agency, institute, unit, organizational en-  
3           tity, or component thereof.

4           (b) *TRANSFER OF FUNCTIONS.*—There are transferred  
5           to the Institute of Museum and Library Services established  
6           under section 203 of the Museum and Library Services Act  
7           all functions that the Director of the Institute of Museum  
8           Services exercised before the date of enactment of this section  
9           (including all related functions of any officer or employee  
10          of the Institute of Museum Services).

11          (c) *DETERMINATIONS OF CERTAIN FUNCTIONS BY THE*  
12          *OFFICE OF MANAGEMENT AND BUDGET.*—If necessary, the  
13          Office of Management and Budget shall make any deter-  
14          mination of the functions that are transferred under sub-  
15          section (b).

16          (d) *DELEGATION AND ASSIGNMENT.*—Except where  
17          otherwise expressly prohibited by law or otherwise provided  
18          by this section, the Director of the Institute of Museum and  
19          Library Services may delegate any of the functions trans-  
20          ferred to the Director of the Institute of Museum and Li-  
21          brary Services by this section and any function transferred  
22          or granted to such Director of the Institute of Museum and  
23          Library Services after the effective date of this section to  
24          such officers and employees of the Institute of Museum and  
25          Library Services as the Director of the Institute of Museum

1 *and Library Services may designate, and may authorize*  
2 *successive redelegations of such functions as may be nec-*  
3 *essary or appropriate. No delegation of functions by the Di-*  
4 *rector of the Institute of Museum and Library Services*  
5 *under this section or under any other provision of this sec-*  
6 *tion shall relieve such Director of the Institute of Museum*  
7 *and Library Services of responsibility for the administra-*  
8 *tion of such functions.*

9       *(e) REORGANIZATION.—The Director of the Institute of*  
10 *Museum and Library Services may allocate or reallocate*  
11 *any function transferred under subsection (b) among the*  
12 *officers of the Institute of Museum and Library Services,*  
13 *and may establish, consolidate, alter, or discontinue such*  
14 *organizational entities in the Institute of Museum and Li-*  
15 *brary Services as may be necessary or appropriate.*

16       *(f) RULES.—The Director of the Institute of Museum*  
17 *and Library Services may prescribe, in accordance with*  
18 *chapters 5 and 6 of title 5, United States Code, such rules*  
19 *and regulations as the Director of the Institute of Museum*  
20 *and Library Services determines to be necessary or appro-*  
21 *priate to administer and manage the functions of the Insti-*  
22 *tute of Museum and Library Services.*

23       *(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS*  
24 *AND PERSONNEL.—Except as otherwise provided in this*  
25 *section, the personnel employed in connection with, and the*

1 *assets, liabilities, contracts, property, records, and unex-*  
2 *pended balances of appropriations, authorizations, alloca-*  
3 *tions, and other funds employed, used, held, arising from,*  
4 *available to, or to be made available in connection with*  
5 *the functions transferred by this section, subject to section*  
6 *1531 of title 31, United States Code, shall be transferred*  
7 *to the Institute of Museum and Library Services. Unex-*  
8 *pended funds transferred pursuant to this subsection shall*  
9 *be used only for the purposes for which the funds were origi-*  
10 *nally authorized and appropriated.*

11 *(h) INCIDENTAL TRANSFERS.—The Director of the Of-*  
12 *fice of Management and Budget, at such time or times as*  
13 *the Director shall provide, may make such determinations*  
14 *as may be necessary with regard to the functions transferred*  
15 *by this section, and make such additional incidental dis-*  
16 *positions of personnel, assets, liabilities, grants, contracts,*  
17 *property, records, and unexpended balances of appropria-*  
18 *tions, authorizations, allocations, and other funds held,*  
19 *used, arising from, available to, or to be made available*  
20 *in connection with such functions, as may be necessary to*  
21 *carry out this section. The Director of the Office of Manage-*  
22 *ment and Budget shall provide for the termination of the*  
23 *affairs of all entities terminated by this section and for such*  
24 *further measures and dispositions as may be necessary to*  
25 *effectuate the purposes of this section.*

1       (i) *EFFECT ON PERSONNEL.*—

2             (1) *IN GENERAL.*—*Except as otherwise provided*  
3 *by this section, the transfer pursuant to this section*  
4 *of full-time personnel (except special Government em-*  
5 *ployees) and part-time personnel holding permanent*  
6 *positions shall not cause any such employee to be sep-*  
7 *arated or reduced in grade or compensation for 1*  
8 *year after the date of transfer of such employee under*  
9 *this section.*

10            (2) *EXECUTIVE SCHEDULE POSITIONS.*—*Except*  
11 *as otherwise provided in this section, any person who,*  
12 *on the day preceding the effective date of this section,*  
13 *held a position compensated in accordance with the*  
14 *Executive Schedule prescribed in chapter 53 of title 5,*  
15 *United States Code, and who, without a break in*  
16 *service, is appointed in the Institute of Museum and*  
17 *Library Services to a position having duties com-*  
18 *parable to the duties performed immediately preced-*  
19 *ing such appointment shall continue to be com-*  
20 *pensated in such new position at not less than the*  
21 *rate provided for such previous position, for the dura-*  
22 *tion of the service of such person in such new posi-*  
23 *tion.*

24       (j) *SAVINGS PROVISIONS.*—

1           (1) *CONTINUING EFFECT OF LEGAL DOCU-*  
2           *MENTS.—All orders, determinations, rules, regula-*  
3           *tions, permits, agreements, grants, contracts, certifi-*  
4           *cates, licenses, registrations, privileges, and other ad-*  
5           *ministrative actions—*

6                     (A) *that have been issued, made, granted, or*  
7                     *allowed to become effective by the President, any*  
8                     *Federal agency or official of a Federal agency, or*  
9                     *by a court of competent jurisdiction, in the per-*  
10                    *formance of functions that are transferred under*  
11                    *this section; and*

12                    (B) *that were in effect before the effective*  
13                    *date of this section, or were final before the effec-*  
14                    *tive date of this section and are to become effec-*  
15                    *tive on or after the effective date of this section;*  
16                    *shall continue in effect according to their terms until*  
17                    *modified, terminated, superseded, set aside, or revoked*  
18                    *in accordance with law by the President, the Director*  
19                    *of the Institute of Museum and Library Services or*  
20                    *other authorized official, a court of competent juris-*  
21                    *isdiction, or by operation of law.*

22           (2) *PROCEEDINGS NOT AFFECTED.—This section*  
23           *shall not affect any proceedings, including notices of*  
24           *proposed rulemaking, or any application for any li-*  
25           *cence, permit, certificate, or financial assistance*

1     *pending before the Institute of Museum Services on*  
2     *the effective date of this section, with respect to func-*  
3     *tions transferred by this section. Such proceedings*  
4     *and applications shall be continued. Orders shall be*  
5     *issued in such proceedings, appeals shall be taken*  
6     *from the orders, and payments shall be made pursu-*  
7     *ant to the orders, as if this section had not been en-*  
8     *acted, and orders issued in any such proceedings shall*  
9     *continue in effect until modified, terminated, super-*  
10    *seded, or revoked by a duly authorized official, by a*  
11    *court of competent jurisdiction, or by operation of*  
12    *law. Nothing in this paragraph shall be construed to*  
13    *prohibit the discontinuance or modification of any*  
14    *such proceeding under the same terms and conditions*  
15    *and to the same extent that such proceeding could*  
16    *have been discontinued or modified if this section had*  
17    *not been enacted.*

18           (3) *SUITS NOT AFFECTED.—This section shall*  
19    *not affect suits commenced before the effective date of*  
20    *this section, and in all such suits, proceedings shall*  
21    *be had, appeals taken, and judgments rendered in the*  
22    *same manner and with the same effect as if this sec-*  
23    *tion had not been enacted.*

24           (4) *NONABATEMENT OF ACTIONS.—No suit, ac-*  
25    *tion, or other proceeding commenced by or against the*

1     *Institute of Museum Services, or by or against any*  
2     *individual in the official capacity of such individual*  
3     *as an officer of the Institute of Museum Services, shall*  
4     *abate by reason of the enactment of this section.*

5             (5) *ADMINISTRATIVE ACTIONS RELATING TO PRO-*  
6     *MULGATION OF REGULATIONS.—Any administrative*  
7     *action relating to the preparation or promulgation of*  
8     *a regulation by the Institute of Museum Services re-*  
9     *lating to a function transferred under this section*  
10    *may be continued by the Institute of Museum and Li-*  
11    *brary Services with the same effect as if this section*  
12    *had not been enacted.*

13            (k) *TRANSITION.—The Director of the Institute of Mu-*  
14    *seum and Library Services may utilize—*

15                (1) *the services of such officers, employees, and*  
16     *other personnel of the Institute of Museum Services*  
17     *with respect to functions transferred to the Institute*  
18     *of Museum and Library Services by this section; and*

19                (2) *funds appropriated to such functions for such*  
20     *period of time as may reasonably be needed to facili-*  
21     *tate the orderly implementation of this section.*

22            (l) *REFERENCES.—A reference in any other Federal*  
23    *law, Executive order, rule, regulation, or delegation of au-*  
24    *thority, or any document of or relating to—*

1           (1) *the Director of the Institute of Museum Serv-*  
2 *ices with regard to functions transferred under sub-*  
3 *section (b), shall be deemed to refer to the Director of*  
4 *the Institute of Museum and Library Services; and*

5           (2) *the Institute of Museum Services with regard*  
6 *to functions transferred under subsection (b), shall be*  
7 *deemed to refer to the Institute of Museum and Li-*  
8 *brary Services.*

9           (m) *ADDITIONAL CONFORMING AMENDMENTS.—*

10           (1) *RECOMMENDED LEGISLATION.—After con-*  
11 *sultation with the appropriate committees of Congress*  
12 *and the Director of the Office of Management and*  
13 *Budget, the Director of the Institute of Museum and*  
14 *Library Services shall prepare and submit to the ap-*  
15 *propriate committees of Congress recommended legis-*  
16 *lation containing technical and conforming amend-*  
17 *ments to reflect the changes made by this section.*

18           (2) *SUBMISSION TO CONGRESS.—Not later than*  
19 *6 months after the effective date of this section, the*  
20 *Director of the Institute of Museum and Library*  
21 *Services shall submit to the appropriate committees of*  
22 *Congress the recommended legislation referred to*  
23 *under paragraph (1).*

1 **SEC. 304. SERVICE OF INDIVIDUALS SERVING ON DATE OF**  
2 **ENACTMENT.**

3 *Notwithstanding section 204 of the Museum and Li-*  
4 *brary Services Act, the individual who was appointed to*  
5 *the position of Director of the Institute of Museum Services*  
6 *under section 205 of the Museum Services Act (as such sec-*  
7 *tion was in effect on the day before the date of enactment*  
8 *of this Act) and who is serving in such position on the day*  
9 *before the date of enactment of this Act shall serve as the*  
10 *first Director of the Institute of Museum and Library Serv-*  
11 *ices under section 204 of the Museum and Library Services*  
12 *Act (as added by section 301 of this title), and shall serve*  
13 *at the pleasure of the President.*

14 **SEC. 305. CONSIDERATION.**

15 *Consistent with title 5, United States Code, in ap-*  
16 *pointing employees of the Office of Library Services, the Di-*  
17 *rector of the Institute of Museum and Library Services shall*  
18 *give strong consideration to individuals with experience in*  
19 *administering State-based and national library and infor-*  
20 *mation services programs.*

21 **SEC. 306. REPEALS AND TECHNICAL AND CONFORMING**  
22 **AMENDMENTS.**

23 (a) *REPEALS.*—

24 (1) *LIBRARY SERVICES AND CONSTRUCTION*  
25 *ACT.*—*The Library Services and Construction Act (20*  
26 *U.S.C. 351 et seq.) is repealed.*

1           (2) *HIGHER EDUCATION ACT OF 1965.—Title II*  
2           *of the Higher Education Act of 1965 (20 U.S.C. 1021*  
3           *et seq.) is repealed.*

4           (b) *REFERENCES TO LIBRARY SERVICES AND CON-*  
5           *STRUCTION ACT.—*

6           (1) *OMNIBUS EDUCATION RECONCILIATION ACT*  
7           *OF 1981.—Section 528 of the Omnibus Education Rec-*  
8           *onciliation Act of 1981 (20 U.S.C. 3489) is amend-*  
9           *ed—*

10                   (A) *by striking paragraph (12); and*

11                   (B) *by redesignating paragraphs (13)*  
12                   *through (15) as paragraphs (12) through (14),*  
13                   *respectively.*

14           (2) *ELEMENTARY AND SECONDARY EDUCATION*  
15           *ACT OF 1965.—Section 3113(10) of the Elementary*  
16           *and Secondary Education Act of 1965 (20 U.S.C.*  
17           *6813(10)) is amended by striking “section 3 of the Li-*  
18           *brary Services and Construction Act” and inserting*  
19           *“section 213(7) of the Library Services and Tech-*  
20           *nology Act”.*

21           (3) *COMMUNITY IMPROVEMENT VOLUNTEER ACT*  
22           *OF 1994.—Section 7305 of the Community Improve-*  
23           *ment Volunteer Act of 1994 (40 U.S.C. 276d-3) is*  
24           *amended—*

25                   (A) *by striking paragraph (1); and*

1           (B) by redesignating paragraphs (2)  
2           through (6) as paragraphs (1) through (5), re-  
3           spectively.

4           (4) APPALACHIAN REGIONAL DEVELOPMENT ACT  
5           OF 1965.—Section 214(c) of the Appalachian Regional  
6           Development Act of 1965 (40 U.S.C. App. 214(c)) is  
7           amended by striking “Library Services and Construc-  
8           tion Act;”.

9           (5) DEMONSTRATION CITIES AND METROPOLITAN  
10          DEVELOPMENT ACT OF 1966.—Section 208(2) of the  
11          Demonstration Cities and Metropolitan Development  
12          Act of 1966 (42 U.S.C. 3338(2)) is amended by strik-  
13          ing “title II of the Library Services and Construction  
14          Act;”.

15          (6) PUBLIC LAW 87-688.—Subsection (c) of the  
16          first section of the Act entitled “An Act to extend the  
17          application of certain laws to American Samoa”, ap-  
18          proved September 25, 1962 (48 U.S.C. 1666(c)) is  
19          amended by striking “the Library Services Act (70  
20          Stat. 293; 20 U.S.C. 351 et seq.),”.

21          (c) REFERENCES TO INSTITUTE OF MUSEUM SERV-  
22          ICES.—

23          (1) TITLE 5, UNITED STATES CODE.—Section  
24          5315 of title 5, United States Code, is amended by  
25          striking the following:

1           “*Director of the Institute of Museum Services.*”  
2           and inserting the following:

3           “*Director of the Institute of Museum and Li-*  
4           *brary Services.*”.

5           (2) *DEPARTMENT OF EDUCATION ORGANIZATION*  
6           *ACT.—Section 301 of the Department of Education*  
7           *Organization Act (20 U.S.C. 3441) is amended—*

8                   (A) *in subsection (a)—*

9                           (i) *by striking paragraph (5); and*

10                           (ii) *by redesignating paragraphs (6)*  
11                           *and (7) as paragraphs (5) and (6), respec-*  
12                           *tively; and*

13                   (B) *in subsection (b)—*

14                           (i) *by striking paragraph (4); and*

15                           (ii) *by redesignating paragraphs (5)*  
16                           *through (7) as paragraphs (4) through (6),*  
17                           *respectively.*

18           (3) *ELEMENTARY AND SECONDARY EDUCATION*  
19           *ACT OF 1965.—*

20                   (A) *Sections 2101(b), 2205(c)(1)(D),*  
21                   *2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and*  
22                   *subsections (d)(6) and (e)(2) of section 10401 of*  
23                   *the Elementary and Secondary Education Act of*  
24                   *1965 (20 U.S.C. 6621(b), 6645(c)(1)(D),*  
25                   *6648(d)(1)(H)(v), 6649(b)(1)(C)(vi), and 8091*

1           (d)(6) and (e)(2)) are amended by striking “the  
2           Institute of Museum Services” and inserting “the  
3           Institute of Museum and Library Services”.

4           (B) Section 10412(b) of such Act (20 U.S.C.  
5           8102(b)) is amended—

6                   (i) in paragraph (2), by striking “the  
7           Director of the Institute of Museum Serv-  
8           ices,” and inserting “the Director of the In-  
9           stitute of Museum and Library Services,”;  
10           and

11                   (ii) in paragraph (7), by striking “the  
12           Director of the Institute of Museum Serv-  
13           ices,” and inserting “the Director of the In-  
14           stitute of Museum and Library Services,”.

15           (C) Section 10414(a)(2)(B) of such Act (20  
16           U.S.C. 8104(a)(2)(B)) is amended by striking  
17           clause (iii) and inserting the following new  
18           clause:

19                   “(iii) the Institute of Museum and Li-  
20           brary Services.”.

21           (d) REFERENCES TO HIGHER EDUCATION ACT OF  
22           1965.—

23                   (1) HIGHER EDUCATION ACT OF 1965.—Para-  
24           graph (2) of section 356(b) of the Higher Education

1     *Act of 1965 (20 U.S.C. 1069b(b)) is amended by strik-*  
2     *ing “II.”*

3             (2) *HIGHER EDUCATION AMENDMENTS OF*  
4     *1986.—Part D of title XIII of the Higher Education*  
5     *Amendments of 1986 (20 U.S.C. 1029 note) is re-*  
6     *pealed.*

7             (e) *REFERENCES TO OFFICE OF LIBRARIES AND*  
8     *LEARNING RESOURCES.—*

9             (1) *EDUCATION AMENDMENTS OF 1974.—Section*  
10     *519 of the Education Amendments of 1974 (20 U.S.C.*  
11     *1221i) is repealed.*

12            (2) *DEPARTMENT OF EDUCATION ORGANIZATION*  
13     *ACT.—Section 413(b)(1) of the Department of Edu-*  
14     *cation Organization Act (20 U.S.C. 3473(b)(1)) is*  
15     *amended—*

16                     (A) *by striking subparagraph (H); and*

17                     (B) *by redesignating subparagraphs (I)*  
18                     *through (M) as subparagraphs (H) through (L),*  
19                     *respectively.*

20     **SEC. 307. ARTS AND ARTIFACTS.**

21             *The Arts and Artifacts Indemnity Act (20 U.S.C. 971*  
22     *et seq.) is amended to read as follows:*

23     **“SECTION 1. SHORT TITLE.**

24             *“This Act may be cited as the ‘Arts and Artifacts In-*  
25     *demnity Act’.*

1 **“SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTI-**  
2 **FACTS.**

3 *“The Director of the Institute of Museums and Library*  
4 *Services may enter into agreements to indemnify against*  
5 *loss or damage such items as may be eligible for such in-*  
6 *demnity agreements under section 3—*

7 *“(1) in accordance with the provisions of this*  
8 *Act; and*

9 *“(2) on such terms and conditions as the Direc-*  
10 *tor shall prescribe, by regulation, in order to achieve*  
11 *the objectives of this Act and, consistent with such ob-*  
12 *jectives, to protect the financial interest of the United*  
13 *States.*

14 **“SEC. 3. ELIGIBLE ITEMS.**

15 *“(a) TYPES OF ITEMS.—The Director may enter into*  
16 *an indemnity agreement under section 2 with respect to*  
17 *items—*

18 *“(1) that are—*

19 *“(A) works of art, including tapestries,*  
20 *paintings, sculpture, folk art, and graphics and*  
21 *craft arts;*

22 *“(B) manuscripts, rare documents, books, or*  
23 *other printed or published materials;*

24 *“(C) other artifacts or objects; or*

25 *“(D) photographs, motion pictures, or audio*  
26 *and video tape;*

1           “(2) that are of educational, cultural, historical,  
2           or scientific value; and

3           “(3) the exhibition of which is certified (where  
4           appropriate) by the Secretary of State or the designee  
5           of the Secretary of State as being in the national in-  
6           terest.

7           “(b) *ITEMS ON EXHIBITION.*—

8           “(1) *SCOPE.*—An indemnity agreement made  
9           under this Act shall cover eligible items while on exhi-  
10          bition, generally when the items are part of an ex-  
11          change of exhibitions. An item described in subsection  
12          (a) that is part of an exhibition that originates either  
13          in the United States or outside the United States and  
14          that is touring the United States shall be considered  
15          to be an eligible item.

16          “(2) *DEFINITION.*—For purposes of this sub-  
17          section, the term ‘on exhibition’ includes the period of  
18          time beginning on the date the eligible items leave the  
19          premises of the lender or place designated by the lend-  
20          er and ending on the date such items are returned to  
21          the premises of the lender or place designated by the  
22          lender.

23       **“SEC. 4. APPLICATIONS.**

24          “(a) *IN GENERAL.*—Any person, nonprofit agency, in-  
25          stitution, or government desiring to enter into an indem-

1 *nity agreement for eligible items under this Act shall submit*  
2 *an application to the Director at such time, in such manner*  
3 *and in accordance with such procedures, as the Director*  
4 *shall, by regulation, prescribe.*

5       “(b) *CONTENTS.*—*An application submitted under*  
6 *subsection (a) shall—*

7               “(1) *describe each item to be covered by the*  
8 *agreement (including an estimated value of such*  
9 *item);*

10              “(2) *show evidence that the item is an item de-*  
11 *scribed in section 3(a); and*

12              “(3) *set forth policies, procedures, techniques,*  
13 *and methods with respect to preparation for, and con-*  
14 *duct of, exhibition of the item, and any transpor-*  
15 *tation related to such item.*

16       “(c) *APPROVAL.*—*On receipt of an application under*  
17 *this section, the Director shall review the application as de-*  
18 *scribed in section 5 and, if the Director agrees with the esti-*  
19 *mated value described in the application and if such appli-*  
20 *cation conforms with the requirements of this Act, approve*  
21 *the application and enter into an indemnity agreement*  
22 *with the applicant under section 2. On such approval, the*  
23 *agreement shall constitute a contract between the Director*  
24 *and the applicant pledging the full faith and credit of the*  
25 *United States to pay any amount for which the Director*

1 *becomes liable under such agreement. The Director, for such*  
2 *purpose, is authorized to pledge the full faith and credit*  
3 *of the United States.*

4 ***“SEC. 5. INDEMNITY AGREEMENT.***

5 *“(a) REVIEW.—On receipt of an application meeting*  
6 *the requirements of subsections (a) and (b) of section 4, the*  
7 *Director shall review the estimated value of the items for*  
8 *which coverage by an indemnity agreement is sought.*

9 *“(b) AGGREGATE AMOUNT OF LOSS OR DAMAGE.—The*  
10 *aggregate amount of loss or damage covered by indemnity*  
11 *agreements made under this Act shall not exceed*  
12 *\$3,000,000,000, at any one time.*

13 *“(c) INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.—No*  
14 *indemnity agreement for a single exhibition shall cover loss*  
15 *or damage in excess of \$300,000,000.*

16 *“(d) EXTENT OF COVERAGE.—If the estimated value*  
17 *of the items covered by an indemnity agreement for a single*  
18 *exhibition is—*

19 *“(1) \$2,000,000 or less, then coverage under this*  
20 *Act shall extend only to loss or damage in excess of*  
21 *the first \$15,000 of loss or damage to the items cov-*  
22 *ered;*

23 *“(2) more than \$2,000,000 but less than*  
24 *\$10,000,000, then coverage under this Act shall extend*

1       *only to loss or damage in excess of the first \$25,000*  
2       *of loss or damage to the items covered;*

3           “(3) *not less than \$10,000,000 but less than*  
4       *\$125,000,000, then coverage under this Act shall ex-*  
5       *tend only to loss or damage in excess of the first*  
6       *\$50,000 of loss or damage to the items covered;*

7           “(4) *not less than \$125,000,000 but less than*  
8       *\$200,000,000, then coverage under this Act shall ex-*  
9       *tend only to loss or damage in excess of the first*  
10       *\$100,000 of loss or damage to the items covered; or*

11           “(5) *\$200,000,000 or more, then coverage under*  
12       *this Act shall extend only to loss or damage in excess*  
13       *of the first \$200,000 of loss or damage to the items*  
14       *covered.*

15       **“SEC. 6. REGULATIONS AND CERTIFICATION.**

16           “(a) *REGULATIONS.*—*The Director shall prescribe reg-*  
17       *ulations providing for prompt adjustment of valid claims*  
18       *for loss or damage to items that are covered by an agree-*  
19       *ment entered into pursuant to section 2, including provi-*  
20       *sion for arbitration of issues relating to the dollar value*  
21       *of damages involving less than total loss or destruction of*  
22       *such covered items.*

23           “(b) *CERTIFICATION.*—*In the case of a claim of loss*  
24       *or damage with respect to an item that is covered by an*  
25       *agreement entered into pursuant to section 2, the Director*

1 *shall certify the validity of the claim and the amount of*  
2 *the loss to the Speaker of the House of Representatives and*  
3 *the President pro tempore of the Senate.*

4 ***“SEC. 7. REPORT.***

5 *“The Director shall prepare, and submit at the end*  
6 *of each fiscal year to the appropriate committees of Con-*  
7 *gress, a report containing information on—*

8 *“(1) all claims paid pursuant to this Act during*  
9 *such year;*

10 *“(2) pending claims against the Director under*  
11 *this Act as of the end of such year; and*

12 *“(3) the aggregate face value of contracts entered*  
13 *into by the Director that are outstanding at the end*  
14 *of such year.*

15 ***“SEC. 8. AUTHORIZATION OF APPROPRIATIONS.***

16 *“There are authorized to be appropriated such sums*  
17 *as may be necessary—*

18 *“(1) to enable the Director to carry out the func-*  
19 *tions of the Director under this Act; and*

20 *“(2) to pay claims certified pursuant to section*  
21 *6(b).”.*

Amend the title so as to read: “An Act to consoli-  
date Federal employment training, vocational education,  
and adult education programs and create integrated

statewide workforce development systems, and for other purposes.”.

Attest:

*Secretary.*

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 1617**

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**AMENDMENTS**

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