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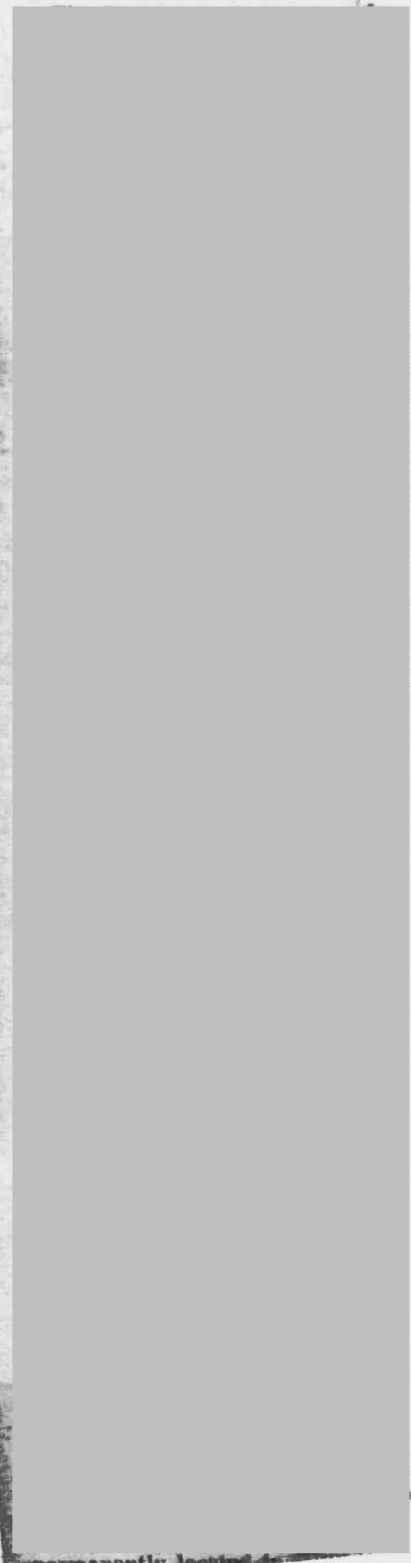
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OEO's End Is Voted By House

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THE WHITE HOUSE
WASHINGTON

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ESSENTIAL PROVISIONS OF H.R. 14449:

- 1) Repeals the Economic Opportunity Act of 1964, as amended, and
- 2) Abolishes the Office of Economic Opportunity in the Executive Office of the President.
- 3) Creates within HEW a new Community Action Administration (approximately comparable to the Social Security Administration). The new Administration would be headed by a Director, appointed by the President, confirmed by the Senate. He would be accountable only to the HEW Secretary.
- 4) Gives the new Administration in HEW jurisdiction over former OEO programs such as:
 - a) Community Action
 - b) Emergency Food and Medical Services
 - c) Summer Youth Sports
 - d) Senior Opportunities and Services
 - e) Consumer Training
 - f) Legal Services (pending legislative creation of a separate corporation)
- 5) Transfers OEO's Economic Development programs to the Department of Commerce (not Office of Minority Business Enterprise in Commerce as the Administration proposed.)
- 6) Affirms and legislatively transfers other OEO programs that had been administratively delegated to other agencies, e.g. Head Start.
- 7) Authorizes \$330 million for community action and other sums as necessary for other programs in Fiscal Year 1975 as well as whatever sums are necessary for FY '76 and FY '77.
- 8) Authorizes \$50 million for incentive grants to CAAs which can obtain dollar-for-dollar non-Federal matching funds. (Read: an incentive to make community action agencies public, i.e. an incentive to become part of city government, etc. over the next three years).
- 9) Establishes a new three-year Federal-local matching formula for community action at a ratio of 80-20 for FY '75; 70-30 in FY '76 and 60-40 in FY '77.



Senate Prospects

At the moment the only alternative to legislation mirroring House Committee action is a draft bill which Senator Javits has said he will introduce. That prospective bill is distinguished from 14449 in four major areas:

- 1) The Office of Economic Opportunity is maintained as an independent agency (although not within the Office of the President) but is renamed The Agency for Community Action and Community Economic Development.
- 2) The incentive program contained in 14449 is substantially increased. Under the Javits draft bill, in the third year the incentive program would reach \$400 million, vice \$50 million, and would not be 50-50. This program would contain a Federal/non-Federal matching provision of
 - (a) 80-20 in FY '75
 - (b) 75-25 in FY '76
 - (c) 70-30 in FY '77
- 3) The formula for the basic community action program would be as above in the incentive program, instead of the House Committee formula of 80-20, 70-30, and 60-40 for those respective fiscal years.
- 4) In 14449, Title VII (Community Economic Development) would be transferred to the Commerce Department whereas the Javits draft maintains those programs within the new independent agency but provides for the eventual spin-off to an independent corporation.



ANALYSIS OF GENERAL SUPPORT FOR COMMUNITY ACTION PROGRAMS

The major base of support for Community Action programs is at the community level and has little concern about the eventual home in the Federal structure. Conservatives such as Representative Quie, Governor Wallace, Governor Moore and others have combined to espouse the continuance of Community Action, while at the same time either falling silent on or even opposing OEO as a separate entity. This support has been translated into the endorsement of better than 40 governors, countless mayors headed by Richard Lugar, Richard Daley and Moon Landrieu, the National Conference of Governors, the U.S. Conference of Mayors, National League of Cities, the League of Women Voters; National Council of Catholic Women, AFL-CIO and other national interest groups.

Perhaps the best evidence of this widespread public support can be seen in the vote of Republicans on the House Committee. Eight Republicans (a majority) on that Committee (Bell, Steiger, Esch, Towell, Sarasin, Peyser, Forsythe, and Dellenback) voted for the bill over Quie's objections. The basic Republican thrust for a transfer to HEW came in a bill co-sponsored by Brown, Rupp and Esch; the two former having never been noted for their OEO support.

But perhaps more significant is that Al Quie has stated publicly that if the transfer to HEW is made under his terms, he will support the bill through the override of a Presidential veto.

LEGISLATIVE SUMMARY:

The natural constituency of the new federalism—elected officials—is overwhelmingly supportive of continued federal contributions to community services delivery agencies (read: Community Action Agencies). This support definitively negates the heretofore generally held assumption that these agencies were para or alternative governments and, therefore, anathematic to governors, mayors, commissioners, etc. etc. In 1974 this assumption is dated and generally without foundation. What was so in 1969 is just not so in 1974 and the course of Administration action should be alive to this significant turn-about. Elected public officials came to this supportive position for several reasons; among others:

- 1) Early militancy and abuse have been replaced in the past 5 years by social services delivery.
- 2) Congenial alliances between general governments and community action agencies have been welded.



- 3) In many localities, particularly rural ones, these agencies represent the only existent social services delivery vehicle.
- 4) Replacement delivery mechanisms are just not yet in place, i.e., through better communities act, allied services act, etc. etc.
- 5) The "buffer" or "heat exchange" aspect of the agencies, that is, the keeping-the-poor-from-the-city-hall-door is now a well-respected fact of life for elected officials.
- 6) Controversial programs can be introduced to a locality through a community action agency that owing to a variety of political and social causes could not be introduced through the health department, welfare department, etc. e.g. family planning.
- 7) The street dude now does his cutting and burning with a parliamentary thrust before the city council, community action agency board, etc. rather than in the street. Confrontation has become domesticated and now takes place in the civilized environs of the council chambers.

The only real issue before the Congress today is the form of Federal administration that will be used to continue, on an expanded basis, the funding of Community Action programs. There is overwhelming Congressional support for the continued financing itself.



WHITE HOUSE OPTIONS

- 1) Veto any CAA legislation and resist any continuing resolution.
- 2) Accept only HEW transfer legislation, nothing else.
- 3) Accept any CAA legislation, holding out only for any preferable details.
- 4) Reassess position to support re-authorization of OEO as is, possibly with some remedial provisions.

PROS AND CONS

- 1) a) A veto flies in the face of ever increasing wide-ranging public official and Republican support for some kind of continuation of Community Action funding by the U.S. Attaches an "against-the-poor" label on the Administration and the GOP. Would create an election year issue for the Democrats collectively and individually. Would dismiss the support of the likes of Clark Reed, Richard Lugar, Arch Moore, Bill Waller, etc. Would allow Wallace to coopt the issue.
- b) On the other hand, a veto keeps faith with supporters of an end to OEO and all the evils it was supposed to have represented. It represents a consistency of policy dating to 1972 and a position of fiscal responsibility.
- 2) a) Half-represents Administration policy in that it accomplishes an end to OEO as a symbol, if only cosmetically, and normalizes and stabilizes a program that has heretofore lacked both normalcy and stability. Folding community action into a Cabinet department imposes on it a certain structural organization, professionalism and moderation. Secondly, HEW is a logical place for these programs because of a community of interest and an existing function and expertise. It is management efficiency. This also casts the Administration in a favorable, willing-to-compromise posture that would not only be politically defensible but also possibly advantageous.



- b) Acceptance of the HEW transfer could be portrayed as a cop-out or a sell-out. Might not end OEO's image problems as given a new lease on life. Could draw conservative wrath.
- 3) a) Would be expeditious but could be claimed to be creative and reformist--improving things without penalizing the poor. Could be pictured as willing-to-compromise.
- b) Could show Administration is weak-kneed and 18 months of anti-OEO efforts were for naught. A defeat?
- 4) Pretty much the same arguments pertain as # 3.



SUMMARY

H.R. 1449 recognizes a phase-out of Federal support over a three-year period. Such a phase-out will give biennial legislatures the opportunity to address the local replacement of funds question in a reasonable time frame. It also provides a bridging or transition mechanism to move these services delivery agencies into general governments by the end of FY 1977. Thus the phase-out of Federal support program of the Administration is accomplished, albeit over an extended time period.

A position by the Administration to accept H.R. 14449 would:

- 1) Have the advantage of taking credit for the salutary changes that have been brought to the effort since 1969.
- 2) Diminish any accusations of the GOP being anti-poor.
- 3) Illustrate the policy of preserving the good programs while culling the unworkable.
- 4) Highly agreeable with elected public officials including a great number of Republicans.
- 5) Successfully retains the vehicle (community action agencies) while ending the symbol (OEO).



OEO Finds Death Row Friends

By MARY McGRORY
Star-News Staff Writer

Rep. Gus Hawkins, D-Calif., one of the
sponsors of the House bill, thinks that state

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MARCH 15, 1974



STATE OF ALABAMA

GOVERNOR'S OFFICE

MONTGOMERY

GEORGE C. WALLACE
GOVERNOR

February 21, 1974

Honorable Gus Hawkins, Chairman
Sub-committee on Equal Opportunity Employment
House Labor and Education Committee
House of Representatives
Washington, D.C.

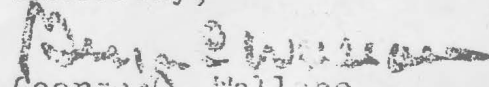
Dear Congressman Hawkins:

I have received a great deal of correspondence, personal visits, resolutions and other communication from local elected officials, community leaders, low income participants, and others, protesting the proposed formation of categorical federal funding for community action agencies.

There is strong support in Alabama, from all segments of the local community for the continued federal funding of CAAs. I am informed that many of these agencies have developed service delivery systems which are recognized as very effective resources for reaching low income and disadvantaged people: particularly the elderly who are often isolated.

It is because of this strong local support that I urge the continued categorical funding which are very effective and well administered community action agencies.

Sincerely,


George C. Wallace
Governor

Xerox copies: Alabama delegation



93d CONGRESS
2d SESSION

S. 3798

IN THE SENATE OF THE UNITED STATES

JULY 23, 1973

Mr. JAVITS (for himself, Mr. KENNEDY, Mr. DOLE, Mr. JOHNSTON, Mr. ABOUREZK, Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. CRANSTON, Mr. GRAVEL, Mr. HART, Mr. HASKELL, Mr. HATFIELD, Mr. HATHAWAY, Mr. HOLLINGS, Mr. HUMPHREY, Mr. LONG, Mr. MATHIAS, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METZENBAUM, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mr. PASTORE, Mr. PEARSON, Mr. PELL, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. HUGH SCOTT, Mr. TUNNEY, and Mr. WILLIAMS) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To extend the Economic Opportunity Act of 1964, further Headstart, community action, community economic development, and other antipoverty efforts, to provide for increased involvement of State and local governments in antipoverty efforts, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Economic Opportunity
- 4 and Community Partnership Act of 1974".

5 AUTHORIZATION OF APPROPRIATIONS

- 6 SEC. 2. (a) (1) For the purpose of carrying out title
- 7 I, except sections 146 and 147 (relating to community service)



1 and other antipoverty programs) and title III (relating to rural
2 programs) of the Economic Opportunity Act of 1964, as
3 amended by this Act there are authorized to be appropriated
4 \$730,000,000 for the fiscal year ending June 30, 1975,
5 \$770,000,000 for the fiscal year ending June 30, 1976, and
6 such sums as may be necessary for the fiscal year ending
7 June 30, 1977.

8 (2) Notwithstanding any other provision of law, unless
9 expressly in limitation of the provisions of this section, of
10 the amounts appropriated pursuant to paragraph (1) of
11 this subsection the Director shall for the fiscal year ending
12 June 30, 1975, and for the succeeding fiscal year reserve
13 and make available for each year not less than \$330,000,000
14 for programs under section 121 of the Economic Oppor-
15 tunity Act of 1964, as amended by this Act.

16 (3) For the purposes of carrying out section 146 (re-
17 lating to community partnership agreements) of the Eco-
18 nomic Opportunity Act of 1964 as amended by this Act,
19 there are authorized to be appropriated \$70,000,000 for the
20 fiscal year ending June 30, 1975, \$140,000,000 for the
21 fiscal year ending June 30, 1976, and such sums as may
22 be necessary for the fiscal year ending June 30, 1977.

23 (b) (1) For the purpose of carrying out parts A, B,
24 and D, of title II (relating to community economic devel-
25 opment programs) of the Economic Opportunity Act of

1 1964, as amended by this Act, there are authorized to be
2 appropriated \$84,000,000 for the fiscal year ending
3 June 30, 1975, \$120,000,000 for the fiscal year ending
4 June 30, 1976, and \$156,000,000 for the fiscal year end-
5 ing June 30, 1977.

6 (2) For the purpose of carrying out part C of title II
7 (relating to development loans to community economic
8 development programs) of the Economic Opportunity Act
9 of 1964 as amended by this Act there are authorized to be
10 appropriated such sums as may be necessary for the fiscal
11 year ending June 30, 1975, and for each of the two succeed-
12 ing fiscal years.

13 (c) For the purpose of carrying out title VI (relating
14 to administration) of the Economic Opportunity Act of
15 1964, as amended by this Act there are authorized to be ap-
16 propriated such sums as may be necessary for the fiscal
17 year ending June 30, 1975, and for each of the two succeed-
18 ing fiscal years.

19 (d) (1) For the purpose of carrying out part A of title
20 VII (relating to Headstart programs) of the Economic Op-
21 portunity Act of 1964, as amended by this Act, there are
22 authorized to be appropriated \$500,000,000 for the fiscal
23 year ending June 30, 1975, \$550,000,000 for the fiscal
24 year ending June 30, 1976, and \$600,000,000 for the
25 fiscal year ending June 30, 1977.

1 (2) The Secretary of Health, Education, and Welfare
 2 shall establish policies and procedures designed to assure
 3 that not less than 10 per centum of the total number of en-
 4 rollment opportunities in the United States in the Head-
 5 start program shall be available for handicapped children
 6 (as defined in paragraph (1) of section 602 of the Edu-
 7 cation of the Handicapped Act) and that services shall be
 8 provided to meet their special needs. The Secretary shall
 9 report to the Congress at least annually on the status of
 10 handicapped children in Headstart programs pursuant to this
 11 section, including the number of children being served, their
 12 handicapped conditions, and the services being provided such
 13 children.

14 (3) For the purpose of carrying out parts B, C, and D
 15 of title VII of the Economic Opportunity Act of 1964
 16 (relating to Follow Through programs, human services pol-
 17 icy research, and comprehensive health services), as
 18 amended by this Act, there are authorized to be appropriated
 19 such sums as may be necessary for the fiscal year ending
 20 June 30, 1975, and for each of the two succeeding fiscal
 21 years.

22 (e) For the purpose of carrying out title VIII (relating
 23 to evaluation, coordination, research, and demonstration) of
 24 the Economic Opportunity Act of 1964, as amended by this
 25 Act, there are authorized to be appropriated \$60,000,000 for

1 the fiscal year ending June 30, 1975, \$70,000,000 for the
 2 fiscal year ending June 30, 1976, and \$80,000,000 for the
 3 fiscal year ending June 30, 1977.

4 (f) Funds appropriated under this section shall remain
 5 available for obligation and expenditure during the fiscal year
 6 succeeding the fiscal year for which they are appropriated,
 7 except that so much of the funds appropriated which the
 8 head of the appropriate administering agency determines to
 9 be necessary to carry out the activities authorized by the
 10 Economic Opportunity Act of 1964, as amended by this Act,
 11 shall remain available until expended.

12 (g) For the purpose of affording adequate notice of fund-
 13 ing available under this part, appropriations for grants, con-
 14 tracts, or other payments under the Economic Opportunity
 15 Act of 1964, as amended by this Act, are authorized to be
 16 included in the appropriation Act for the fiscal year preced-
 17 ing the fiscal year for which they are available for obligation.

18 (h) Unless the Congress—

19 (1) in the regular session in which the second an-
 20 nual report of the National Intergovernmental Review
 21 Board on the Financing of Community Services estab-
 22 lished under section 147 of the Economic Opportunity
 23 Act of 1964, as amended by this Act, is submitted to
 24 Congress, has passed or formally rejected legislation
 25 extending the authorization for the appropriations then

1 specified for the Economic Opportunity Act of 1964, as
2 amended by this Act; or

3 (2) prior to May 1, 1977, by action of both Houses
4 approves a resolution stating that the provisions of this
5 subsection shall no longer apply.

6 The authorizations set forth in subsections (a) through (e)
7 of this section are hereby automatically extended at each of
8 the levels specified for the terminal year of such authorization
9 for one fiscal year beyond such terminal year.

10 (i) Effective six months after the date of enactment of
11 this Act, subsection (a) (2) of this section is amended by
12 striking out "Director" and inserting in lieu thereof "Ad-
13 ministrator".

14 SEC. 3. The Economic Opportunity Act of 1964 is
15 amended by striking out title I.

16 SEC. 4. Title II of the Economic Opportunity Act of
17 1964 is redesignated as title I and section 201, sections 210
18 through 214, sections 221 through 228, sections 230
19 through 234, and sections 240 through 245, are redesign-
20 ated as section 101, sections 110 through 114, sections
21 121 through 125, sections 130 through 133, and sections
22 140 through 145, respectively.

23 SEC. 5. Section 145 of the Economic Opportunity Act,
24 as redesignated by this Act, is amended by striking out

1 "eight succeeding fiscal years" and inserting in lieu thereof
2 "eleven succeeding fiscal years".

3 SEC. 6. Section 122 (a) of the Economic Opportunity
4 Act of 1964 as redesignated by this Act is amended by
5 striking out paragraphs (1), (2), and (4) and by re-
6 designating paragraphs (3), (5), (6), (7), (8), (9),
7 (10), and (11) as paragraphs (1), (2), (3), (4), (5),
8 (6), (7), and (8), respectively.

9 SEC. 7. Section 122 (a) of the Economic Opportunity
10 Act of 1964 as redesignated by this Act is amended by in-
11 serting after section 122 (a) (8) the following:

12 "(9) A program to be known as Native Americans
13 designed to provide financial assistance to public and non-
14 profit private agencies, including but not limited to gov-
15 erning bodies of Indian tribes, Alaskan native villages, and
16 regional corporations established by the Alaska Native
17 Claims Settlement Act and such public and nonprofit private
18 agencies serving Hawaiian natives and Indian organizations
19 in urban or rural nonreservation areas, for projects pertain-
20 ing to the purposes of this Act. In determining the proj-
21 ects to be assisted under this section, the Director shall con-
22 sult with other Federal agencies for the purpose of elimi-
23 nating duplication or conflict among similar activities or
24 projects and for the purpose of determining whether the

1 findings resulting from such projects may be incorporated
2 into one or more programs for which those agencies are
3 responsible.

4 “(10) A program to be known as emergency energy
5 conservation services designed to enable low-income in-
6 dividuals and families, including the elderly and the near
7 poor, to participate in energy conservation programs designed
8 to lessen the impact of the energy crisis on such individuals
9 and families. The Director is authorized to provide finan-
10 cial and other assistance for programs and activities, in-
11 cluding, but not limited to, winterization of old or substand-
12 ard dwellings; emergency loans, grants, and revolving funds
13 to deal with increased housing expenses relating to the
14 energy crisis; alternative fuel supplies, special fuel voucher or
15 stamp programs; alternative transportation activities de-
16 signed to save fuel and assure continued access to training.

17 “(11) A program to be known as ‘Summer Youth
18 Recreation’ designed to provide recreational opportunities
19 for low-income children during the summer months. Funds
20 made available for this section shall be allocated by the
21 Director, after consultation with the Secretary of Labor,
22 among prime sponsors and other agencies designated under
23 title I of the Comprehensive Employment and Training Act
24 of 1973 on the basis of (1) the relative number of public
25 assistance recipients in the area served by such prime

1 sponsor or agency, as compared to the Nation; (2) the
2 average number of unemployed persons in such area as
3 compared with the Nation; and (3) the relative number of
4 related children living with families with income of less than
5 \$1,000 in such area, as compared to the Nation. That part
6 of any allotment which the Director determines will not be
7 needed may be reallocated, at such dates during the fiscal
8 year as the Director may fix, to the extent feasible, in
9 proportion to the original allotments. In making allocations
10 under this section, the Director shall insure, to the maximum
11 extent possible, that for the program commencing in the
12 fiscal year ending June 30, 1975, and for the program in
13 each succeeding fiscal year, no prime sponsor or other
14 designated agency shall receive an amount less than the
15 amount received for such programs during the fiscal year
16 ending June 30, 1973, or the fiscal year ending June 30,
17 1974, whichever is higher.”

18 SEC. 8. (a) Section 125 (a) of the Economic Oppor-
19 tunity Act of 1964 as redesignated by this Act is amended
20 by adding the following at the end thereof: “The Director,
21 after consultation with the Secretary of Health, Education,
22 and Welfare and the Secretary of Labor, shall insure that
23 for the fiscal year ending June 30, 1975, and for each
24 succeeding fiscal year, no State and no community action
25 agency within a State, shall be allotted for programs under

1 section 121 and section 122 (a) an amount which is less than
 2 the amount received for use within such State or by such
 3 agency for programs described in such sections during the
 4 fiscal year ending June 30, 1974.”.

5 (b) Section 125 (c) of the Economic Opportunity Act
 6 of 1964 as redesignated by this Act is amended to read as
 7 follows:

8 “(c) Unless otherwise provided in this part, financial
 9 assistance extended to a community action agency or other
 10 agency pursuant to sections 121 and 122 (a) shall not ex-
 11 ceed 80 per centum of the approved cost of the assisted pro-
 12 grams or activities. The Director may approve assist-
 13 ance in excess of such percentages, if he determines, in ac-
 14 cordance with regulations establishing objective criteria, that
 15 such action is required in furtherance of the purposes of this
 16 title. Technical legislative procedural delays shall be consid-
 17 ered adequate basis for such waiver in any year. The
 18 Director may also approve assistance in excess of such
 19 percentages upon evidence that all agencies funded pursuant
 20 to sections 121 and 122 (a) within a particular State meet
 21 the percentage requirements for the State in total. Non-
 22 Federal contributions may be in cash or in kind, fairly evalu-
 23 ated, including but not limited to plant, equipment, or
 24 services.

25 SEC. 9. Effective six months after the date of enactment
 26 of this Act, section 131 (a) (4) of the Economic Opportu-

1 nity Act of 1964, as redesignated by this Act, is amended by
 2 inserting after “the Economic Opportunity Council estab-
 3 lished by section 631 of the Act,” the following: “the Na-
 4 tional Intergovernmental Review Board on the Financing
 5 of Community Services established under section 147 of
 6 this Act,”.

7 SEC. 10. Section 132 of the Economic Opportunity Act
 8 of 1964 as redesignated by this Act is repealed.

9 SEC. 11. Effective six months after the date of enact-
 10 ment of this Act, section 140 of the Economic Opportunity
 11 Act of 1964 as redesignated by this Act is repealed.

12 SEC. 12. (a) Effective six months after the date of
 13 enactment of this Act, title I of the Economic Opportunity
 14 Act of 1964 as redesignated by this Act is amended by
 15 adding at the end thereof the following new part:

16 “PART E—DEMONSTRATION COMMUNITY PARTNERSHIP
 17 AGREEMENTS AND NATIONAL INTERGOVERNMENTAL
 18 BOARD ON FINANCING OF COMMUNITY SERVICES

19 “DEMONSTRATION COMMUNITY PARTNERSHIP
 20 AGREEMENTS

21 “SEC. 146. The Administrator may provide financial
 22 assistance under this section upon approval of an agreement
 23 entered into by a community action agency or a public or
 24 private nonprofit agency designated under section 110 of
 25 this Act or any combination thereof as determined by the
 26 Administrator and the public agency of a State or a political

1 subdivision of a State, or any combination of such subdivi-
 2 sions, where in agreement with a community action agency,
 3 providing for the planning, development, and administration
 4 of programs and activities of the type described under part A
 5 of this title and supplemental to such programs and activities
 6 otherwise provided under this Act for the strengthening of
 7 the capability of public and private community institutions
 8 in accomplishing the purposes of this Act in a coordinated
 9 manner.

10 “(b) Such agreement shall set forth the terms of any
 11 arrangements for the use of financial assistance under this
 12 section, including a description of—

13 “(1) the area to be served;

14 “(2) the programs and activities to be provided;

15 “(3) a survey of the needs for services within the
 16 area and an inventory of the resources available to meet
 17 such needs;

18 “(4) the persons who are to benefit from such
 19 program and activities;

20 “(5) the role of public agencies, community ac-
 21 tion agencies, community economic development corpo-
 22 rations, and other nonprofit agencies and organizations
 23 in providing programs and activities under the agree-
 24 ment; and

25 “(6) the extent, if any, to which programs under

1 other provisions of this title and funded through other
 2 public and private sources are to be included as part of
 3 the agreement for the purposes of planning.

4 “(c) Financial assistance extended under this section
 5 shall not exceed 80 per centum of the approved cost of the
 6 assisted programs and activities. The Administrator may
 7 approve assistance in excess of said percentage if he deter-
 8 mines, in accordance with regulations establishing objective
 9 criteria, that such action is required in furtherance of the
 10 purposes of this part. Matching non-Federal funds shall be
 11 in cash.

12 “(d) Of the sums which are appropriated or allocated
 13 for assistance under this section, the Administrator shall allot
 14 not more than 2 per centum among Guam, American Samoa,
 15 the Trust Territory of the Pacific Islands, and the Virgin
 16 Islands, according to their respective needs. He shall also
 17 reserve not more than 10 per centum of sums appropriated
 18 or allocated for assistance under this subsection for allot-
 19 ment in accordance with such criteria and procedures as he
 20 may prescribe. The remainder shall be allotted among the
 21 States, in accordance with the latest available data, so that
 22 equal proportions are distributed on the basis of (1) the
 23 relative number of public assistance recipients in each State
 24 as compared to all States, (2) the average number of
 25 unemployed persons in each State as compared to all States,

1 and (3) the relative number of related children living with
 2 families with income of less than \$3,000 in each State com-
 3 pared to all States. Funds within each State under this
 4 section shall be allocated by the Administrator among areas
 5 served by community action agencies or a public or private
 6 nonprofit agency designated under section 110 of this Act
 7 in the same proportion as the amount to be available to
 8 such area under section 121 for each fiscal year bears to
 9 the total of such amounts for use within the State for that
 10 year. Funds not utilized by any area within a State under
 11 this section shall be reallocated within the State as the
 12 Administrator deems appropriate for use under this section.
 13 Funds not utilized within a State shall be reallocated by the
 14 Administrator for use in other areas in the Nation, as he
 15 deems appropriate.

16 "(e) Except with respect to the fiscal year ending
 17 June 30, 1975, proposed community partnership agreements
 18 shall be submitted to the Administrator and to the Board
 19 established under section 147 in each year no later than
 20 February 1 of the fiscal year preceding that with respect to
 21 which assistance is requested. The Administrator, in con-
 22 sultation with the Board, shall establish procedures with
 23 respect to the fiscal year ending June 30, 1975.

1 "(f) No program shall be approved for assistance under
 2 this section unless the Administrator finds—

3 "(1) that the programs and activities to be provided
 4 under such agreement will be supplemental to, and not
 5 in substitution for, programs under other provisions of
 6 this Act and services previously provided through other
 7 sources, and

8 "(2) that funds or other resources devoted to pro-
 9 grams designed to meet the needs of persons eligible for
 10 assistance under this Act within the community will not
 11 be diminished in order to provide any contributions re-
 12 quired under subsection (c) but nothing herein shall be
 13 construed so as to preclude inclusion of other services as
 14 a part of the agreement, for the purpose of planning
 15 pursuant to subsection (b) (6) of this section. The re-
 16 quirement of this section shall be subject to such regula-
 17 tions as the Administrator, in consultation with the
 18 Board established under section 147, may adopt and
 19 promulgate establishing objective criteria for determina-
 20 tions with respect to situations where a strict application
 21 of that requirement would result in unnecessary hard-
 22 ship or otherwise be inconsistent with the purposes of
 23 this Act.

1 “(g) The provisions of section 142 of this Act shall
2 not apply to assistance provided under this section.”

3 “NATIONAL INTERGOVERNMENTAL REVIEW BOARD ON THE
4 FINANCING OF COMMUNITY SERVICES

5 “SEC. 147. (a) There is hereby established, as an inde-
6 pendent agency within the Administration, a National Inter-
7 governmental Board on the Financing of Community Serv-
8 ices (referred to in this section as the “Board”).

9 “(b) The Board shall be composed of nine members
10 who shall be appointed by the President, with the advice
11 and consent of the Senate, as follows:

12 “(i) Three members shall be appointed from among
13 representatives of States, county, and local government
14 or organizations which represent such governmental
15 units, selected on an equitable political and geographic
16 basis after considering recommendations made by the
17 National Governors’ Conference, the National League of
18 Cities-United States Conference of Mayors, the Na-
19 tional Association of Counties and similar organizations
20 of State and local government;

21 “(ii) Three members shall be appointed from among
22 representatives of community action agencies and other
23 grantees under this Act or organizations which rep-
24 resent such agencies and grantees, selected on an equita-
25 ble political and geographic basis after considering rec-

1 ommendations previously made by the Director of the
2 Office of Economic Opportunity.

3 “(iii) Three members shall be appointed from
4 among representatives of labor, management, and other
5 sectors who have demonstrated active interest in com-
6 munity action and antipoverty programs.

7 “(c) The Board shall—

8 “(1) encourage the formation of community part-
9 nership agreements;

10 “(2) review the substance of such agreements and
11 any regulations, guidelines, or other program criteria
12 with respect thereto and advise the Administrator there-
13 on prior to final approval thereof;

14 “(3) evaluate the effectiveness of such agreements
15 in meeting the purposes of this Act;

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

20 “(5) identify and encourage means of increasing
21 resources available for such activities.

22 “(6) submit annual reports to the President and to
23 the Congress on or before March 1, 1976, and March 1,
24 1977, with respect to its activities and findings, together
25 with recommendations for any legislation.



1 “(d) The Administrator shall provide the Board with
 2 such information and financial assistance as shall be neces-
 3 sary for the Board to discharge its functions under this
 4 section and necessary administrative services (including
 5 those related to budgeting, accounting, financial reporting,
 6 personnel and procurement) for which payment shall be
 7 made in advance, or by reimbursement.

8 “(b) The President is authorized to take whatever ac-
 9 tion he deems necessary to prepare for the prompt imple-
 10 mentation of the provisions of the amendments made by sub-
 11 section (a) of this section.

12 SEC. 13. (a) The Economic Opportunity Act of 1964,
 13 is amended by striking subsection (a) of section 313 (re-
 14 lating to limitations on assistance) and inserting in lieu
 15 thereof the following:

16 “(a) In the administration of the provisions of this part,
 17 the Director shall give priority in the designation of
 18 grantees to any public or private nonprofit agency which as
 19 of June 1, 1974, was receiving funds to carry on a program
 20 to assist migrant and other seasonally employed farmworkers
 21 and their families except that the Director shall, before giv-
 22 ing such priority, determine that the agency involved meets
 23 program and fiscal requirements established by the Director.

24 “(b) No program shall be approved for assistance under
 25 this section unless the Director determines that the serv-

1 ices to be provided under such program will be in addition
 2 to, and not in substitution for, comparable services pre-
 3 viously provided without Federal assistance. The require-
 4 ment imposed by the preceding sentence shall be subject to
 5 such regulations as the Director may adopt.

6 “(c) The Director shall establish necessary procedures
 7 or requirements to assure that programs under this part
 8 are carried on in coordination with other programs or
 9 activities providing assistance to the persons and groups
 10 served.”

11 (b) Section 321 of the Economic Opportunity Act of
 12 1964 is amended by striking out “eight succeeding fiscal
 13 years” and inserting in lieu thereof “eleven succeeding fiscal
 14 years”.

15 SEC. 14. (a) Sec. 408 of the Economic Opportunity
 16 Act of 1964 as redesignated by this Act is amended by strik-
 17 ing out “eight succeeding fiscal years” and inserting in lieu
 18 thereof “eleven succeeding fiscal years”.

19 (b) Part A of title V of the Economic Opportunity Act
 20 of 1964 is amended by striking wherever it appears “Man-
 21 power Development and Training Act of 1962” and insert-
 22 ing in lieu thereof “Comprehensive Employment and Train-
 23 ing Act of 1973”.

24 (c) Section 523 of the Economic Opportunity Act of
 25 1964 is amended by striking out “seven succeeding fiscal

1 years" and inserting in lieu thereof "ten succeeding fiscal
2 years".

3 SEC. 15. (a) Title VII (community economic develop-
4 ment programs) of the Economic Opportunity Act of 1964
5 is repealed.

6 (b) Such Act is amended by inserting after title I
7 thereof the following new title:

8 "TITLE II—COMMUNITY ECONOMIC

9 DEVELOPMENT

10 "CONGRESSIONAL STATEMENT OF PURPOSE

11 "SEC. 201. The purpose of this title is to encourage the
12 development of special programs by which the residents of
13 urban and rural low-income areas may, through self-help
14 and mobilization of the community at large, with appro-
15 priate Federal assistance, improve the quality of their eco-
16 nomic and social participation in community life in such a
17 way as to contribute to the elimination of poverty and the
18 establishment of permanent economic and social benefits.

19 "DEFINITIONS

20 "SEC. 202. As used in this title—

21 "(1) the term 'Resources Committee' means the
22 Community Economic Development Resources Commit-
23 tee established under section 249;

24 "(2) the term 'Community Development Corpora-
25 tion' means a nonprofit organization responsible to

1 residents of the area it serves which is receiving finan-
2 cial assistance under part A of this title and any
3 organization more than 50 per centum owned by such
4 an organization, or otherwise controlled by such an
5 organization, or designated by such an organization for
6 the purpose of this title;

7 "(3) the term 'local cooperative association' means
8 an organization which is receiving financial assistance
9 under part B of this title or any organization more than
10 50 per centum owned or otherwise controlled by such
11 an organization, or designated by such an organization
12 for the purpose of this title; and

13 "(4) the term 'State' means the States of the
14 United States, the District of Columbia, the Common-
15 wealth of Puerto Rico, and each of the territories and
16 possessions of the United States.

17 "PART A—URBAN AND RURAL SPECIAL IMPACT
18 PROGRAMS

19 "STATEMENT OF PURPOSE

20 "SEC. 211. The purpose of this part is to establish
21 special programs of assistance to nonprofit private locally
22 initiated community development corporations which (1)
23 are directed to the solution of the critical problems existing in
24 particular communities or neighborhoods (defined without
25 regard to political or other subdivisions or boundaries) within

1 those urban and rural areas having concentrations or sub-
 2 stantial numbers of low-income persons; (2) are of sufficient
 3 size, scope, and duration to have an appreciable impact in
 4 such communities, neighborhoods, and rural areas in arrest-
 5 ing tendencies toward dependency, chronic unemployment,
 6 and community deterioration; and (3) hold forth the pros-
 7 pect of continuing to have such impact after the termination
 8 of financial assistance under this title.

9 "ESTABLISHMENT OF PROGRAMS—FINANCIAL ASSISTANCE;
 10 NUMERICAL RESTRICTION OF PROGRAMS; SCOPE OF
 11 PROGRAMS

12 "SEC. 212. (a) The Director is authorized to pro-
 13 vide financial assistance in the form of grants to nonprofit
 14 and for profit community development corporations and
 15 other affiliated and supportive agencies and organizations
 16 associated with qualifying community development corpora-
 17 tions for the payment of all or part of the cost of programs
 18 which are designed to carry out the purposes of this part.
 19 Financial assistance shall be provided so that each com-
 20 munity economic development program is of sufficient size,
 21 scope, and duration to have an appreciable impact on the
 22 area served. Such programs may include—

23 "(1) community economic and business develop-
 24 ment programs, including but not limited to: (A) pro-
 25 grams which provide financial and other assistance

1 (including equity capital) to start, expand, or locate
 2 businesses in or near the area served so as to provide
 3 employment and ownership opportunities for residents of
 4 such areas, and (B) programs described in title IV of
 5 this Act, for small businesses located in or owned by
 6 residents of such areas;

7 "(2) community development including industrial
 8 parks and housing activities which contribute to an im-
 9 proved environment and which create new training, em-
 10 ployment, and ownership opportunities for residents of
 11 such area;

12 "(3) training and public service employment pro-
 13 grams and related services for unemployed or low-in-
 14 come persons which support and complement community
 15 development programs financed under this part, includ-
 16 ing, without limitation, activities such as those described
 17 in the Comprehensive Employment and Training Act of
 18 1973; and

19 "(4) social service programs which support and
 20 complement community economic development pro-
 21 grams financed under this part, including but not limited
 22 to child care, educational services, health services, credit
 23 counseling, energy conservation, and programs for the
 24 maintenance of housing facilities.

25 "(b) The Director shall conduct programs assisted

1 under this part so as to contribute, on an equitable basis be-
 2 tween urban and rural areas, to the elimination of poverty
 3 and the establishment of permanent economic and social
 4 benefits in such areas.

5 "FINANCIAL ASSISTANCE REQUIREMENTS—REGULATIONS"

6 CONDITIONS

7 "SEC. 213. (a) The Director, under such regulations
 8 as he may establish, shall not provide financial assistance for
 9 any community economic development program under this
 10 part unless he determines that—

11 "(1) such community development corporation is
 12 responsible to residents of the area served (i) through
 13 a governing body not less than 50 per centum of the
 14 members of which are area residents and (ii) in ac-
 15 cordance with such other guidelines as may be estab-
 16 lished by the Director, except that the composition of
 17 the governing bodies of organizations owned or con-
 18 trolled by the community development corporation need
 19 not be subject to such residency requirement;

20 "(2) the program will be appropriately coordinated
 21 with local planning under this title, the Demonstration
 22 Cities Metropolitan Development Act of 1966, and with
 23 other relevant planning for physical and human resources
 24 of the areas served;

1 "(3) adequate technical assistance is made avail-
 2 able and committed to the programs being supported;

3 "(4) such financial assistance will materially fur-
 4 ther the purposes of this part;

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

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

10 "(7) projects will, where feasible, promote the de-
 11 velopment of entrepreneurial and management skills and
 12 the ownership or participation in ownership of assisted
 13 businesses and housing, cooperatively or otherwise, by
 14 residents of the area served;

15 "(8) projects will be planned and carried out with
 16 the fullest possible participation of resident or local
 17 businessmen and representatives of financial institutions,
 18 including participation through contract, joint venture,
 19 partnership, stock ownership or membership on the gov-
 20 erning boards or advisory councils of such projects con-
 21 sistent with the self-help purposes of this title;

22 "(9) no participant will be employed on projects
 23 involving political parties, or the construction, opera-
 24 tion, or maintenance of so much of any facility as is

1 used or to be used for sectarian instruction or as a place
2 for religious worship;

3 “(10) the program will not result in the displace-
4 ment of employed workers or impair existing contracts
5 for services, or result in the substitution of Federal or
6 other funds in connection with work that would other-
7 wise be performed;

8 “(11) the rates of pay for time spent in work-
9 training and education, and other conditions of employ-
10 ment, will be appropriate and reasonable in the light of
11 such factors as the type of work, geographical region,
12 and proficiency of the participant;

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

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

19 “(14) training programs carried out in connection
20 with projects financed under this part shall be designed
21 wherever feasible to provide those persons who success-
22 fully complete such training with skills which are also
23 in demand in communities, neighborhoods, or rural areas
24 other than those for which programs are established
25 under this part.

1 “(b) The level of financial assistance for related pur-
2 poses under this Act, or any other program for Federal
3 financial assistance, to the area served by a special impact
4 program shall not be diminished in order to substitute funds
5 authorized by this part.

6 “FEDERAL SHARE OF PROGRAM COSTS

7 “SEC. 214. Federal assistance to any program carried out
8 pursuant to this title, including grants used by community
9 development corporations for capital investments, shall (1)
10 not exceed 90 per centum of the cost of such program in-
11 cluding costs of administration unless the Director
12 determines that the assistance in excess of such percentage is
13 required in furtherance of the purposes of this Act, and (2)
14 be made available for deposit to the order of the grantee,
15 under conditions which the Administrator deems appropriate,
16 within thirty days following approval of the grant agree-
17 ment by the Director and such grantee of the grant
18 agreement. Non-Federal contributions may be in cash or in
19 kind, fairly evaluated, including but not limited to plant,
20 equipment, and services. Capital investments made with
21 funds granted as a result of the Federal share of the costs of
22 programs carried out under this title, and the proceeds from
23 such capital investments, shall not be considered Federal
24 property. Upon investment title rights rest in the community
25 development corporation. The Federal Government retains

1 the right to direct that on severance of the grant relationship
2 the assets purchased continue to be used for the original
3 purpose for which they were granted.

4 "PART B—SPECIAL RURAL PROGRAMS

5 "STATEMENT OF PURPOSE

6 "SEC. 221. It is the purpose of this part to meet the
7 special economic needs of rural communities or areas with
8 concentrations or substantial numbers of low-income persons
9 by providing support to self-help programs which promote
10 economic development and independence, as a supplement
11 to existing similar programs conducted by other departments
12 and agencies of the Federal Government. Such programs
13 should encourage low-income families to pool their talents
14 and resources so as to create and expand rural economic
15 enterprise.

16 "FINANCIAL ASSISTANCE

17 "SEC. 222. (a) The Director is authorized to pro-
18 vide financial assistance, including loans having a maximum
19 maturity of 15 years and in amounts not resulting in an
20 aggregate principal indebtedness of more than \$3,500 at any
21 one time, to any low-income rural family where, in the
22 judgment of the Director, such financial assistance has a
23 reasonable possibility of effecting a permanent increase in the
24 income of such families, or will contribute to the improve-

1 ment of their living or housing conditions, by assisting or
2 permitting them to—

3 "(1) acquire or improve real estate or reduce en-
4 cumbrances or erect improvements thereon;

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

9 "(3) participate in cooperative associations, or to
10 finance nonagricultural enterprises which will enable
11 such families to supplement their income.

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

22 "(1) administrative costs of staff and overhead;

23 "(2) costs of planning and developing new enter-
24 prises;

1 “(3) costs of acquiring technical assistance; and
 2 “(4) initial capital where it is determined by the
 3 Director that the poverty of the families participat-
 4 ing in the program and the social conditions of the rural
 5 area require such assistance.

6 “LIMITATION ON ASSISTANCE

7 “SEC. 223. (a) No financial assistance shall be provided
 8 under this part unless the Director determines that—

9 “(1) any cooperative association receiving assist-
 10 ance has a minimum of fifteen active members, a major-
 11 ity of which are low-income rural persons;

12 “(2) adequate technical assistance is made avail-
 13 able and committed to the programs being supported;

14 “(3) such financial assistance will materially fur-
 15 ther the purposes of this part; and

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

19 “(b) The level of financial assistance for related pur-
 20 poses under this Act to the area served by a program under
 21 this part shall not be diminished in order to substitute funds
 22 authorized by this part.

1 “PART C—DEVELOPMENTAL LOANS TO COMMUNITY

2 ECONOMIC DEVELOPMENT PROGRAMS

3 “DEVELOPMENT LOAN FUND—AUTHORIZATION OF LOANS,
 4 GUARANTEES, OR OTHER FINANCIAL ASSISTANCE;
 5 ELIGIBLE PERSONS; CONDITIONS; INTEREST RATE;
 6 REPAYMENT PERIOD

7 “SEC. 231. (a) The Director is authorized to make
 8 or guarantee loans (either directly or in cooperation with
 9 banks or other organizations through agreements to partici-
 10 pate on an immediate or deferred basis) to community devel-
 11 opment corporations, and families and local cooperatives eli-
 12 gible for financial assistance under this title, for business,
 13 housing, and community development projects which the
 14 Director determines will carry out the purposes of this
 15 part. No loans, guarantees, or other financial assistance
 16 shall be provided under this section unless the Director
 17 determines that—

18 “(1) there is reasonable assurance of repayment
 19 of the loan;

20 “(2) the loan is not otherwise available on reason-
 21 able terms from private sources or other Federal, State,
 22 or local programs; and

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

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

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

24 “(c) (1) To carry out the lending and guaranty func-
25 tions authorized under this part, there shall be established

1 a Development Loan Fund consisting of two separate ac-
2 counts, one of which shall be a revolving fund called the
3 Rural Development Loan Fund and the other of which shall
4 be a revolving fund called the Community Development
5 Loan Fund. The capital of each such revolving fund shall
6 remain available until expended.

7 “(2) The Rural Development Loan Fund shall consist
8 of such amounts as may be deposited in such Fund by the
9 Director out of funds made available from appropriations
10 for the purposes of carrying out this part.

11 “(3) The Community Development Loan Fund shall
12 consist of such amounts as may be deposited in such fund by
13 the Director out of funds made available from appropria-
14 tions for the purpose of carrying out this part.

15 “ESTABLISHMENT OF MODEL DOMESTIC ENTERPRISE
16 CORPORATION

17 “SEC. 232. (a) To the extent he deems appropriate the
18 Director shall utilize funds available under this part to
19 prepare a plan of action for the establishment of a Model
20 Community Economic Development Finance Corporation to
21 provide a user-controlled independent and professionally op-
22 erated long-term financing vehicle with the principal purpose
23 of providing financial support for community economic devel-
24 opment corporations, cooperatives, other affiliated and sup-

1 portive agencies and organizations associated with
2 community economic development cooperations, and other
3 entities eligible for assistance under this title.

4 “(b) In implementing this section the Director shall
5 insure that the Model Community Economic Development
6 Finance Corporation plan provides for the establishment of
7 the Corporation in such a way that—

8 “(1) Representatives of Community Develop-
9 ment Corporations shall make up the majority of the
10 governing body;

11 “(2) Community Development Corporations may
12 eventually purchase up to a 100 per centum interest
13 in the Model Community Economic Development
14 Finance Corporation;

15 “(3) A portion of the moneys made available
16 under parts A and B of this title may be utilized by
17 Community Development Corporations to purchase an
18 interest in the Model Community Economic Develop-
19 ment Finance Corporation; and

20 “(4) Funds made available under part C of this
21 title may be utilized by Community Development Cor-
22 porations to purchase an interest in the Model Com-
23 munity Economic Development Finance Corporation.

24 “(c) In addition to meeting the requirements of sub-
25 section (b), the Director shall, in preparing the plan,

1 consider and make recommendations with respect to the
2 following elements:

3 “(1) the amount and method of initial capitaliza-
4 tion taking into consideration capitalization and opera-
5 tional techniques such as those utilized by the Recon-
6 struction Finance Corporation, the Federal Home Loan
7 Bank System, the Federal National Mortgage Associa-
8 tion, and Farm Credit Board under the Federal Farm
9 Loan Act;

10 “(2) the guarantee of and use of public funds
11 through the issuance of notes, debentures, bonds, and
12 such other obligations as deemed necessary;

13 “(3) the role of the Secretary of the Treasury
14 in the initial capitalization and subsequent issuance of
15 notes, debentures, bonds, and such other obligations as
16 deemed necessary;

17 “(4) the nature of obligations issued with respect
18 to acceptance as security for fiduciary, trust, and public
19 funds;

20 “(5) the use of firms, organizations, corporations,
21 and individuals indigenous to the areas served under this
22 title;

23 “(6) the tax status of real and personal property
24 to be owned by the Model Community Economic Devel-
25 opment Finance Corporation;

1 “(7) the terms, including the interest rate, time
2 limitation, fees and commissions, and security required
3 for loans and guarantees and other obligations to be
4 issued by the Model Community Economic Development
5 Finance Corporation;

6 “(8) the tax status of interest bearing obligations
7 to be issued by the Model Community Economic Devel-
8 opment Finance Corporation;

9 “(9) after consultation with the Resources Board
10 the use of information services, facilities, officers, and
11 employees of Federal agencies and departments of the
12 Federal Government; and

13 “(10) the extent to which the Model Community
14 Economic Development Finance Corporation shall be a
15 depository of public money and a financial agent of the
16 United States Government.

17 “(d) Not later than December 30, 1974, the Director
18 shall submit to the appropriate committees of the Congress
19 the plan required by this section.

20 “PART D—OTHER SUPPORTIVE PROGRAMS

21 AND ACTIVITIES

22 “TRAINING AND TECHNICAL ASSISTANCE

23 “SEC. 241. (a) The Director shall provide directly
24 or through grants, contracts, or other arrangements such
25 technical assistance and training of personnel as may be
26 required to effectively implement the purposes of this title.

1 No financial assistance shall be provided to any public or
2 private organization under this section unless the Direc-
3 tor provides the beneficiaries of these services with oppor-
4 tunity to participate in the selection of and to review the
5 quality and utility of the services furnished them by such
6 organization.

7 “(b) Technical assistance to community development
8 corporations and both urban and rural cooperatives may
9 include planning, management, legal preparation of feasi-
10 bility studies, product development, marketing, and the
11 provision of stipends to encourage skilled professionals to
12 engage in full-time activities under the direction of a com-
13 munity organization financially assisted under this title.

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

22 “APPLICATIONS OF OTHER FEDERAL RESOURCES

23 SMALL BUSINESS ADMINISTRATION PROGRAMS

24 “SEC. 242. Funds granted under this title which are in-
25 vested, directly or indirectly, in a small business investment
26 company, limited small business investment company, or a

1 local development company, shall be deemed to be 'private
2 paid-in capital and paid-in surplus,' 'combined paid-in capital
3 and paid-in surplus,' and 'paid-in capital' for purposes of
4 sections 302, 303, and 502, respectively, of the Small Busi-
5 ness Investment Act of 1958, as amended.

6 "ECONOMIC DEVELOPMENT ADMINISTRATION PROGRAMS

7 "SEC. 243. Areas selected for assistance under this title
8 shall be deemed 'redevelopment areas' within the meaning
9 of section 401 of the Public Works and Economic Develop-
10 ment Act of 1965, shall qualify for assistance under the
11 provisions of title I and title II of that Act, and shall be
12 deemed to have met the overall economic development pro-
13 gram requirements of section 202 (b) (10) of such Act.

14 "DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
15 PROGRAMS

16 "SEC. 244. The Secretary of Housing and Urban De-
17 velopment, after consultation with the Director, shall
18 take all necessary steps to insure that community develop-
19 ment corporations and local cooperative associations shall
20 qualify for and shall receive (1) such assistance in connec-
21 tion with housing development under section 106 of the
22 Housing and Urban Development Act of 1968, and sections
23 221, 235, and 236 of the National Housing Act of 1949,
24 (2) such land for housing and business location and expan-
25 sion under title I of the Housing Act of 1949, (3) such

1 funds for comprehensive planning, studies, research, and dem-
2 onstration projects under section 701 (b) of the Housing Act
3 of 1954, and (4) such further assistance under all such pro-
4 grams of the Department of Housing and Urban Develop-
5 ment, as shall further the purposes of this Act.

6 "UNITED STATES DEPARTMENT OF AGRICULTURE;

7 FARMERS HOME ADMINISTRATION PROGRAMS

8 "SEC. 245. (a) The Secretary of the United States
9 Department of Agriculture or, where appropriate, the Ad-
10 ministrator of the Farmers Home Administration, after con-
11 sultation with the Director shall take all necessary
12 steps to insure that community development corporations and
13 local cooperative associations shall qualify for and shall re-
14 ceive (1) such assistance in connection with housing de-
15 velopment under the Housing Act of 1949, (2) such assist-
16 ance in connection with housing, business, industrial, and
17 community development under the Consolidated Farmers
18 Home Administration Act of 1961 and the Rural Develop-
19 ment Act of 1972, and (3) such further assistance under
20 all such programs of the United States Department of Ag-
21 riculture, as shall further the purposes of this title.

22 "(b) Any funds approved as a grant to a community
23 development corporation or a local cooperative association
24 pursuant to the provisions of this title, and any assets or
25 services acquired with such funds, shall be deemed non-

1 Federal for the purpose of any programs referred to in
2 this title which may require a non-Federal contribution.

3 "COORDINATION AND COOPERATION

4 "SEC. 246. (a) The Director, after consultation with the
5 Resources Committee and in coordination and cooperation
6 with the heads of other Federal departments and agencies,
7 shall take such steps as may be necessary and appropriate
8 to insure that the purposes of sections 242 through 245 are
9 met and that contracts, subcontracts, and deposits made by
10 the Federal Government or in connection with programs
11 aided with Federal funds are placed in such a way as to
12 further the purposes of this title.

13 "(b) The Director shall take all necessary and ap-
14 propriate steps to encourage State and local governments
15 to make grants, provide technical assistance, enter into con-
16 tracts, and generally support and cooperate with community
17 development corporations and local cooperative associations.

18 "(c) Eligibility for assistance under programs enumer-
19 ated in this section shall not be denied to any applicant
20 on the ground that it is a community development corpora-
21 tion, a local cooperative association, or a for-profit, non-
22 profit, or cooperative entity under State law.

23 "EVALUATION AND RESEARCH

24 "SEC. 247. (a) Each program for which grants are
25 made under this title shall provide for a thorough evalua-

1 tion of the effectiveness of the program in achieving its pur-
2 poses, which evaluation shall be conducted by such public or
3 private organizations as the Director, in consultation
4 with existing grantees familiar with programs carried out
5 under this Act, may designate, and all or part of the costs
6 of evaluation may be paid from funds appropriated to carry
7 out this part. In evaluating the performance of any com-
8 munity development corporation funded under part A of
9 this title, the criteria for evaluation shall be based upon
10 such program objectives, goals, and priorities as are con-
11 sistent with the purposes of this Act and as were set forth
12 by such community development corporation in its proposal
13 for funding as approved and agreed upon by the Direc-
14 tor or as subsequently modified from time to time by mutual
15 agreement between the Director and such community
16 development corporation.

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

23 "PLANNING GRANTS

24 "SEC. 248. In order to facilitate the purposes of this
25 title, the Director is authorized to provide financial

1 assistance to any public or nonprofit private agency or orga-
 2 nization for planning of community economic development
 3 programs and cooperative programs under this title.

4 "THE COMMUNITY ECONOMIC DEVELOPMENT RESOURCES
 5 COMMITTEE

6 "SEC. 249. (a) In order to assure maximum utilization
 7 of the resources of all Federal agencies having responsibil-
 8 ities under this title, and other public and private agencies
 9 and organizations, there is established a Community Eco-
 10 nomic Development Resources Committee. The Committee
 11 shall be composed of fifteen members as follows:

12 "(1) the Secretary of Commerce or his delegate;

13 "(2) the Secretary of Agriculture or his delegate;

14 "(3) the Secretary of Labor or his delegate;

15 "(4) the Secretary of Health, Education, and
 16 Welfare or his delegate;

17 "(5) the Secretary of Housing and Urban Develop-
 18 ment or his delegate;

19 "(6) the Administrator of the Small Business
 20 Administration or his delegate; and

21 "(7) nine members appointed from private life by
 22 the Director, of whom five shall be appointed from
 23 among individuals who are experienced in the operation
 24 of community economic development programs, coop-
 25 eratives and other similar programs conducted under this

1 title, and of whom four shall be appointed from among
 2 individuals who are representative of management,
 3 labor, the financial community, and State and local
 4 government.

5 "One of the members shall be designated by the Director
 6 as Chairman.

7 "(b) The Resources Committee shall—

8 "(1) advise the Director on a continuing basis
 9 with the respect to the administration of the provisions
 10 of this title, and

11 "(2) develop on a continuing basis, plans and
 12 procedures to the maximum extent for cooperative efforts
 13 of Federal agencies required to provide assistance under
 14 sections 242, 243, 244, 245, and 246 of this Act, and
 15 submit to the Senate Committee on Labor and Public
 16 Welfare and the House Committee on Education and
 17 Labor, not later than December 30, 1974, a report on
 18 the plans and procedures established and resources ex-
 19 pected therefrom.

20 "(c) One more than one-half of the Resources Commit-
 21 tee shall constitute a quorum for the purpose of conducting
 22 business.

23 "(d) Members appointed under clause (7) of subsec-
 24 tion (a) may while serving on the business of the Resources
 25 Committee, be entitled to receive compensation at rates fixed

1 by the President but not exceeding the rate prescribed for
 2 GS-18 of the General Schedule under section 5332 of title 5,
 3 United States Code, including traveltime; and while so serv-
 4 ing away from their homes or regular places of business;
 5 such members may be allowed travel expenses, including per
 6 diem in lieu of subsistence.

7 "CONGRESSIONAL REVIEW

8 "SEC. 250. (a) The Senate Committee on Labor and
 9 Public Welfare and the House Committee on Education and
 10 Labor shall conduct a joint study during the fiscal year end-
 11 ing June 30, 1975, which study shall include—

12 "(1) a consideration of an appropriate administra-
 13 tive agency for the conduct of community economic
 14 development programs after July 1, 1975, including
 15 consideration of the establishment of an independent
 16 agency to administer such programs and to conduct
 17 and coordinate a system of making financial assistance
 18 and credit available to community economic develop-
 19 ment corporations and cooperatives assisted under this
 20 title;

21 "(2) review the extent to which programs and
 22 activities conducted under this title meet the overall
 23 need in the Nation for community economic develop-
 24 ment programs;

25 "(3) review the resources available to meet such
 26 needs;

1 "(4) review of the adequacy of plans and pro-
 2 cedures established by the Resources Committee pur-
 3 suant to section 249 of this title; and

4 "(5) review of the plan submitted by the Director
 5 pursuant to section 232 of this title.

6 "(b) Such study shall be conducted by a joint task force
 7 established by the committees specified in section (a), which
 8 task force shall include members of the committees, individ-
 9 uals experienced in the conduct of community economic de-
 10 velopment programs, and representatives of management
 11 and labor interested in such programs.

12 "(c) The Senate Committee on Labor and Public
 13 Welfare and the House Committee on Education and Labor
 14 shall report on their findings, together with any recom-
 15 mendations for further legislation, not later than May 1,
 16 1975."

17 SEC. 16. The Economic Opportunity Act of 1964 is
 18 amended by adding after title VI the following new title:

19 "TITLE VII—OTHER PROGRAMS

20 "PART A—HEADSTART

21 "SHORT TITLE; ADMINISTRATION

22 "SEC. 701. This part may be cited as the 'Headstart'
 23 Act' and shall be administered by the Office of Child Devel-
 24 opment in the Department of Health, Education, and
 25 Welfare.

1 "STATEMENT OF PURPOSE

2 "SEC. 702. In recognition of the role which Project
3 Headstart has played in the effective delivery of comprehen-
4 sive health, educational, nutritional, social, and other serv-
5 ices to low-income children and their families, this part
6 extends the authority for that program.

7 "AUTHORIZATION OF HEADSTART PROGRAM

8 "SEC. 703. The Secretary may, upon application by an
9 agency which is eligible for designation as a Headstart
10 agency, pursuant to section 705, provide financial assist-
11 ance to such agency for the planning, conduct, administra-
12 tion, and evaluation of a program to be known as Project
13 Headstart focused upon children from low-income families
14 who have not reached the age of compulsory school attend-
15 ance which (A) will provide such comprehensive health,
16 nutritional, educational, social, and other services including
17 bilingual services as the Secretary finds will aid such chil-
18 dren to attain their full potential, and (B) will provide for
19 direct participation of the parents of such children in the
20 development, conduct, and overall program direction at the
21 local level.

22 "ALLOTMENT OF FUNDS: LIMITATIONS ON ASSISTANCE

23 SEC. 704. (a) Sums which are appropriated or allo-
24 cated for use under this part shall be allotted by the Sec-
25 retary among public and private nonprofit agencies which

1 were receiving assistance as of June 1, 1974, in the same
2 amounts (excluding amounts utilized for handicapped chil-
3 dren under the provisions of the Economic Opportunity Act
4 Amendments of 1972) at the rate then received, with further
5 allotments of additional amounts necessary to take into ac-
6 count increases in the cost of conducting programs since
7 June 1, 1974, so as to insure to the maximum extent the
8 maintenance of previous program levels, and such additional
9 allotments as may be necessary to take into account addi-
10 tional costs arising from the inclusion of handicapped chil-
11 dren pursuant to section 2 (d) (2) of the Economic Oppor-
12 tunity and Community Partnership Act of 1974. The re-
13 mainder shall be allotted by the Secretary for additional
14 programs and increased resources for existing programs, as
15 the Secretary deems appropriate.

16 "(b) Financial assistance extended to a grantee agency
17 for a Headstart program shall not exceed 80 per centum of
18 the approved costs of the assisted program or activities, ex-
19 cept that the Secretary may approve assistance in excess of
20 such percentage if he determines in accordance with regula-
21 tions establishing objective criteria, that such action is
22 required in furtherance of the purposes of this part. Non-
23 Federal contributions may be in cash or in kind, fairly
24 evaluated, including but not limited to plant, equipment, or
25 services. The Secretary shall not require non-Federal con-



1 tributions in excess of 20 per centum of the approved cost
2 of programs or activities assisted under this part.

3 “(c) No program shall be approved for assistance under
4 this part unless the Secretary determines that the services
5 to be provided under such program will be in addition
6 to, and not in substitution for comparable services pre-
7 viously provided without Federal assistance. The requirement
8 imposed by the preceding sentence shall be subject to such
9 regulations as the Secretary may adopt.

10 “(d) The Secretary shall adopt appropriate administra-
11 tive measures to assure that benefits of this part will be
12 distributed equitably between residents of rural and urban
13 areas.

14 “DESIGNATION OF GRANTEES

15 “SEC. 705. (a) A public or private nonprofit agency
16 which (1) has the power and authority to carry out the pur-
17 poses of this Act and perform the functions set forth in sec-
18 tion 706 within a community, and (2) is determined by
19 the Secretary to be capable of planning, conducting, ad-
20 ministering, and evaluating, either directly or by other
21 means, a Headstart program, may be designated as a Head-
22 start agency.

23 “(b) For the purposes of this title, a community may be
24 a city, county, multicounty, or multicounty unit, an Indian
25 reservation, or a neighborhood or other area (irrespective of

1 boundaries or political subdivisions) which provides a suit-
2 able organization base and possesses the commonality of
3 interest needed to operate a Headstart program.

4 “(c) In the administration of the provisions of this part,
5 the Secretary shall give priority in the designation of Head-
6 start agencies to any public or private nonprofit agency which
7 received funds under any Headstart program in the fiscal
8 year ending June 30, 1974, except that the Secretary shall,
9 before giving such priority, determine that the agency in-
10 volved meets program and fiscal requirements established
11 by the Secretary.

12 “REQUIRED POWERS AND FUNCTIONS OF HEADSTART

13 AGENCIES

14 “SEC. 706. (a) In order to be designated as a Head-
15 start agency under this part, an agency must have authority
16 under its charter or applicable law to receive and adminis-
17 ter funds under this part, funds and contributions from pri-
18 vate or local public sources which may be used in support
19 of a Headstart program, and funds under any Federal or
20 State assistance program pursuant to which a public or pri-
21 vate nonprofit agency (as the case may be) organized in
22 accordance with this part could act as grantee, contractor,
23 or sponsor of projects appropriate for inclusion in a Head-
24 start program. Such an agency must also be empowered to
25 transfer funds so received, and to delegate powers to other

1 agencies, subject to the powers of its governing board and its
 2 overall program responsibilities. Such power to transfer
 3 funds and delegate powers must include the power to make
 4 transfers and delegations covering component projects in all
 5 cases where such will contribute to efficiency and effective-
 6 ness or otherwise further program objectives.

7 “(b) In order to be so designated, a Headstart agency
 8 must also (1) establish effective procedures by which par-
 9 ents and area residents concerned will be enabled to in-
 10 fluence the character of programs affecting their interests,
 11 (2) provide for their regular participation in the implemen-
 12 tation of such programs, and (3) provide technical and other
 13 support needed to enable parents and area residents to secure
 14 on their own behalf available assistance from public and pri-
 15 vate sources.

16 “SUBMISSION OF PLANS TO GOVERNORS

17 “SEC. 707. In carrying out the provisions of this part,
 18 no contract, agreement, grant, or other assistance shall be
 19 made for the purpose of carrying out a Headstart program
 20 within a State unless a plan setting forth such proposed
 21 contract, agreement, grant, or other assistance has been
 22 submitted to the Governor of the State, and such plan has
 23 not been disapproved by the Governor within thirty days of
 24 such submission, or, if so disapproved, has been reconsidered
 25 by the Secretary and found by him to be fully consistent

1 with the provisions and in furtherance of the purposes of
 2 this part. Funds to cover the costs of the proposed contract,
 3 agreement, grant, or other assistance shall be obligated from
 4 the appropriation which is current at the time the plan is
 5 submitted to the Governor. This section shall not, however,
 6 apply to contracts, agreements, grants, loans, or other assist-
 7 ance to any institution of higher education in existence on
 8 the date of enactment of this part.

9 PROGRAM ADMINISTRATION

10 “SEC. 708. (a) Each Headstart agency shall observe
 11 standards of organization, management, and administration
 12 which will assure, so far as reasonably possible, that all pro-
 13 gram activities are conducted in a manner consistent with
 14 the purposes of this part and with the objective of providing
 15 assistance effectively, efficiently, and free of any element of
 16 partisan political bias or personal or family favoritism. Each
 17 such agency shall establish or adopt rules to carry out this
 18 section, which shall include rules to assure full staff ac-
 19 countability in matters governed by law, regulations, or
 20 agency policy. Each agency shall also provide for reasona-
 21 ble public access to information, including but not limited
 22 to public hearings at the request of appropriate community
 23 groups and reasonable public access to books and records of
 24 the agency or other agencies engaged in program activities
 25 or operations involving the use of authority or funds for

1 which it is responsible. Each such agency shall adopt, for
 2 itself and other agencies using funds or exercising authority
 3 for which it is responsible, rules designed to establish
 4 specific standards governing salaries, salary increases, travel
 5 and per diem allowances, and other employee benefits; to
 6 assure that only persons capable of discharging their duties
 7 with competence and integrity are employed and that
 8 employees are promoted or advanced under impartial proce-
 9 dures calculated to improve agency performance and effec-
 10 tiveness; to guard against personal or financial conflicts of
 11 interests; and to define employee duties in an appropriate
 12 manner which will in any case preclude employees from
 13 participating, in connection with the performance of their
 14 duties, in any form of picketing, protest, or other direct
 15 action which is in violation of law.

16 “(b) No financial assistance shall be extended under
 17 this part in any case in which the Secretary determines that
 18 the costs of developing and administering a program assisted
 19 under this part exceed 15 per centum of the total costs, in-
 20 cluding non-Federal contributions to such costs, of such
 21 program. The Secretary, after consultation with the Director
 22 of the Office of Management and Budget shall establish by
 23 regulation criteria for determining (i) the costs of develop-
 24 ing and administering such program and (ii) the total costs
 25 of such program, which criteria shall take into account dif-

1 ferences in such costs on a regional and local basis. In any
 2 case in which the Secretary determines that the cost of ad-
 3 ministering such program does not exceed 15 per centum of
 4 such total costs but is, in his judgment, excessive, he shall
 5 forthwith require the recipient of such financial assistance
 6 to take such steps prescribed by him as will eliminate such
 7 excessive administrative cost, including the sharing by one
 8 or more Headstart agencies of a common director and other
 9 administrative personnel. The Secretary may waive the
 10 limitation prescribed by this subsection for specific periods
 11 of time not to exceed six months whenever he determines
 12 that such a waiver is necessary to take into account special
 13 regional or local costs or otherwise necessary in order to
 14 carry out the purposes of this part.

15 “(c) The Secretary shall prescribe rules or regulations
 16 to supplement subsection (a) of this section, which shall be
 17 binding on all agencies carrying on Headstart program ac-
 18 tivities with financial assistance under this part. He may,
 19 where appropriate, establish special or simplified require-
 20 ments for smaller agencies or agencies operating in rural
 21 areas.

22 “(d) All rules, regulations, guidelines, instructions, and
 23 application forms published or promulgated by the Secre-
 24 tary pursuant to this part shall be published in the Federal
 25 Register and transmitted to each public or private nonprofit

1 agency receiving funds under any Headstart program as of
2 June 1, 1974, or under this title, at least thirty days prior
3 to their effective date.

4 "APPEALS, NOTICE, AND HEARING

5 "SEC. 709. The Secretary shall prescribe procedures
6 to assure that—

7 "(1) special notice of and an opportunity for a
8 timely and expeditious appeal to the Secretary is pro-
9 vided for an agency or organization which would like
10 to serve as a delegate agency under this part and whose
11 application to the Headstart agency has been wholly or
12 substantially rejected or has not been acted upon within
13 a period of time deemed reasonable by the Secretary;

14 "(2) financial assistance under this part shall not be
15 suspended for failure to comply with applicable terms
16 and conditions, except in emergency situations, nor shall
17 an application for refunding be denied, unless the recip-
18 ient agency has been given reasonable notice and oppor-
19 tunity to show cause why such action should not be
20 taken; and

21 "(3) financial assistance under this part shall not
22 be terminated for failure to comply with applicable
23 terms and conditions unless the recipient has been af-
24 farded reasonable notice and opportunity for a full and
25 fair hearing.

1 "TECHNICAL ASSISTANCE AND TRAINING

2 "SEC. 710. The Secretary may provide, directly or
3 through grants or other arrangements, (1) technical assist-
4 ance to communities in developing, conducting, and adminis-
5 tering programs under this part and (2) training for special-
6 ized or other personnel which is needed in connection with
7 Headstart programs.

8 "RESEARCH AND DEMONSTRATION PROGRAMS

9 "SEC. 711. (a) The Secretary may contact or provide
10 financial assistance for pilot or demonstration projects con-
11 ducted by public or private agencies which are designed to
12 test or assist in the development of new approaches or
13 methods that will aid in overcoming special problems or
14 otherwise in furthering the purposes of this part. He may
15 also contract or provide financial assistance for research
16 pertaining to the purposes of this part.

17 "(b) The Secretary shall establish an overall plan to
18 govern the approval of pilot or demonstration projects and
19 the use of all research authority under this part. The plan
20 shall set forth specific objectives to be achieved and priori-
21 ties among such objectives.

22 "POLITICAL ACTIVITIES

23 "SEC. 712. (a) For purposes of chapter 15 of title 5 of
24 the United States Code any agency which assumes respon-
25 sibility for planning, developing, and coordinating Head-

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

6 “(b) Programs assisted under this part shall not be
 7 carried on in a manner involving the use of program funds,
 8 the provision of services, or the employment or assignment
 9 of personnel in a manner supporting or resulting in the
 10 identification of such programs with (1) any partisan or
 11 nonpartisan political activity or any other political activity
 12 associated with a candidate, or contending faction or group,
 13 in an election for public or party office, (2) any activity to
 14 provide voters or prospective voters with transportation to
 15 the polls or similar assistance in connection with any such
 16 election, or (3) any voter registration activity. The Secre-
 17 tary, after consultation with the Civil Service Commission,
 18 shall issue rules and regulations to provide for the enforce-
 19 ment of this section, which shall include provisions for sum-
 20 mary suspension of assistance or other action necessary to
 21 permit enforcement on an emergency basis.

22 “DEFINITIONS

23 “SEC. 713. As used in this part—

24 “(1) the term ‘Secretary’ means the Secretary of
 25 Health, Education, and Welfare;

1 “(2) the term ‘State’ means a State, the Common-
 2 wealth of Puerto Rico, the District of Columbia, Guam,
 3 American Samoa, the Virgin Islands, and the Trust
 4 Territory of the Pacific Islands; and

5 “(3) the term ‘financial assistance’ includes as-
 6 sistance advanced by grant, agreement, or contract, and
 7 payments may be made in installments and in advance or
 8 by way of reimbursement, with necessary adjustments
 9 on account of overpayments or underpayments.

10 “PART B—FOLLOW THROUGH PROJECTS

11 “GRANTEES; NATURE OF PROJECTS

12 “SEC. 731. (a) (1) The Secretary is authorized to
 13 provide financial assistance in the form of grants to local
 14 educational agencies, combinations of such agencies, and, as
 15 provided in paragraph (2) of this subsection, other pub-
 16 lic or appropriate nonprofit private agencies, organizations,
 17 and institutions for the purpose of carrying out a program
 18 to be known as Follow Through focused primarily on chil-
 19 dren from low-income families (as defined by the Secre-
 20 tary) in kindergarten and primary grades, including such
 21 children enrolled in private nonprofit elementary schools,
 22 who were previously enrolled in Headstart or similar pro-
 23 grams.

24 “(2) Whenever the Secretary determines (A) that
 25 a local educational agency receiving assistance under para-

graph (1) is unable or unwilling to include in a Follow Through project children enrolled in nonprofit private schools who would otherwise be eligible to participate therein, or (B) that it is otherwise necessary in order to accomplish the purposes of this part, he may provide financial assistance for the purpose of carrying out a Follow Through project to any other public or appropriate nonprofit private agency, organization, or institution.

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

“(b) Financial assistance extended pursuant to subsection (a) for a Follow Through project shall be equal to 80 per centum of the approved costs of the assisted program

or activities, except that the Secretary may approve assistance in excess of such amounts pursuant to regulations establishing objective criteria relating to the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services.

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

“RESEARCH AND DEMONSTRATION, EVALUATION, AND TECHNICAL ASSISTANCE ACTIVITIES

“SEC. 732. (a) In conjunction with the activities authorized by subsection (a) of section 731, the Secretary may—

“(1) contract or provide financial assistance for pilot or demonstration projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this part;

“(2) provide, by contract or other arrangement, on

1 a nationwide basis, for the continuing evaluation of
 2 projects assisted under this part, including evaluations
 3 that describe and measure, with appropriate means and
 4 to the extent feasible, the impact of such projects, their
 5 effectiveness in achieving stated goals, their impact on
 6 related programs, and their structure and mechanisms for
 7 delivery of services, and including, where appropriate,
 8 comparisons with appropriate control groups composed
 9 of persons who have not participated in such projects;
 10 and

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

17 “GENERAL PROVISIONS

18 “SEC. 733. (a) Recipients of financial assistance under
 19 this part shall provide to the maximum extent feasible
 20 employment opportunities for residents of the area to be
 21 served, and to parents of children who are participating in
 22 projects assisted under this part.

23 “(b) Financial assistance under this part shall not be
 24 suspended for failure to comply with applicable terms and
 25 conditions, except in emergency situations, nor shall an ap-

1 plication for refunding be denied, unless the recipient agency
 2 has been given reasonable notice and opportunity to show
 3 cause why such action should not be taken.

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

8 “PART C—HUMAN SERVICES POLICY RESEARCH

9 “ADMINISTRATION

10 “SEC. 741. This part is to be administered by the Secre-
 11 tary of Health, Education, and Welfare.

12 “STATEMENT OF PURPOSE

13 “SEC. 742. The purpose of this part is to stimulate a
 14 better focusing of all available local, State, private, and
 15 Federal resources upon the goal of enabling low-income
 16 families, and low-income individuals of all ages, in rural
 17 and urban areas to attain the skills, knowledge, and motiva-
 18 tions and secure the opportunities needed for such persons to
 19 become fully self-sufficient.

20 “RESEARCH AND PILOT PROGRAMS

21 “SEC. 743. (a) The Secretary of Health, Education,
 22 and Welfare (hereinafter in this part referred to as the
 23 “Secretary”) may contract or provide financial assistance
 24 for pilot or demonstration projects conducted by public or
 25 private agencies which are designed to test or assist in the

1 development of new approaches or methods that will aid in
2 overcoming special problems or otherwise in furthering the
3 purposes of this part. He may also contract or provide fi-
4 nancial assistance for research and evaluation pertaining to
5 the purposes of this part.

6 “(b) The Secretary shall establish an overall plan to
7 govern the approval of pilot or demonstration projects and the
8 use of all research authority under this part. The plan shall set
9 forth specific objectives to be achieved and priorities among
10 such objectives. In formulating the plan, the Secretary shall
11 consult with other Federal agencies for the purpose of mini-
12 mizing duplication among similar activities or projects and
13 determining whether the findings resulting from any research
14 or pilot projects may be incorporated into one or more pro-
15 grams for which those agencies are responsible.

16 “(c) No pilot or demonstration project under this sec-
17 part shall be commenced in any city, county, or other major
18 political subdivision, unless a plan setting forth such pro-
19 posed pilot or demonstration project has been submitted to
20 the chief executive officer of the State, and to the local gov-
21 erning officials of the city, county, or major political sub-
22 division, in which the project is to be located, and such
23 plan has not been disapproved by them within thirty days of
24 such submission, or, if so disapproved, has been reconsidered
25 by the Secretary and found by him to be fully consistent

1 with the provisions and in furtherance of the purposes of
2 this part.

3 “CONSULTATION

4 “SEC. 744. (a) In carrying out evaluations under this
5 part, the Secretary shall, whenever possible, arrange to
6 obtain the opinions of program participants about the
7 strengths and weaknesses of programs.

8 “(b) The Secretary shall consult, when appropriate,
9 with State agencies, in order to provide for jointly spon-
10 sored objective evaluation studies of programs on a State
11 basis.

12 “(c) In carrying out evaluations under this part, the
13 Secretary shall consult with the heads of other Federal
14 agencies carrying out activities related to the subject matter
15 of those evaluations.

16 “ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND

17 EVALUATION CONTRACTS

18 “SEC. 745. (a) The Secretary shall make a public
19 announcement concerning—

20 “(1) the title, purpose, intended completion date,
21 identity of the contractor, and proposed cost of any con-
22 tract with a private or non-Federal public agency or
23 organization for any demonstration, research project,
24 or evaluation under this part; and

25 “(2) the results, findings, data, or recommenda-

1 tions made or reported as a result of such demonstration,
2 research project, or evaluation.

3 “(b) The public announcements required by subsection
4 (a) shall be made within thirty days of entering into any
5 such contract and thereafter within thirty days of the re-
6 ceipt of such results, findings, data, or recommendations.

7 “(c) The Secretary shall take necessary action to assure
8 that all studies, evaluations, proposals, and data produced
9 or developed with Federal funds employed under this part
10 shall become the property of the United States.

11 “(d) The Secretary shall publish summaries of the re-
12 sults of activities carried out pursuant to this part.

13 “DEFINITIONS

14 “SEC. 746. As used in this part—

15 “(1) the term ‘State’ means a State, the District
16 of Columbia, the Commonwealth of Puerto Rico, Guam,
17 American Samoa, the Virgin Islands, and the Trust
18 Territory of the Pacific Islands; and

19 “(2) the term ‘pilot or demonstration project’
20 means any project, whether or not involving research
21 or evaluation, which includes the delivery of human
22 services.

23 “PART D—COMPREHENSIVE HEALTH SERVICES

24 “SEC. 751. The Secretary of Health, Education, and
25 Welfare shall establish within the Department of Health,

1 Education, and Welfare a ‘Comprehensive Health Services’
2 program which shall include—

3 “(a) programs to aid in developing and carrying
4 out comprehensive health services projects focused upon
5 the needs of urban and rural areas having high con-
6 centrations or proportions of poverty and marked inade-
7 quacy of health services for low-income persons. Such
8 projects shall be designed—

9 “(1) to make possible, with maximum fea-
10 sible use of existing agencies and resources, the
11 provision of comprehensive health services, such
12 as preventive medical, diagnostic, treatment, re-
13 habilitation, family planning, narcotic addiction and
14 alcoholism prevention and rehabilitation, mental
15 health, dental, and followup services, together with
16 necessary related facilities and services, except in
17 rural areas where the lack of even elemental health
18 services and personnel may require less compre-
19 hensive services to be established first; and

20 “(2) to assure that such services are made
21 readily accessible to low-income residents of such
22 areas, are furnished in a manner most responsive to
23 their needs and with their participation and wher-
24 ever possible are combined with, or included within,
25 arrangements for providing employment, education,

1 social, or other assistance needed by the families and
 2 individuals served: *Provided, however,* That pursu-
 3 ant to such regulations as the Secretary of Health,
 4 Education, and Welfare may prescribe, persons pro-
 5 vided assistance through programs assisted under
 6 this paragraph who are not members of low-income
 7 families may be required to make payment, or have
 8 payment made in their behalf, in whole or in part
 9 for such assistance.

10 Funds for financial assistance under this paragraph
 11 shall be allotted according to need, and capacity of appli-
 12 cants to make rapid and effective use of such assistance,
 13 and may be used as necessary, to pay the full costs of
 14 projects. Before approving any project, the Secretary
 15 shall solicit and consider the comments and recommenda-
 16 tions of the local medical associations in the area and
 17 shall consult with appropriate Federal, State, and local
 18 health agencies and take such steps as may be required
 19 to assure that the program will be carried on under com-
 20 petent professional supervision and that existing agencies
 21 providing related services are furnished all assistance
 22 needed to permit them to plan for participation in the
 23 program and for the necessary continuation of such
 24 related services; and

25 "(b) programs to provide financial assistance to

1 public or private agencies to projects designed to develop
 2 knowledge or enhance skills in the field of health serv-
 3 ices for low-income persons. Such projects shall encour-
 4 age both prospective and practicing health professionals
 5 to direct their talents and energies toward providing
 6 health services for the poor. In carrying out the provi-
 7 sion of this paragraph, the Secretary is authorized to pro-
 8 vide or arrange for training and study in the field of
 9 health services for the poor. Pursuant to regulations pre-
 10 scribed by him, the Secretary may arrange for the pay-
 11 ment of stipends and allowances (including travel and
 12 subsistence expenses) for persons undergoing such train-
 13 ing and study for their dependents. The Secretary shall
 14 achieve effective coordination of programs and projects
 15 authorized under this section with other related ac-
 16 tivities."

17 PART E—GENERAL PROVISIONS

18 "COMPARABILITY OF WAGES

19 "SEC. 760. (a) The Secretary shall take such action
 20 as may be necessary to assure that persons employed in
 21 carrying out programs financed under this title shall not
 22 receive compensation at a rate which is (1) in excess of
 23 the average rate of compensation paid in the area where the
 24 program is carried out to a substantial number of the persons
 25 providing substantially comparable services, or in excess

1 of the average rate of compensation paid to a substantial
 2 number of the persons providing substantially comparable
 3 services in the area of the person's immediately preceding
 4 employment, whichever is higher or (2) less than the mini-
 5 mum wage rate prescribed in section 6(a)(1) of the Fair
 6 Labor Standards Act of 1938.

7 "NONDISCRIMINATION PROVISIONS

8 "SEC. 761. (a) The Secretary shall not provide finan-
 9 cial assistance for any program, project, or activity under
 10 this title unless the grant, contract, or agreement with re-
 11 spect thereto specifically provides that no person with re-
 12 sponsibilities in the operation thereof will discriminate with
 13 respect to any such program, project, or activity because of
 14 race, creed, color, national origin, sex, political affiliation,
 15 or beliefs.

16 "(b) No person in the United States shall on the
 17 ground of sex be excluded from participation in, be denied
 18 the benefits of, be subjected to discrimination under, or
 19 be denied employment in connection with any program or
 20 activity receiving assistance under this title. The Secretary
 21 shall enforce the provisions of this subsection (b) in ac-
 22 cordance with section 602 of the Civil Rights Act of 1964.
 23 Section 603 of such Act shall apply with respect to any
 24 action taken by the Secretary to enforce this subsection. This
 25 subsection shall not be construed as affecting any other legal
 26 remedy that a person may have if that person is excluded

1 from participation in, denied the benefits of, subjected to
 2 discrimination under, or denied employment in connection
 3 with any program, project, or activity receiving assistance
 4 under this title.

5 "RECORDS AND AUDIT

6 "SEC. 762. (a) Each recipient of financial assistance
 7 under this title shall keep such records as the Secretary shall
 8 prescribe, including records which fully disclose the amount
 9 and disposition by such recipient of the proceeds of such
 10 financial assistance, the total cost of the project or under-
 11 taking in connection with which such financial assistance is
 12 given or used, the amount of that portion of the cost of the
 13 project or undertaking supplied by other sources, and such
 14 other records as will facilitate an effective audit.

15 "(b) The Secretary and the Comptroller General of the
 16 United States, or any of their duly authorized representa-
 17 tives, shall have access for the purpose of audit and exami-
 18 nation to any books, documents, papers, and records of the
 19 recipients that are pertinent to the financial assistance re-
 20 ceived under this title.

21 "LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL

22 ACTIVITIES

23 SEC. 763. No individual employed or assigned by any
 24 Headstart agency or other agency assisted under this title
 25 shall, pursuant to or during the performance of services

1 rendered in connection with any program or activity con-
 2 ducted or assisted under this title by such Headstart agency
 3 or such other agency, plan, initiate, participate in, or other-
 4 wise aid or assist in the conduct of any unlawful demonstra-
 5 tion, rioting, or civil disturbance.

6 "EVALUATION

7 "SEC. 764. (a) The Secretary shall provide for the
 8 continuing evaluation of programs under this title, includ-
 9 ing evaluations that describe and measure, with appropriate
 10 means and to the extent feasible, the impact of such programs,
 11 their effectiveness in achieving stated goals, their impact on
 12 related programs, and their structure and mechanisms for
 13 delivery of services, and including, where appropriate, com-
 14 parisons with appropriate control groups composed of persons
 15 who have not participated in such programs. The Secre-
 16 tary may, for such purposes, contract or make other arrange-
 17 ments for independent evaluations of those programs or
 18 individual projects.

19 "(b) The Secretary shall to the extent feasible develop
 20 and publish standards for evaluation of program effective-
 21 ness in achieving the objectives of this title. He shall con-
 22 sider the extent to which such standards have been met in
 23 deciding whether to renew or supplement financial assist-
 24 ance authorized under this title.

25 "(c) In carrying out evaluations under this title, the

1 Secretary may require agencies to provide independent
 2 evaluations.

3 SEC. 17. (a) The Economic Opportunity Act of 1964
 4 is amended by striking the caption "TITLE IX—EVAL-
 5 UATION" and inserting in lieu thereof:

6 "TITLE VIII—EVALUATION, RESEARCH, AND
 7 DEMONSTRATION

8 "PART A—EVALUATION AND COORDINATION".

9 (b) Sections 901 through 905 of the Economic Oppor-
 10 tunity Act of 1964 are redesignated as sections 801 through
 11 805, respectively.

12 SEC. 18. The Economic Opportunity Act of 1964 as
 13 redesignated by this Act is amended by inserting after sec-
 14 tion 805 the following:

15 "PART B—RESEARCH AND DEMONSTRATION PROGRAMS

16 "ASSISTANCE FOR PROJECTS

17 "SEC. 811. (a) The Director may contract or provide
 18 financial assistance for demonstration projects conducted by
 19 public or private agencies which are designed to test or
 20 assist in the development of new approaches or methods that
 21 will aid in overcoming special problems or otherwise in
 22 furthering the purposes of this Act. He may also contract
 23 or provide financial assistance for research pertaining to the
 24 purposes of this Act.

25 "(b) The Director shall establish an overall plan

1 to govern the approval of demonstration projects and the use
 2 of all research authority under this part. The plan shall set
 3 forth specific objectives to be achieved and priorities among
 4 such objectives. In formulating the plan, the Director shall
 5 consult with the Secretary of Health, Education, and Wel-
 6 fare and the heads of other Federal agencies for the purpose
 7 of minimizing duplication among similar activities or projects
 8 and determining whether the findings resulting from any
 9 research or demonstration projects may be incorporated into
 10 one or more programs for which those agencies are responsi-
 11 ble. As part of the annual report required by section 608 of
 12 this Act, or in a separate annual report, the Director shall sub-
 13 mit a description for each fiscal year of the current plan re-
 14 quired by this section, of activities subject to the plan, and of
 15 the findings derived from those activities, together with a
 16 statement indicating the time and, to the extent feasible, the
 17 manner in which the benefits of those activities and findings
 18 are expected to be realized.

19 “(c) No demonstration project under this part shall
 20 be commenced in any city, county, or other major political
 21 subdivision, unless a plan setting forth such proposed demon-
 22 stration project has been submitted to the appropriate com-
 23 munity action agency, or, if there is no such agency, to the
 24 local governing officials of the political subdivision, and such
 25 plan has not been disapproved by the community action

1 agency or governing body, as the case may be, within thirty
 2 days of such submission, or, if so disapproved, has been re-
 3 considered by the Director and found by him to be fully
 4 consistent with the provisions and in furtherance of the pur-
 5 poses of this part.

6 “(d) The Director shall develop and carry out
 7 demonstration projects which (1) aid elderly persons to
 8 achieve greater self-sufficiency, (2) focus upon the problems
 9 of rural poverty, (3) are designed to develop new techniques
 10 and community-based efforts to prevent narcotics addiction
 11 or to rehabilitate narcotic addicts, (4) are designed to meet
 12 the objectives of section 134 of this Act, or (5) are designed
 13 to encourage the participation of private organizations, other
 14 than nonprofit organizations, in programs under this Act.

15 “(e) The Director shall conduct, either directly or
 16 through grants or other arrangements, research and demon-
 17 stration projects designed to assure a more effective use of
 18 human and natural resources of rural America and to slow
 19 the migration from rural areas due to lack of economic op-
 20 portunity, thereby reducing population pressures in urban
 21 centers. Such projects may be operated jointly or in coopera-
 22 tion with other federally assisted programs, particularly pro-
 23 grams authorized under the Public Works and Economic
 24 Development Act of 1965, in the area to be served by the
 25 project.”

1 SEC. 19 (a) Effective six months after the date of enact-
 2 ment of this Act, section 601 of the Economic Opportunity
 3 Act of 1964 and the preceding caption is amended by strik-
 4 ing out the entire section and inserting in lieu thereof the
 5 following:

6 "TITLE VI—ADMINISTRATION AND
 7 COORDINATION

8 "PART A—ADMINISTRATION

9 "ESTABLISHMENT OF AGENCY

10 "SEC. 601. (a) There is hereby established in the
 11 executive branch of the Federal Government a separate
 12 independent agency to be known as the 'Community Services
 13 and Community Economic Development Administration.'

14 "(b) Such agency shall be headed by an Adminis-
 15 trator who shall be appointed by the President, by and with
 16 the advice and consent of the Senate, and shall be compen-
 17 sated at the rate provided for level II of the Executive
 18 Schedule under section 5314 of title 5, United States Code.
 19 There shall also be in such agency two Deputy Administra-
 20 tors who shall be appointed by the President, by and with the
 21 advice and consent of the Senate, and shall be compensated at
 22 the rate provided for in level III of the Executive Schedule
 23 under section 5315 of title 5, United States Code. One such Dep-
 24 uty Administrator shall be designated 'Deputy Administrator
 25 for Community Services' and shall be responsible for the ad-

1 ministration of programs under titles I and III of this Act
 2 and the other such Deputy Administrator shall be desig-
 3 nated 'Deputy Administrator for Community Economic
 4 Development' and shall be responsible for administration of
 5 programs under title II of this Act. There shall also be in
 6 such agency five Associate Administrators who shall be
 7 appointed by the President, by and with the advice and
 8 consent of the Senate, and shall be compensated at the rate
 9 provided for level IV of the Executive Schedule under
 10 section 5316 of title 5, United States Code. One such
 11 Associate Administrator shall be designated 'Associate
 12 Administrator for Community Action Programs' and shall
 13 carry out operational responsibility for programs under titles
 14 I (except for part E) and title III. Another such Asso-
 15 ciate Administrator shall be designated 'Associate Admin-
 16 istrator for Community Partnership' and shall carry out
 17 operational responsibility for programs under part E of title
 18 I. One such Associate Administrator shall be designated
 19 'Associate Administrator for Community Development
 20 Program Operations' and shall carry out operational respon-
 21 sibility for all programs, authorized under title II (except
 22 for those authorized under part C), and another such Asso-
 23 ciate Administrator shall be designated 'Associate Adminis-
 24 trator for Community Development Loans' and shall carry

1 out operational responsibility for programs authorized under
2 part C of title II."

3 SEC. 20. Section 602 (d) of the Economic Opportunity
4 Act of 1964 as redesignated by this Act is amended to read
5 as follows:

6 "(d) with the approval of the President, arrange with
7 and reimburse the heads of other Federal agencies for the
8 performance of any of his functions under this Act, and,
9 as necessary or appropriate, delegate any of his powers
10 under this Act and authorize the redelegation thereof subject
11 to provisions to assure the maximum possible liaison between
12 the Office of Economic Opportunity and such other agencies
13 at all operating levels, which shall include the furnishing of
14 complete operational information by such other agencies to
15 the Office of Economic Opportunity and the furnishing of
16 such information by such Office to such other agencies, except
17 that the Director shall not delegate his functions under sec-
18 tion 121, paragraph (9) of section 122 (a), title II, or part
19 B of title III, to any other agency."

20 SEC. 21. Section 605 (c) of the Economic Opportunity
21 Act of 1964 is amended by striking out "calendar year
22 1967" and inserting in lieu thereof "calendar year 1975."

23 SEC. 22. Section 608 of the Economic Opportunity Act
24 of 1964 is amended by adding after the last sentence "Each
25 such report shall contain a detailed statement with respect

1 to programs established by this Act which are administered
2 by other Federal agencies, together with an opinion of the
3 Director with respect to the extent to which the operation
4 of such programs fulfill the purposes of this Act."

5 SEC. 23. Section 610-1 (b) of the Economic Opportunity
6 Act of 1964 is amended by striking out "1967" in the first
7 sentence and inserting "1975" in lieu thereof.

8 SEC. 24. Effective six months after the date of enact-
9 ment of this Act, section 616 of the Economic Opportunity
10 Act of 1964 is amended to read as follows:

11 "TRANSFER OF FUNDS

12 "SEC. 616. Notwithstanding any limitation on appro-
13 priations for any program or activity under this Act or
14 any Act authorizing appropriations for such program or
15 activity, including programs under section 146, not to ex-
16 ceed 20 per centum for each fiscal year of the amount appro-
17 priated or allocated from any appropriation for the purpose
18 of enabling the Administrator to carry out any such program
19 or activity under the Act may be transferred and used by
20 the Administrator for the purpose of carrying out any other
21 such program or activity under the Act."

22 SEC. 25. (a) Effective six months after the date of en-
23 actment of this Act, the property, records, and unexpended
24 balances of appropriations, allocations, and other funds
25 employed, used, held, available, or to be made available in

1 connection with the functions of the Director of the Office
 2 of Economic Opportunity are hereby transferred to the Ad-
 3 ministrator of the Community Services and Community
 4 Economic Development Administration. All personnel (ex-
 5 cept personnel under schedule A of the excepted service)
 6 as determined by the Director of the Office of Management
 7 and Budget in consultation with the Director of the Office
 8 of Economic Opportunity to be employed directly or held
 9 or used primarily in connection with any function in carry-
 10 ing out program conducted by the Office of Economic Oppor-
 11 tunity shall be transferred from the Office of Economic Op-
 12 portunity to the Administration in accordance with appli-
 13 cable laws and regulations, and shall not be reduced in
 14 compensation for one year after such transfer, except for
 15 cause. Collective-bargaining agreements in effect on the date
 16 of enactment of this Act covering employees transferred to
 17 the Administration shall continue to be recognized by the
 18 Administration until the termination date of such agree-
 19 ments, or until mutually modified by the parties.

20 (b) All official actions taken by the Director of the
 21 Office of Economic Opportunity, his designee, or any other
 22 person under the authority of the Economic Opportunity Act
 23 of 1964, as amended, which are in force upon the date of
 24 transfer pursuant to subsection (a) and for which there is
 25 continuing authority under the provisions of the Economic

1 Opportunity Act of 1964, as amended, shall continue in full
 2 force and effect until modified, superseded, or revoked by the
 3 Administrator.

4 (c) All references to the Office of Economic Oppor-
 5 tunity, or the Director of the Office of Economic Opportunity,
 6 in any statute, reorganization plan, Executive order, regula-
 7 tion, or other official document or proceeding shall, upon the
 8 date of transfer pursuant to subsection (a), be deemed to
 9 refer to the Community Services and Economic Development
 10 Administration and the Administrator thereof, respectively.

11 (d) No suit, action, or other proceeding, and no cause
 12 of action, by or against the agency known as Office of Eco-
 13 nomic Opportunity, or any action by any officer thereof
 14 acting in his official capacity, shall abate by reason of enact-
 15 ment of this Act.

16 (e) Effective six months after the date of enactment of
 17 this Act, the functions of the Secretary of Health, Educa-
 18 tion, and Welfare with respect to the Native American pro-
 19 gram shall be transferred to the Administrator of the Com-
 20 munity Services and Community Economic Development
 21 Administration along with the property and records used in
 22 connection with the program. All personnel, except person-
 23 nel under schedule A of the excepted service, determined by
 24 the Director of the Office of Management and Budget in
 25 consultation with the Secretary of Health, Education, and

1 Welfare to be employed directly or held or used primarily
 2 in connection with any function in carrying out the program,
 3 shall be transferred from the Department of Health, Edu-
 4 cation, and Welfare to the Administration as of six months
 5 after the date of enactment of this Act in accordance with
 6 applicable laws and regulations, and such personnel shall not
 7 be reduced in compensation for one year after such transfer,
 8 except for cause.

9 (f) Effective six months from the date of enactment
 10 of this Act, the functions of the Secretary of Labor with
 11 respect to the migrants program authorized by part B of title
 12 III of the Economic Opportunity Act of 1964 shall be
 13 transferred to the Administrator of the Community Services
 14 and Community Economic Development Administration along
 15 with the property and records used in connection with the
 16 program. All personnel, except personnel under schedule A
 17 of the excepted service, determined by the Director of the
 18 Office of Management and Budget in consultation with the
 19 Secretary of Labor to be employed directly or held or used
 20 primarily in connection with any function in carrying out
 21 the program, shall be transferred from the Department of
 22 Labor to the Administration as of six months from the date
 23 of enactment of this Act in accordance with applicable laws
 24 and regulations, and such personnel shall not be reduced in

1 compensation for one year after such transfer, except for
 2 cause.

3 SEC. 26. Effective six months after the date of enactment
 4 of this Act, wherever the term "Director" appears in the
 5 Economic Opportunity Act of 1964, strike out such term and
 6 insert in lieu thereof "Administrator".

7 SEC. 27. Effective six months after the date of enact-
 8 ment of this Act, wherever the term "Office" or "Office of
 9 Economic Opportunity" appears in the Economic Oppor-
 10 tunity Act of 1964, strike out such term and insert in lieu
 11 thereof "Administration" or "Community Services and
 12 Community Economic Development Administration",
 13 respectively.

14 SEC. 28. Section 601 (a) (7) of the Comprehensive
 15 Employment and Training Act of 1973 is amended by in-
 16 serting after "Veterans outreach" a comma and the follow-
 17 ing: "antipoverty activities, including the assignment of in-
 18 dividuals employed by public agencies to assist community
 19 action agencies and other agencies and organizations receiv-
 20 ing assistance under the Economic Opportunity Act of 1964,
 21 as amended".

22 SEC. 29. Section 907 (c) of the Older Americans Com-
 23 prehensive Services Amendments of 1973 is amended by in-
 24 serting after "economic development" a semicolon and the
 25 following: "antipoverty activities, including the assignment

A BILL

To extend the Economic Opportunity Act of 1964, further Headstart, community action, community economic development, and other antipoverty efforts, to provide for increased involvement of State and local governments in antipoverty efforts, and for other purposes.

By Mr. JAVITS, Mr. KENNEDY, Mr. DOLE, Mr. JOHNSTON, Mr. ABOUREZK, Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. CRANSTON, Mr. GRAVEL, Mr. HART, Mr. HASKELL, Mr. HATHFIELD, Mr. HATHAWAY, Mr. HOLLINGS, Mr. HUMPHREY, Mr. LONG, Mr. MATHIAS, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METZENBAUM, Mr. MONDALE, Mr. MOSS, Mr. MUSKIE, Mr. PASTORE, Mr. PEARSON, Mr. PELL, Mr. PERCY, Mr. RANDOLPH, Mr. RIBICOFF, Mr. HUGH SCOTT, Mr. TUNNEY, and Mr. WILLIAMS

JULY 23, 1974

Read twice and referred to the Committee on Labor
and Public Welfare



STATE OF SOUTH DAKOTA

RICHARD F. KNEIP
GOVERNOR

EXECUTIVE OFFICE

PIERRE
57501

March 20, 1974

Mr. Alvin Arnett
Director
Office of Economic Opportunity
1200 19th Street, N.W.
Washington, D.C. 20506

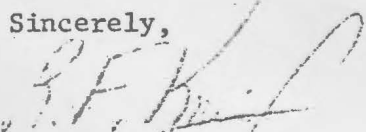
Dear Mr. Arnett:

I thought I might share with you the results of the meeting I had with Mr. Paul O'Neil. I expressed to him our belief that such activities as the administration and services costs for Community Action Agencies are extremely critical at this point in time, as we face the development of new methods and program procedures for the delivery of Human and Community Development Programs. I mentioned the meeting with you in which I described the utilization of Community Action Agencies already in place throughout the state, including expansion of the major state role in community action and coverage to those areas of the state not now being served. I told him of your interest in funding such activities, however, without additional money you are unable to do so. Finally, I urged him to seriously consider the release of the impounded funds. Mr. O'Neil expressed his concern about establishing a precedent for Health, Education and Welfare if the funds were released. However, he said he would look into the matter.

I also wanted to thank you for your meeting with me to discuss the future of Community Action in South Dakota. I would also like to extend an invitation to you to come to our state and review the progress that has been made in strengthening the community action process.

Best wishes for the future.

Sincerely,


RICHARD F. KNEIP
GOVERNOR

RFK:km



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

ARCH A. MOORE, JR
GOVERNOR

The Honorable Dale Bumpers
Governor of Arkansas
State Capitol
Little Rock, Arkansas 72201

Dear Governor Bumpers:

I am writing to express my concern for the future of the Economic Opportunity Act of 1964, as amended.

As you know, Mr. Hawkins of California has introduced HR 12464, a bill to extend certain programs under the Economic Opportunity Act of 1964.

As HR 12464 provides for the extension of the EOA for two years, I am supporting it on the basis of the work now being performed by our community action agencies (a copy of their annual report is enclosed), and I hope that you would be able to indicate your support to your Congressional delegation.

Sincerely yours,

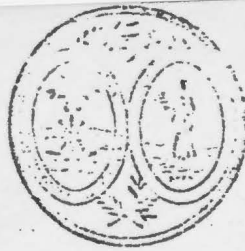


Arch A. Moore, Jr.
Governor

AAM,Jr:ka

Enclosure





State of South Carolina

JOHN C. WEST
GOVERNOR

OFFICE OF THE GOVERNOR
COLUMBIA 29211

March 29, 1974

The Honorable Augustus F. Hawkins
United States Congress
2350 Rayburn Building
Washington, D. C. 20515

Dear Congressman Hawkins:

I wanted to write you and to assure you that your proposed bill to extend the life of the Office of Economic Opportunity has my complete and full support.

The programs funded by CEO have channeled millions of dollars into South Carolina, but more importantly, the lives of thousands of impoverished and deprived citizens of our state have benefited immeasurably from the programs funded by that office and conducted by the community action agencies throughout our state.

In recognition of the value of the efforts and achievements of the CEO-funded programs and related activities such as Head Start and the various manpower programs from the Department of Labor, our General Assembly appropriated \$1.409 million to assist in supporting the human resource and human service effort in South Carolina.

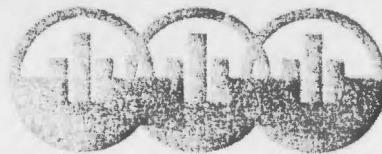
It is my considered opinion that it would be a grave error to allow such a valuable program which has done so much for so many to be discontinued when most of the states are now devoting more and more effort toward the development of their human resources.

Sincerely,

John C. West

ENCLOSURE





50th Anniversary
1924 — 1974

NATIONAL LEAGUE OF CITIES
The National Action Arm of the Nation's Cities

Allen E. Pritchard,
Executive Vice President

April 9, 1974

The Honorable Augustus F. Hawkins
Chairman
Subcommittee on Equal Opportunities
Committee on Education and Labor
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

The future of the Office of Economic Opportunity and its anti-poverty programs is of vital importance to the nation's cities. For ten years these resources have made significant contributions to enhancing the quality of urban life--the local economy, physical environment and social justice. Significant institutional change has been achieved in the processes of local government. Several hundred thousand poor people have not only been employed through these resources, but have had the door opened to upward mobility in the public and private sectors. For a relatively minor cost, in national budgetary terms, anti-poverty funds have had a major role in rechanneling and coordinating services delivery and their impact on people. These programs need to be continued.

The potential termination of these anti-poverty programs will result in the loss of many vital services that the cities would be otherwise unable to absorb from their own limited resources. Local initiative funding under OEO has been the vehicle for providing vital services including child care, services for the elderly, summer youth employment, intake and referral services, economic development, consumer protection, health programs, emergency food distribution and many more. The decentralization and coordination of services at the neighborhood level has been achieved using local initiative funds resulting in a more responsive government-citizen relationship.

We therefore urge, Mr. Chairman, that your Committee support the continuation of local initiative funding under the Economic Opportunity Act at least at last year's funding level; at the same local share rate; and that the services so vital to the urban poor not be terminated. We look forward to working with you in the development of sound legislation to continue the Federal anti-poverty effort.

Sincerely,

Allen E. Pritchard, Jr.
Executive Vice President





STATE OF MISSISSIPPI
EXECUTIVE CHAMBER
JACKSON

WILLIAM LOWE WALLER
GOVERNOR

April 10, 1974

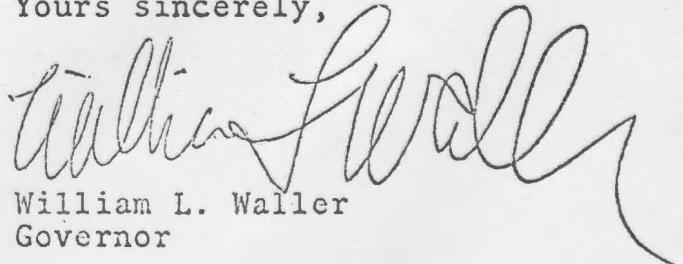
Congressman Gus Hawkins, Chairman
Sub-Committee on Equal Opportunity Employment
House Labor and Education Committee
House of Representatives
Washington, D. C.

Dear Congressman Hawkins:

Joining with other governors, and speaking for local elected officials, community leaders, low income participants and others, I am supporting and urging the passage of HR 12,464 especially in its support of Federal funding of Community Action Agencies.

The legislature of the State of Mississippi has enacted legislation supportive of Community Action Agencies which I signed into law on April 3, 1974. Because of strong local support expressed through the passage of this state legislation, I urge the passage of legislation to assure the continued categorical Federal funding of effective and well administered Community Action Agencies.

Yours sincerely,



William L. Waller
Governor

cc: Mississippi Congressional Delegation
SEOO Directors



Congress of the United States

Office of the Minority Leader

House of Representatives

Washington, D.C. 20515

OFFICIAL BUSINESS

Herold R. Ford
M.C.

A Modest Proposal:

Nixon Can Abolish OEO This Week

the continuing resolution, since there would thereby be no further grounds for holding up their funding. Surely, under such circumstances they would see the relevant distinction between support for "authorized" and "unauthorized" fed-

Iran: New World Power?

By ERIC BRODIN

GOLD COINS and SILVER DOLLARS



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Increasing demand and diminishing supply make these coins a solid investment. Furthermore, they offer a good hedge against inflation and are the best protection against devaluation.

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Protect your holdings today with "real money" of intrinsic value. Tomorrow may be too late!

60 SILVER DOLLARS all Brilliant Uncirculated (BU) 1878 to 1923, at least 10 different dates with over half before 1900	\$625.00
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6/29/74

93^d CONGRESS
2^d SESSION

S. 3870

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 1974

Mr. NELSON (for himself, Mr. CRANSTON, Mr. MONDALE, Mr. RANDOLPH, and Mr. BAYH) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To provide for the extension of Headstart and other programs under the Economic Opportunity Act of 1964, to establish a Community Services Administration in the Department of Health, Education, and Welfare to administer programs which have been administered by the Office of Economic Opportunity, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Community Services and
- 4 Headstart Act of 1974".

5 STATEMENT OF PURPOSE

- 6 SEC. 2. It is the purpose of this Act to extend programs
- 7 under the Economic Opportunity Act of 1964 and to estab-
- 8 lish within the Department of Health, Education, and Wel-



1 fare a Community Services Administration to administer
2 programs which have been administered by the Office of
3 Economic Opportunity.

4 HEADSTART AND FOLLOW THROUGH

5 SEC. 3. (a) Title V of the Economic Opportunity Act
6 of 1964 is amended by striking out the heading thereof
7 and all of such title preceding part B thereof (which is here-
8 by redesignated as part C) and inserting in lieu thereof the
9 following:

10 "TITLE V—HEADSTART AND FOLLOW 11 THROUGH PROGRAMS

12 "PURPOSE OF TITLE

13 "SEC. 501. In recognition of the role of Project
14 Headstart and Follow Through in the effective delivery
15 of comprehensive health, education, nutritional, social,
16 and other services to economically disadvantaged children
17 and their families, it is the purpose of this title to provide
18 the legislative basis for the administration of the Headstart
19 and Follow Through programs in the Department of Health,
20 Education, and Welfare.

21 "PART A—PROGRAM AUTHORITY AND REQUIREMENTS

22 "AUTHORIZATION OF HEADSTART PROGRAM

23 "SEC. 511. The Secretary may, upon application by an
24 agency which is eligible for designation as a Headstart
25 agency pursuant to section 514, provide financial assistance

1 to such agency for the planning, conduct, administration, and
2 evaluation of a Headstart program focused upon children
3 from low-income families who have not reached the age of
4 compulsory school attendance which (1) will provide such
5 comprehensive health, nutritional, educational, social, and
6 other services as the Secretary finds will aid the children to
7 attain their full potential, and (2) will provide for direct
8 participation of the parents of such children in the develop-
9 ment, conduct, and overall program direction at the local
10 level.

11 "AUTHORIZATION OF APPROPRIATIONS

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

15 "ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

16 "SEC. 513. (a) Of the sums appropriated pursuant to
17 section 512 for any fiscal year beginning after June 30,
18 1975, the Secretary shall allot not more than 2 per centum
19 among Guam, American Samoa, the Trust Territory of the
20 Pacific Islands, and the Virgin Islands, according to their
21 respective needs. In addition, the Secretary shall reserve not
22 more than 15 per centum of the sums so appropriated for
23 use in accordance with such criteria and procedures as he
24 may prescribe, and not less than 10 per centum of the sums
25 so appropriated for the purpose of assisting Headstart agen-

1 cies to meet the requirements of section 513 (d). The remain-
 2 der shall be allotted among the States, in accordance with
 3 the latest satisfactory available data, so that equal proportions
 4 are distributed on the basis of (1) the relative number of
 5 public assistance recipients in each State as compared to all
 6 States, (2) the relative number of unemployed persons in
 7 each State as compared to all States, and (3) the relative
 8 number of related children living with families below the
 9 poverty line in each State as compared to all States; but
 10 there shall be made available, for use by Headstart pro-
 11 grams within each State, no less funds for any fiscal year
 12 than were obligated for use by Headstart programs within
 13 such State with respect to fiscal year 1975. For the purpose
 14 of this subsection, the Secretary shall utilize the criteria of
 15 poverty used by the Bureau of the Census in compiling the
 16 1970 decennial census.

17 “(b) Financial assistance extended under this part
 18 for a Headstart program shall not exceed 80 per centum of
 19 the approved costs of the assisted program or activities, ex-
 20 cept that the Secretary may approve assistance in excess of
 21 such percentage if he determines, in accordance with regula-
 22 tions establishing objective criteria, that such action is
 23 required in furtherance of the purposes of this part. Non-
 24 Federal contributions may be in cash or in kind, fairly
 25 evaluated, including but not limited to plant, equipment, or

1 services. The Secretary shall not require non-Federal con-
 2 tributions in excess of 20 per centum of the approved costs
 3 of programs or activities assisted under this part.

4 “(c) No program shall be approved for assistance under
 5 this part unless the Secretary is satisfied that the services
 6 to be provided under such program will be in addition to, and
 7 not in substitution for, comparable services previously pro-
 8 vided without Federal assistance. The requirement imposed
 9 by the preceding sentence shall be subject to such regulations
 10 as the Secretary may prescribe.

11 “(d) The Secretary shall establish policies and proce-
 12 dures designed to assure that not less than 10 per centum of
 13 the total number of enrollment opportunities in Headstart
 14 programs shall be available for handicapped children (as de-
 15 fined in paragraph (1) of section 602 of the Education of the
 16 Handicapped Act) and that services shall be provided to
 17 meet their special needs. The Secretary shall report to the
 18 Congress at least annually on the status of handicapped chil-
 19 dren in Headstart programs, including the number of chil-
 20 dren being served, their handicapping conditions, and the
 21 services being provided such children.

22 “(e) The Secretary shall adopt appropriate administra-
 23 tive measures to assure that the benefits of this title will be
 24 distributed equitably between residents of rural and urban
 25 areas.

1 "DESIGNATION OF HEADSTART AGENCIES

2 "SEC. 514. (a) A public or private nonprofit agency
3 which (1) has the power and authority to carry out the pur-
4 poses of this part and perform the functions set forth in sec-
5 tion 515 within a community, and (2) is determined by
6 the Secretary to be capable of planning, conducting, ad-
7 ministering, and evaluating, either directly or by other
8 arrangements, a Headstart program, may be designated as
9 a Headstart agency.

10 "(b) For the purposes of this title, a community may be
11 a city, county, multicity, or multicounty unit within a State,
12 an Indian reservation, or a neighborhood or other area (irre-
13 spective of boundaries or political subdivisions) which pro-
14 vides a suitable organization base and possesses the com-
15 monality of interest needed to operate a Headstart program.

16 "(c) In the administration of the provisions of this sec-
17 tion, the Secretary shall give priority in the designation of
18 Headstart agencies to any public or private nonprofit agency
19 which is receiving funds under any Headstart program on
20 the date of the enactment of this Act, except that the
21 Secretary shall, before giving such priority, determine that
22 the agency involved meets program and fiscal requirements
23 established by the Secretary.

24 "POWERS AND FUNCTIONS OF HEADSTART AGENCIES

25 "SEC. 515. (a) In order to be designated as a Head-
26 start agency under this part, an agency must have authority

1 under its charter or applicable law to receive and adminis-
2 ter funds under this part, funds and contributions from pri-
3 vate or local public sources which may be used in support
4 of a Headstart program, and funds under any Federal or
5 State assistance program pursuant to which a public or pri-
6 vate nonprofit agency (as the case may be) organized in
7 accordance with this part, could act as grantee, contractor,
8 or sponsor of projects appropriate for inclusion in a Head-
9 start program. Such an agency must also be empowered to
10 transfer funds so received, and to delegate powers to other
11 agencies, subject to the powers of its governing board and its
12 overall program responsibilities. This power to transfer funds
13 and delegate powers must include the power to make trans-
14 fers and delegations covering component projects in all
15 cases where this will contribute to efficiency and effective-
16 ness or otherwise further program objectives.

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

1 "SUBMISSION OF PLANS TO GOVERNORS
 2 "SEC. 516. In carrying out the provisions of this part,
 3 no contract, agreement, grant, or other assistance shall be
 4 made for the purpose of carrying out a Headstart program
 5 within a State unless a plan setting forth such proposed
 6 contract, agreement, grant, or other assistance has been
 7 submitted to the Governor of the State, and such plan has
 8 not been disapproved by the Governor within thirty days of
 9 such submission, or, if so disapproved, has been reconsidered
 10 by the Secretary and found by him to be fully consistent
 11 with the provisions and in furtherance of the purposes of
 12 this part. Funds to cover the costs of the proposed contract,
 13 agreement, grant, or other assistance shall be obligated from
 14 the appropriation which is current at the time the plan is
 15 submitted to the Governor.

16 "ADMINISTRATIVE REQUIREMENTS AND STANDARDS

17 "SEC. 517. (a) Each Headstart agency shall observe
 18 standards of organization, management, and administration
 19 which will assure, so far as reasonably possible, that all pro-
 20 gram activities are conducted in a manner consistent with
 21 the purposes of this part and the objective of providing
 22 assistance effectively, efficiently, and free of any taint of
 23 partisan political bias or personal or family favoritism. Each
 24 such agency shall establish or adopt rules to carry out this
 25 section, which shall include rules to assure full staff ac-

1 countability in matters governed by law, regulations, or
 2 agency policy. Each agency shall also provide for reason-
 3 able public access to information, including but not limited
 4 to public hearings at the request of appropriate community
 5 groups and reasonable public access to books and records of
 6 the agency or other agencies engaged in program activities
 7 or operations involving the use of authority or funds for
 8 which it is responsible. Each such agency shall adopt for
 9 itself and other agencies using funds or exercising authority
 10 for which it is responsible, rules designed to establish
 11 specific standards governing salaries, salary increases, travel
 12 and per diem allowances, and other employee benefits; to
 13 assure that only persons capable of discharging their duties
 14 with competence and integrity are employed and that em-
 15 ployees are promoted or advanced under impartial proce-
 16 dures calculated to improve agency performance and effec-
 17 tiveness; to guard against personal or financial conflicts of
 18 interests; and to define employee duties in an appropriate
 19 manner which will in any case preclude employees from
 20 participating, in connection with the performance of their
 21 duties, in any form of picketing, protest, or other direct
 22 action which is in violation of law.

23 "(b) No financial assistance shall be extended under
 24 this part in any case in which the Secretary determines that
 25 the costs of developing and administering a program assisted

1 under this title exceed 15 per centum of the total costs, in-
 2 cluding non-Federal contributions to such costs, of such
 3 program. In any case in which the Secretary determines that
 4 the cost of administering such program does not exceed 15
 5 per centum of such total costs but, in his judgment, is exces-
 6 sive, he shall forthwith require the recipient of such financial
 7 assistance to take such steps prescribed by him as will
 8 eliminate such excessive administrative cost, including the
 9 sharing by one or more Headstart agencies of a common
 10 director and other administrative personnel. The Secretary
 11 may waive the limitation prescribed by this paragraph for
 12 specific periods of time not to exceed six months whenever
 13 he determines that such a waiver is necessary in order to
 14 carry out the purposes of this part.

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

1 “(d) All rules, regulations, guidelines, instructions, and
 2 application forms published or promulgated by the Secretary
 3 pursuant to this part shall be published in the Federal Regis-
 4 ter at least thirty days prior to their effective date.

5 “PARTICIPATION IN HEADSTART PROGRAMS

6 “SEC. 518. (a) The Secretary shall by regulation pre-
 7 scribe eligibility for the participation of persons in Head-
 8 start programs assisted under this part. Such criteria shall
 9 provide (1) that children from low-income families shall
 10 be eligible for participation if their families are below the
 11 poverty line or if their families qualify or, in the absence
 12 of child care, would potentially qualify for public assistance;
 13 and (2) that programs assisted under this part may include,
 14 to a reasonable extent, participation of children in the area
 15 served who would benefit from such programs but whose
 16 families do not meet the low-income criteria prescribed
 17 pursuant to clause (1).

18 “(b) The Secretary shall not prescribe any fee schedule
 19 or otherwise provide for the charging of any fees for partici-
 20 pation in Headstart programs, unless such fees are authorized
 21 by legislation hereafter enacted.

22 “APPEALS, NOTICE AND HEARING

23 “SEC. 519. The Secretary shall prescribe procedures
 24 to assure that—

25 “(1) special notice of and an opportunity for a

1 timely and expeditious appeal to the Secretary is pro-
 2 vided for an agency or organization which desires to
 3 serve as a delegate agency under this part and whose
 4 application to the Headstart agency has been wholly or
 5 substantially rejected or has not been acted upon within
 6 a period of time deemed reasonable by the Secretary;

7 “(2) financial assistance under this part shall not be
 8 suspended for failure to comply with applicable terms
 9 and conditions, except in emergency situations, nor shall
 10 an application for refunding be denied, unless the recip-
 11 ient agency has been given reasonable notice and oppor-
 12 tunity to show cause why such action should not be
 13 taken; and

14 “(3) financial assistance under this part shall not
 15 be terminated for failure to comply with applicable
 16 terms and conditions unless the recipient has been af-
 17 forded reasonable notice and opportunity for a full and
 18 fair hearing.

19 “RECORDS AND AUDITS

20 “SEC. 520. (a) Each recipient of financial assistance
 21 under this part shall keep such records as the Secretary shall
 22 prescribe, including records which fully disclose the amount
 23 and disposition by such recipient of the proceeds of such
 24 financial assistance, the total cost of the project or under-
 25 taking in connection with which such financial assistance is

1 given or used, the amount of that portion of the cost of the
 2 project or undertaking supplied by other sources, and such
 3 other records as will facilitate an effective audit.

4 “(b) The Secretary and the Comptroller General of the
 5 United States, or any of their duly authorized representa-
 6 tives, shall have access for the purpose of audit and exami-
 7 nation to any books, documents, papers, and records of the
 8 recipients that are pertinent to the financial assistance re-
 9 ceived under this part.

10 “TECHNICAL ASSISTANCE AND TRAINING

11 “SEC. 521. The Secretary may provide, directly or
 12 through grants or other arrangements, (1) technical assist-
 13 ance to communities in developing, conducting, and adminis-
 14 tering programs under this part, and (2) training for special-
 15 ized or other personnel needed in connection with Head-
 16 start programs.

17 “RESEARCH AND DEMONSTRATION PROGRAMS

18 “SEC. 522. (a) The Secretary may provide financial
 19 assistance, by contract or otherwise, for pilot or demonstra-
 20 tion projects conducted by public or private agencies which
 21 are designed to test or assist in the development of new
 22 approaches or methods that will aid in overcoming special
 23 problems or otherwise in furthering the purposes of this
 24 part. He may also contract or provide financial assistance
 25 for research pertaining to the purposes of this part.

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

6 “ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION

7 CONTRACTS

8 “SEC. 523. (a) The Secretary shall make a public an-
 9 nouncement concerning—

10 “(1) the title, purpose, intended completion date,
 11 identity of the contractor, and proposed cost of any con-
 12 tract with a private or non-Federal public agency or
 13 organization for any demonstration or research project;
 14 and

15 “(2) the results, findings, data, or recommenda-
 16 tions made or reported as a result of such activities.

17 “(b) The public announcements required by subsection
 18 (a) of this section shall be made within thirty days of en-
 19 tering into such contracts and thereafter within thirty days
 20 of the receipt of such results.

21 “EVALUATION

22 “SEC. 524. (a) The Secretary shall provide for the
 23 continuing evaluation of programs under this part, includ-
 24 ing evaluations that describe and measure, with appropriate
 25 means and to the extent feasible, the impact of such

1 programs, their effectiveness in achieving stated goals, their
 2 impact on related programs, and their structure and
 3 mechanisms for delivery of services, and including, where
 4 appropriate, comparisons with appropriate control groups
 5 composed of persons who have not participated in such
 6 programs. The Secretary may, for such purposes, contract
 7 or make other arrangements for independent evaluations of
 8 those programs or individual projects.

9 “(b) The Secretary shall to the extent feasible develop
 10 and publish standards for evaluation of program effective-
 11 ness in achieving the objectives of this part. He shall con-
 12 sider the extent to which such standards have been met in
 13 deciding whether to renew or supplement financial assist-
 14 ance authorized under this part.

15 “(c) In carrying out evaluations under this part, the
 16 Secretary may require Headstart agencies to provide inde-
 17 pendent evaluations.

18 DEFINITIONS

19 “SEC. 525. As used in this part, the term—

20 “(1) ‘Secretary’ means the Secretary of Health,
 21 Education, and Welfare;

22 “(2) ‘State’ means a State, the Commonwealth
 23 of Puerto Rico, the District of Columbia, Guam, Ameri-
 24 can Samoa, the Virgin Islands, and the Trust Territory
 25 of the Pacific Islands; except that, when used in section

1 513 (a) of this title, this term means only a State, Puerto
2 Rico, or the District of Columbia; and

3 “(3) ‘financial assistance’ includes assistance pro-
4 vided by grant, agreement, or contract, and payments
5 may be made in installments and in advance or by way
6 of reimbursement with necessary adjustments on ac-
7 count of overpayments or underpayments.”

8 “LABOR STANDARDS

9 “SEC. 526. All laborers and mechanics employed by
10 contractors or subcontractors in the construction, alteration,
11 or repair, including painting and decorating of projects,
12 buildings, and works which are federally assisted under this
13 part shall be paid wages at rates not less than those prevail-
14 ing on similar construction in the locality as determined by
15 the Secretary of Labor in accordance with the Davis-Bacon
16 Act, as amended (40 U.S.C. 276a—276a-5). The Secretary
17 of Labor shall have, with respect to such labor standards, the
18 authority and functions set forth in Reorganization Plan
19 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5
20 U.S.C. 133—133z-15), and section 2 of the Act of June 1,
21 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.
22 276 (C)).

23 “COMPARABILITY OF WAGES

24 “SEC. 527. (a) The Secretary shall take such action
25 as may be necessary to assure that persons employed in

1 carrying out programs financed under this part shall not
2 receive compensation at a rate which is (1) in excess of
3 the average rate of compensation paid in the area where the
4 program is carried out to a substantial number of the persons
5 providing substantially comparable services, or in excess
6 of the average rate of compensation paid to a substantial
7 number of the persons providing substantially comparable
8 services in the area of the person’s immediately preceding
9 employment, whichever is higher, or (2) less than the
10 minimum wage rate prescribed in section 6(a) (1) of the
11 Fair Labor Standards Act of 1938.

12 “NONDISCRIMINATION PROVISIONS

13 “SEC. 528. (a) No person in the United States shall
14 on the ground of race, creed, color, national origin, sex, or
15 political affiliation be excluded from participation in, be
16 denied the benefits of, or be subjected to discrimination under
17 any program or activity funded in whole or in part with
18 funds made available under this part.

19 “(b) The Secretary shall enforce the provisions of this
20 section by (1) referring the matter to the Attorney General
21 with a recommendation that an appropriate civil action be
22 instituted, (2) exercising the powers and functions provided
23 by title VI of the Civil Rights Act of 1964, or (3) taking
24 such other action as may be provided by law.

1 "LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL
2 ACTIVITIES

3 "SEC. 529. No individual employed or assigned by any
4 Headstart agency or other agency assisted under this part
5 shall, pursuant to or during the performance of services
6 rendered in connection with any program or activity con-
7 ducted or assisted under this part by such Headstart agency
8 or such other agency, plan, initiate, participate in, or other-
9 wise aid or assist in the conduct of any unlawful demonstra-
10 tion, rioting, or civil disturbance.

11 "POLITICAL ACTIVITIES

12 "SEC. 530. (a) For purposes of chapter 15 of title 5 of
13 the United States Code any agency which assumes respon-
14 sibility for planning, developing, and coordinating Head-
15 start programs and receives assistance under this part shall
16 be deemed to be a State or local agency; and for purposes of
17 clauses (1) and (2) of section 1502 (a) of such title any
18 agency receiving assistance under this part shall be deemed
19 to be a State or local agency.

20 "(b) Programs assisted under this part shall not be
21 carried on in a manner involving the use of program funds,
22 the provision of services, or the employment or assignment
23 of personnel in a manner supporting or resulting in the
24 identification of such programs with (1) any partisan or
25 nonpartisan political activity or any other political activity

1 associated with a candidate, or contending faction or group,
2 in an election for public or party office, (2) any activity to
3 provide voters or prospective voters with transportation to
4 the polls or similar assistance in connection with any such
5 election, or (3) any voter registration activity. The Secre-
6 tary, after consultation with the Civil Service Commission,
7 shall issue rules and regulations to provide for the enforce-
8 ment of this section, which shall include provisions for sum-
9 mary suspension of assistance or other action necessary to
10 permit enforcement on an emergency basis.

11 "ADVANCE FUNDING

12 "SEC. 531. For the purpose of affording adequate notice
13 of funding available under this part, appropriations for
14 carrying out this part are authorized to be included in an
15 appropriation Act for the fiscal year preceding the fiscal
16 year for which they are available for obligation.

17 "PART B—FOLLOW THROUGH PROGRAMS

18 "GRANTEES; NATURE OF PROJECTS

19 "SEC. 551. (a) (1) The Secretary is authorized to pro-
20 vide financial assistance in the form of grants to local educa-
21 tional agencies, combinations of such agencies, and, as pro-
22 vided in paragraph (2) of this subsection, any other public
23 or appropriate nonprofit private agencies, organizations, and
24 institutions for the purpose of carrying out Follow Through
25 programs focused primarily on children from low-income

1 families in kindergarten and primary grades, including such
2 children enrolled in private nonprofit elementary schools,
3 who were previously enrolled in Headstart or similar
4 programs.

5 “(2) Whenever the Secretary determines (A) that
6 a local educational agency receiving assistance under para-
7 graph (1) is unable or unwilling to include in a Follow
8 Through program children enrolled in nonprofit private
9 schools who would otherwise be eligible to participate there-
10 in, or (B) that it is otherwise necessary in order to ac-
11 complish the purposes of this section, he may provide
12 financial assistance for the purpose of carrying out a Fol-
13 low Through program to any other public or appropriate
14 nonprofit private agency, organization, or institution.

15 “(3) Programs to be assisted under this section must
16 provide comprehensive services which the Secretary finds
17 will aid in the continued development of children described
18 in paragraph (1) to their full potential. Such projects must
19 provide for the direct participation of the parents of such
20 children in the development, conduct, and overall direction
21 of the program at the local level. If the Secretary determines
22 that participation in the project of children who are not
23 from low-income families will enhance the development of
24 children from low-income families or will otherwise serve to
25 carry out the purposes of this section, he may provide

1 for the inclusion of such children from non-low-income
2 families, but only to the extent that their participation will
3 not dilute the effectiveness of the services designed for chil-
4 dren described in paragraph (1) of this subsection.

5 “AUTHORIZATION OF APPROPRIATIONS

6 “SEC. 552. (a) There are authorized to be appropriated
7 for carrying out the purposes of this part such sums as may
8 be necessary for fiscal years 1975 through 1977. Funds so
9 appropriated shall remain available for obligation and ex-
10 penditure during the fiscal year succeeding the fiscal year for
11 which they are appropriated.

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

25 “(c) No project shall be approved for assistance under

1 this part unless the Secretary is satisfied that the services
 2 to be provided under such project will be in addition to,
 3 and not in substitution for, services previously provided
 4 without Federal assistance. The requirement imposed by
 5 the preceding sentence shall be subject to such regulations
 6 as the Secretary may adopt.

7 "RESEARCH AND DEMONSTRATION, EVALUATION, AND
 8 TECHNICAL ASSISTANCE ACTIVITIES

9 "SEC. 553. (a) In conjunction with other activities au-
 10 thorized by this part, the Secretary may—

11 "(1) provide financial assistance, by contract or
 12 otherwise, for pilot or demonstration projects conducted
 13 by public or private agencies which are designed to
 14 test or assist in the development of new approaches or
 15 methods that will aid in overcoming special problems or
 16 otherwise in furthering the purposes of this part;

17 "(2) provide, by contract or other arrangement, on
 18 a nationwide basis, for the continuing evaluation of
 19 projects assisted under this part, including evaluations
 20 that describe and measure, with appropriate means and
 21 to the extent feasible, the impact of such projects, their
 22 effectiveness in achieving stated goals, their impact on
 23 related programs, and their structure and mechanisms for
 24 delivery of services, and including, where appropriate,
 25 comparisons with appropriate control groups composed

1 of persons who have not participated in such projects;
 2 and

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

9 "ADVANCE FUNDING

10 "SEC. 554. For the purpose of affording adequate notice
 11 of funding available under this part, appropriations for
 12 carrying out this part are authorized to be included in an
 13 appropriation Act for the fiscal year preceding the fiscal year
 14 for which they are available for obligation.

15 "GENERAL PROVISIONS

16 "SEC. 555. (a) Recipients of financial assistance under
 17 this part shall provide maximum employment opportu-
 18 nities for residents of the area to be served, and to parents
 19 of children who are participating in projects assisted under
 20 this part.

21 "(b) Financial assistance under this part shall not be
 22 suspended for failure to comply with applicable terms and
 23 conditions, except in emergency situations, nor shall an ap-
 24 plication for refunding be denied, unless the recipient agency

1 has been given reasonable notice and opportunity to show
2 cause why such action should not be taken.

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

7 (b) The Economic Opportunity Act of 1964 is further
8 amended by striking out “Director” each place it appears in
9 section 522 and inserting in lieu thereof “Secretary”, by
10 striking out “and the Secretary of Health, Education, and
11 Welfare” in section 522 (d), and by striking out “their
12 jurisdictions” in section 522 (d) and inserting in lieu thereof
13 “his jurisdiction”.

14 (c) Sections 521 through 523 of the Economic Oppor-
15 tunity Act of 1964 are redesignated as sections 571 through
16 573, respectively.

17 ASSISTANCE FOR MIGRANT AND OTHER SEASONALLY
18 EMPLOYED FARMWORKERS AND THEIR FAMILIES

19 SEC. 4. (a) The Economic Opportunity Act of 1964 is
20 further amended by striking out “Director” each place it
21 appears in sections 312, 313, 314, and 321 and inserting in
22 lieu thereof “Secretary of Labor”.

23 (b) In providing funding under the provisions of part B
24 of title III of the Economic Opportunity Act of 1964, the
25 Secretary of Labor shall, in conjunction with funding pro-

1 vided under section 303 of the Comprehensive Employment
2 and Training Act of 1973, give priority to any public or
3 private nonprofit agency which has provided services there-
4 under during the preceding fiscal year.

5 NATIVE AMERICAN PROGRAMS

6 SEC. 5. The Economic Opportunity Act of 1964 is
7 further amended by inserting after title VII thereof the
8 following new title VIII:

9 “TITLE VIII—NATIVE AMERICAN PROGRAMS

10 “SHORT TITLE

11 “SEC. 801. This title may be cited as the ‘Native Ameri-
12 can Economic Opportunity Programs Act of 1974’.

13 “STATEMENT OF PURPOSE

14 “SEC. 802. The purpose of this title is to promote the
15 goal of economic and social self-sufficiency for American
16 Indians, Hawaiian Natives (as defined in paragraph (5) of
17 section 813 of this title), and Alaskan Natives.

18 “FINANCIAL ASSISTANCE FOR NATIVE AMERICAN
19 PROJECTS

20 “SEC. 803. (a) The Secretary is authorized to provide
21 financial assistance to public and nonprofit private agencies,
22 including but not limited to, governing bodies of Indian
23 tribes on Federal and State reservations, Alaskan Native
24 villages and regional corporations established by the Alaska



1 Native Claims Settlement Act, and such public and nonprofit
 2 private agencies serving Hawaiian Natives, and Indian or-
 3 ganizations in urban or rural nonreservation areas, for
 4 projects pertaining to the purposes of this title. In determin-
 5 ing the projects to be assisted under this title, the Secretary
 6 shall consult with other Federal agencies for the purpose
 7 of eliminating duplication or conflict among similar activities
 8 or projects and for the purpose of determining whether the
 9 findings resulting from those projects may be incorporated
 10 into one or more programs for which those agencies are
 11 responsible.

12 “(b) Financial assistance extended to an agency under
 13 this title shall not exceed 80 per centum of the approved
 14 costs of the assisted project, except that the Secretary may
 15 approve assistance in excess of such percentage if he deter-
 16 mines, in accordance with regulations establishing objec-
 17 tive criteria, that such action is required in furtherance
 18 of the purposes of this title. Non-Federal contributions may
 19 be in cash or in kind, fairly evaluated, including but not
 20 limited to plant, equipment, and services. The Secretary shall
 21 not require non-Federal contributions in excess of 20 per
 22 centum of the approved costs of programs or activities as-
 23 sisted under this title.

24 “(c) No project shall be approved for assistance under
 25 this title unless the Secretary is satisfied that the activities

1 to be carried out under such project will be in addition to,
 2 and not in substitution for, comparable activities previously
 3 carried out without Federal assistance, except that the
 4 Secretary may waive this requirement in any case in
 5 which he determines, in accordance with regulations estab-
 6 lishing objective criteria, that application of the requirement
 7 would result in unnecessary hardship or otherwise be incon-
 8 sistent with the purposes of this title.

9 “TECHNICAL ASSISTANCE AND TRAINING

10 “SEC. 804. The Secretary may provide, directly or
 11 through other arrangements, (1) technical assistance to pub-
 12 lic and private agencies in developing, conducting, and ad-
 13 ministering projects under this title, and (2) short-term
 14 in-service training for specialized or other personnel which is
 15 needed in connection with projects receiving financial assist-
 16 ance under this title.

17 “RESEARCH AND DEMONSTRATION PROJECTS

18 “SEC. 805. (a) The Secretary may provide financial
 19 assistance for pilot or demonstration projects conducted by
 20 public or private agencies which are designed to test or
 21 assist in the development of new approaches or methods that
 22 will aid in furthering the purposes of this title. He may also
 23 provide financial assistance for research pertaining to the
 24 purposes of this title.

25 “(b) The Secretary shall establish an overall plan to

1 govern the approval of pilot or demonstration projects and
 2 the use of all research authority under this title. The plan
 3 shall set forth specific objectives to be achieved and priorities
 4 among such objectives.

5 "ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION

6 CONTRACTS

7 "SEC. 806. (a) The Secretary shall make a public an-
 8 nouncement concerning—

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

13 "(2) except in cases in which the Secretary deter-
 14 mines that it would not be consistent with the purposes
 15 of this title, the results, findings, data, or recommenda-
 16 tions made or reported as a result of such activities.

17 "(b) The public announcements required by subsection
 18 (a) shall be made within thirty days of entering into such
 19 contracts and thereafter within thirty days of the receipt of
 20 such results.

21 "SUBMISSION OF PLANS TO STATE AND LOCAL OFFICIALS

22 "SEC. 807. (a) No financial assistance may be provided
 23 to any project under section 803 of this title or any pilot or
 24 demonstration project under section 805 of this title, which is
 25 to be carried out on or in an Indian reservation or Alaskan

1 Native village, unless a plan setting forth the project has
 2 been submitted to the governing body of that reservation or
 3 village and the plan has not been disapproved by the gov-
 4 erning body within thirty days of its submission.

5 "(b) No financial assistance may be provided to any
 6 project under section 803 of this title or any pilot or demon-
 7 stration project under section 805 of this title, which is to be
 8 carried out in a State other than on or in an Indian reserva-
 9 tion or Alaskan Native village, or Hawaiian Homestead,
 10 unless the Secretary has notified the chief executive officer
 11 of the State of his decision to provide that assistance.

12 "(c) No financial assistance may be provided to any
 13 project under section 803 of this title or any pilot or demon-
 14 stration project under section 805 of this title, which is to be
 15 carried out in a city, county, or other major political sub-
 16 division of a State, other than on or in an Indian reservation
 17 or Alaskan Native village, or Hawaiian Homestead, unless
 18 the Secretary has notified the local governing officials of the
 19 political subdivision of his decision to provide that assistance.

20 "RECORDS AND AUDITS

21 "SEC. 808. (a) Each agency which receives financial
 22 assistance under this title shall keep such records as the Secre-
 23 tary may prescribe, including records which fully disclose
 24 the amount and disposition by that agency of such financial
 25 assistance, the total cost of the project in connection with

1 which such financial assistance is given or used, the amount
2 of that portion of the cost of the project supplied by other
3 sources, and such other records as will facilitate an effective
4 audit.

5 “(b) The Secretary and the Comptroller General of the
6 United States, or any of their duly authorized representa-
7 tives, shall have access for the purpose of audit and ex-
8 amination to any books, documents, papers, and records of
9 any agency which receives financial assistance under this title
10 that are pertinent to the financial assistance received under
11 this title.

12 “APPEALS, NOTICE, AND HEARING”

13 “SEC. 809. The Secretary shall prescribe procedures to
14 assure that—

15 “(1) financial assistance under section 803 of this
16 title will not be suspended for failure to comply with
17 any applicable terms and conditions, except in emer-
18 gency situations, nor an application for refunding under
19 such section denied, unless the assisted agency has been
20 given reasonable notice and opportunity to show cause
21 why such action should not be taken; and

22 “(2) financial assistance under section 803 of this
23 title will not be terminated for failure to comply with
24 any applicable terms and conditions unless the assisted

1 agency has been afforded reasonable notice and oppor-
2 tunity for a full and fair hearing.

3 “EVALUATION”

4 “SEC. 810. (a) The Secretary shall provide for the
5 evaluation of projects assisted under this title, including
6 evaluations that describe and measure, with appropriate
7 means and to the extent feasible, the impact of such projects,
8 their effectiveness in achieving stated goals, their impact on
9 related programs, and their structure and mechanisms for
10 delivery of services, and including, where appropriate, com-
11 parisons with appropriate control groups composed of per-
12 sons who have not participated in such projects. The Sec-
13 retary may, for such purpose, contract or make other
14 arrangements for independent evaluations of projects.

15 “(b) The Secretary shall, to the extent feasible, develop
16 and publish standards for evaluation of project effectiveness
17 in achieving the objectives of this title. He shall consider the
18 extent to which such standards have been met in deciding
19 whether to renew or supplement financial assistance au-
20 thorized under this title.

21 “(c) In carrying out evaluations under this title, the
22 Secretary may require agencies which receive assistance
23 under this title to provide independent evaluations.

1 "LABOR STANDARDS

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

13 "DELEGATION OF AUTHORITY

14 "SEC. 812. (a) The Secretary is authorized to delegate
15 to the heads of other departments and agencies of the Fed-
16 eral Government any of the Secretary's functions, powers,
17 and duties under this title, as he may deem appropriate, and
18 to authorize the redelegation of such functions, powers, and
19 duties by the heads of such departments and agencies.

20 "(b) Departments and agencies of the Federal Govern-
21 ment shall exercise their powers, duties, and functions in
22 such manner as will assist in carrying out the objectives of
23 this title.

24 "(c) Funds appropriated for the purpose of carrying out
25 this title may be transferred between departments and agen-

1 cies of the Government, if such funds are used for the pur-
2 poses for which they are authorized and appropriated.

3 "DEFINITIONS

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

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

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

11 "(3) 'State' includes the District of Columbia;

12 "(4) 'Indian reservation or Alaskan Native
13 village' includes the reservation of any federally or
14 State recognized Indian tribe, including any band, na-
15 tion, pueblo, or rancheria, any former reservation in
16 Oklahoma, any community under the jurisdiction of an
17 Indian tribe, including a band, nation, pueblo, or ran-
18 cheria, with allotted lands or lands subject to a restriction
19 against alienation imposed by the United States or a
20 State, and any lands of or under the jurisdiction of an
21 Alaskan Native village or group, including any lands
22 selected by Alaskan Natives or Alaskan Native organi-
23 zations under the Alaska Native Claims Settlement Act;
24 and

25 "(5) 'Native Hawaiian' means any individual any

1 of whose ancestors were natives of the area which
2 consists of the Hawaiian Islands prior to 1778.

3 "AUTHORIZATION OF APPROPRIATIONS

4 "SEC. 814 There are authorized to be appropriated for
5 the purpose of carrying out the provisions of this title, such
6 sums as may be necessary for fiscal years 1975 through
7 1977."

8 COMMUNITY ACTION PROGRAMS WITH INDIAN TRIBES

9 SEC. 6. Section 210 of the Economic Opportunity Act of
10 1964 is amended—

11 (1) in subsection (a) thereof, by inserting "or an
12 Indian tribal government," before the word "which";

13 and

14 (2) by repealing subsection (f) thereof.

15 RESEARCH AND DEMONSTRATION PROGRAMS

16 SEC. 7. The Economic Opportunity Act of 1964 is
17 further amended by adding at the end thereof the following
18 new title:

19 "TITLE XI—RESEARCH AND DEMONSTRATIONS

20 "STATEMENT OF PURPOSE

21 "SEC. 1101. The purpose of the title is to stimulate a
22 better focusing of all available local, State, private, and
23 Federal resources upon the goal of enabling low-income
24 families, and low-income individuals of all ages, in rural
25 and urban areas to attain the skills, knowledge, and motiva-

1 tions and secure the opportunities needed for them to become
2 fully self-sufficient.

3 "RESEARCH, DEMONSTRATION, AND PILOT PROGRAMS

4 "SEC. 1102. (a) The Secretary of Health, Education,
5 and Welfare (hereinafter in this title referred to as the
6 'Secretary') may provide financial assistance through grants
7 or contracts for research demonstration, or pilot projects
8 conducted by public or private agencies which are designed
9 to test or assist in the development of new approaches or
10 methods that will aid in overcoming special problems or
11 otherwise in furthering the purpose of this title.

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

22 "(c) No project shall be commenced under this section
23 unless a plan setting forth such proposed project has been
24 submitted to the chief executive officer of the State in which
25 the project is to be located and such plan has not been disap-

1 proved by him within thirty days of such submission, or, if so
2 disapproved, has been reconsidered by the Secretary and
3 found by him to be fully consistent with the provisions and
4 in furtherance of the purposes of this title.

5 “(d) In making grants or contracts under this title, the
6 Secretary shall insure that not less than 25 per centum of
7 the funds made available under this title in any fiscal year
8 shall be provided to recipients of financial assistance under
9 section 221 or 235 of this Act.

10 “CONSULTATION

11 “SEC. 1103. (a) In carrying out projects under this
12 title, the Secretary shall, whenever possible, arrange to obtain
13 the opinions of program participants about the strengths
14 and weaknesses of programs.

15 “(b) In carrying out evaluations under this title, the
16 Secretary shall consult with the heads of other Federal
17 agencies carrying out activities related to the subject matter
18 of those evaluations.

19 “ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND 20 PILOT PROJECT CONTRACTS

21 “SEC. 1104. (a) The Secretary shall make a public
22 announcement concerning—

23 “(1) the title, purpose, intended completion date,
24 identity of the grantee or contractor, and proposed cost
25 of any grant or contract with a private or non-Federal

1 public agency or organization for any research, demon-
2 stration, or pilot project under this title; and

3 “(2) the results, findings, data, or recommendations
4 made or reported as a result of such research, demon-
5 stration, or pilot project.

6 “(b) The public announcements required by subsection
7 (a) shall be made within thirty days of entering into any
8 such grant or contract and thereafter within thirty days of the
9 receipt of such results, findings, data, or recommendations.

10 “(c) The Secretary shall take necessary action to assure
11 that all studies, evaluations, proposals, and data produced
12 or developed with Federal funds employed under this title
13 shall become the property of the United States.

14 “(d) The Secretary shall publish studies of the results
15 of activities carried out pursuant to this title not later than
16 ninety days after the completion thereof. The Secretary shall
17 submit to the appropriate committees of the Congress copies
18 of all such studies.

19 “NONDISCRIMINATION PROVISIONS

20 “SEC. 1105. (a) The Secretary shall not provide finan-
21 cial assistance for any program, project, or activity under
22 this title unless the grant or contract with respect thereto
23 specifically provides that no person with responsibilities in
24 the operation thereof will discriminate with respect to any

1 such program, project, or activity because of race, creed,
2 color, national origin, sex, political affiliation, or beliefs.

3 “(b) No person in the United States shall on the
4 ground of sex be excluded from participation in, be denied
5 the benefits of, be subjected to discrimination under, or
6 be denied employment in connection with any program or
7 activity receiving assistance under this title. The Secretary
8 shall enforce the provisions of the preceding sentence in ac-
9 cordance with section 602 of the Civil Rights Act of 1964.
10 Section 603 of such Act shall apply with respect to any
11 action taken by the Secretary to enforce such sentence. This
12 section shall not be construed as affecting any other legal
13 remedy that a person may have if that person is excluded
14 from participation in, denied the benefits of, subjected to
15 discrimination under, or denied employment in connection
16 with any program, project, or activity receiving assistance
17 under this title.

18 “PROHIBITION OF FEDERAL CONTROL

19 “SEC. 1106. Nothing contained in this title shall be con-
20 strued to authorize any department, agency, officer, or em-
21 ployee of the United States to exercise any direction, super-
22 vision, or control over the curriculum, program of instruction,
23 administration, or personnel of any educational institution or
24 school system.

1 “DEFINITIONS

2 “SEC. 1107. As used in this title, the term—

3 “(1) ‘State’ means a State, the District of Colum-
4 bia, the Commonwealth of Puerto Rico, Guam, Ameri-
5 can Samoa, the Virgin Islands, and the Trust Terri-
6 tory of the Pacific Islands; and

7 “(2) ‘demonstration or pilot project’ means any
8 project, whether or not involving research, which in-
9 cludes the delivery of human services.

10 “AUTHORIZATION OF APPROPRIATIONS

11 “SEC. 1108. There are authorized to be appropriated
12 for carrying out the purposes of this title such sums as may
13 be necessary for fiscal years 1975 through 1977.”

14 EVALUATION

15 SEC. 8. Title IX of the Economic Opportunity Act of
16 1964 is amended to read as follows:

17 “EVALUATION

18 “PROGRAM AND PROJECT EVALUATION

19 “SEC. 901. (a) (1) The Secretary shall, directly or by
20 grants or contracts, measure and evaluate the impact of all
21 programs authorized by this Act and of poverty-related
22 programs authorized by related Acts, in order to determine
23 their effectiveness in achieving stated goals in general, and
24 in relation to their cost, their impact on related programs, and

1 their structure and mechanisms for delivery of services, in-
 2 cluding, where appropriate, comparisons with appropriate
 3 control groups composed of persons who have not partici-
 4 pated in such programs. Evaluations shall be conducted by
 5 persons not immediately involved in the administration of
 6 the program or project evaluated.

7 “(2) In carrying out his responsibilities under this sub-
 8 section, the Secretary, in the case of research, demonstra-
 9 tions, and related activities carried out under title XI of this
 10 Act, shall, after taking into consideration the views of State
 11 agencies and community action agencies designated pursu-
 12 ant to section 210 of this Act, on an annual basis—

13 “(A) reassess priorities to which such activities
 14 should be directed; and

15 “(B) review present research, demonstration, and
 16 related activities to determine, in terms of the purpose
 17 specified for such activities in section 1102 (a) of this
 18 Act, whether and on what basis such activities should be
 19 continued, revised, or terminated.

20 “(3) The Secretary shall, within 12 months after the
 21 date of enactment of this Act, and on each April 1 thereafter,
 22 prepare and furnish to the appropriate committees of the Con-
 23 gress a complete report on the determination and review
 24 carried out under paragraph (2) of this subsection, together

1 with such recommendations, including any recommenda-
 2 tions for additional legislation, as he deems appropriate.

3 “(b) Effective July 1, 1975, before funds for the pro-
 4 grams and projects covered by this Act are released, the
 5 Secretary shall develop and publish general standards for
 6 evaluation of program and project effectiveness in achieving
 7 the objectives of this Act. The extent to which such stand-
 8 ards have been met shall be considered in deciding whether
 9 to renew or supplement financial assistance authorized under
 10 any section of this Act. Reports submitted pursuant to sec-
 11 tion 608 of this Act shall describe the actions taken as a
 12 result of these evaluations.

13 “(c) In carrying out evaluations under this title, the Sec-
 14 retary shall, whenever possible, arrange to obtain the specific
 15 views of persons participating in and served by programs
 16 and projects assisted under this Act about such programs and
 17 projects, and shall consult, when appropriate, with State
 18 agencies and community action agencies designated pursu-
 19 ant to section 210, in order to provide for jointly sponsored
 20 objective evaluation studies on a State or areawide basis.

21 “(d) The Secretary shall publish the results of evalua-
 22 tive research and summaries of evaluations of program and
 23 project impact and effectiveness not later than ninety days
 24 after the completion thereof. The Secretary shall submit to



1 the appropriate committees of the Congress copies of all such
2 research studies and evaluation summaries.

3 “(e) The Secretary shall take the necessary action to
4 assure that all studies, evaluations, proposals, and data pro-
5 duced or developed with assistance under this Act shall be-
6 come the property of the United States.

7 “OBTAINING INFORMATION FROM FEDERAL AGENCIES

8 “SEC. 902. Such information and cooperation as the
9 Secretary may deem necessary for purposes of the evaluations
10 conducted under this title shall be made available to him,
11 upon request, by the agencies of the executive branch.”

12 INCENTIVE GRANTS TO MATCH STATE AND LOCAL FUNDS

13 SEC. 9. The Economic Opportunity Act of 1964 is
14 further amended by inserting after section 234 thereof the
15 following new sections:

16 “INCENTIVE GRANTS

17 “SEC. 235. (a) The Director may provide financial as-
18 sistance to community action agencies or public or private non-
19 profit agencies designated under section 210 for programs au-
20 thorized under this title, and to State economic opportunity
21 offices for programs and activities authorized under section
22 231 (a). Financial assistance extended to a community ac-
23 tion agency or other agency pursuant to this section may
24 be used for new programs or to supplement existing pro-

1 grams and shall not exceed 50 per centum of the cost of
2 such new or supplemental programs.

3 “(b) Matching State and local funds made available for
4 the purposes of this section shall be in cash. No program
5 shall be approved for assistance under this section unless
6 the Director is satisfied (1) that the activities to be carried
7 out under such program will be in addition to, and not in
8 substitution for, activities previously carried on without
9 Federal assistance, and (2) that funds or other resources
10 devoted to programs designed to meet the needs of the poor
11 within the community, area, or State will not be diminished
12 in order to provide the contributions required under this sec-
13 tion. The requirement imposed by the preceding sentence
14 shall be subject to such regulations as the Director may
15 prescribe establishing objective criteria for determinations
16 covering situations where a strict application of such require-
17 ment would result in unnecessary hardship or otherwise be
18 inconsistent with the purposes sought to be achieved.

19 “LOCAL INITIATIVE FUNDS AVAILABLE FOR INCENTIVE
20 GRANTS

21 “SEC. 236. Out of any sums appropriated or allocated for
22 local initiative programs under section 221 of this Act for
23 any fiscal year, the Director may transfer and make available
24 for the purpose of carrying out section 235 of this Act an

1 amount not to exceed 50 per centum of any amount so ap-
 2 propriated or allocated' which is in excess of \$330,000,000
 3 but not in excess of \$450,000,000."

4 ESTABLISHMENT OF COMMUNITY SERVICES

5 ADMINISTRATION

6 SEC. 10. (a) Section 601 of the Economic Opportunity
 7 Act of 1964 is amended to read as follows:

8 "COMMUNITY SERVICES ADMINISTRATION

9 "SEC. 601. (a) There shall be established in the De-
 10 partment of Health, Education, and Welfare a Community
 11 Services Administration (referred to in this Act as the 'Ad-
 12 ministration') which shall be headed by a Director (referred
 13 to in this Act as the 'Director'). The Administration shall
 14 be the principal agency for carrying out this title, title II,
 15 and title XI of this Act, and such other functions, including
 16 carrying out other provisions of this Act for which the
 17 Secretary is responsible, as may be assigned to the Admin-
 18 istration by the Secretary. In the performance of his func-
 19 tions, the Director shall be directly responsible to the
 20 Secretary of Health, Education, and Welfare, and shall not
 21 be subject to the supervision or control of any officer or
 22 employee other than the Secretary or Under Secretary.
 23 The Secretary shall not approve any delegation of the
 24 functions of the Director with respect to carrying out this

1 title, title XI, or section 221 or 235 of this Act to any other
 2 officer or employee not directly responsible to the Director.
 3 "(b) The Director, Deputy Director, and Assistant Di-
 4 rectors shall be appointed by the President by and with the
 5 advice and consent of the Senate and the Director shall be
 6 compensated at a rate not less than that of level IV of the
 7 Executive Schedule specified in section 5316 of title V,
 8 United States Code."

9 (b) The Economic Opportunity Act of 1964 is further
 10 amended by—

11 (1) striking out "Office of Economic Opportunity"
 12 each time that it appears in section 602 (d) and insert-
 13 ing in lieu thereof "Community Services Administra-
 14 tion";

15 (2) striking out "Office of Economic Opportunity"
 16 in section 603 (c) and inserting in lieu thereof "Com-
 17 munity Services Administration";

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

21 (4) striking out "Office of Economic Opportunity"
 22 in section 632 (2) and inserting in lieu thereof "Com-
 23 munity Services Administration";

24 (5) striking out "the Secretary of Commerce, the

1 Secretary of Health, Education, and Welfare," in section
2 637 (b) (2) ; and
3 (6) striking out "of the Office of Economic Op-
4 portunity" in section 637 (b) (2), and inserting in lieu
5 thereof "of the Community Services Administration".

6 TRANSFER OF FUNCTIONS OF OFFICE OF ECONOMIC
7 OPPORTUNITY

8 SEC. 11. (a) Paragraphs (1), (2), and (6) of section
9 222 (a) of the Economic Opportunity Act of 1964 are
10 repealed, effective July 1, 1975.

11 (b) Not later than July 1, 1975, the property, records,
12 and unexpended balances of appropriations, allocations, and
13 other funds employed, used, held, available, or to be made
14 available in connection with the functions of the Director of
15 the Office of Economic Opportunity shall be transferred to
16 the Director of the Community Services Administration. All
17 grants, applications for grants, contracts, and other agree-
18 ments awarded or entered into by the Director of the Office of
19 Economic Opportunity under the authority of the Economic
20 Opportunity Act of 1964 shall continue to be recognized so
21 that there is no disruption of ongoing activities for which
22 there is continuing authority.

23 (c) Not later than July 1, 1975, all Federal personnel,
24 employed by the Office of Economic Opportunity under the
25 authorization and appropriation for the Economic Oppor-

1 tunity Act of 1964 shall be transferred to, and, to
2 the extent feasible, assigned to related functions and
3 organizational units in the Community Services Administra-
4 tion, without loss of salary, rank, or other benefits, including
5 the right to representation and to existing collective bargain-
6 ing agreements.

7 (d) All official actions taken by the Director of the
8 Office of Economic Opportunity, his designee, or any other
9 person under the authority of the Economic Opportunity Act
10 of 1964 which are in force on the effective date of this Act
11 and for which there is continuing authority under the pro-
12 visions of this Act, shall continue in full force and effect
13 until modified, superseded, or revoked by the Director of the
14 Community Services Administration.

15 (e) All references to the Office of Economic Oppor-
16 tunity, or to the Director of the Office of Economic Oppor-
17 tunity, in any statute, reorganization plan, executive order,
18 regulation, or other official document or proceeding shall, on
19 and after the effective date of this Act, be deemed to refer
20 to the Community Services Administration, or to the Direc-
21 tor thereof, as the case may be.

22 (f) No suit, action, or other proceeding, and no cause of
23 action, by or against the agency known as the Office of
24 Economic Opportunity, or any action by any officer thereof
25 acting in his official capacity, shall abate by reason of the

1 enactment of this Act.

2 (g) Section 616 of the Economic Opportunity Act of
3 1964 is repealed, effective July 1, 1975.

4 PROGRAM AUTHORITY

5 SEC. 12. (a) Sections 245, 321, and 615 of the Eco-
6 nomic Opportunity Act of 1964, are each amended by
7 striking out "eight succeeding fiscal years" and inserting in
8 lieu thereof "eleven succeeding fiscal years".

9 (b) Section 523 of such Act (redesignated as section
10 573 by section 3 (c) of this Act) is amended by striking out
11 "seven succeeding fiscal years" and inserting in lieu thereof
12 "ten succeeding fiscal years".

13 (c) Section 741 of such Act is amended by striking
14 out "three succeeding fiscal years" and inserting in lieu
15 thereof "six succeeding fiscal years".

16 AUTHORIZATION OF APPROPRIATIONS

17 SEC. 13. For the purpose of carrying out title II, title
18 III, title V, title VI, title VII, and title IX of the Economic
19 Opportunity Act of 1964, there are authorized to be appro-
20 priated such sums as may be necessary for each of the fiscal
21 years 1975 through 1977.

22 EFFECTIVE DATE

23 SEC. 14. Except as otherwise provided, the provisions
24 of this Act shall take effect on the date of enactment of this
25 Act.

93^D CONGRESS
2^D SESSION

S. 3870

A BILL

To provide for the extension of Headstart and other programs under the Economic Opportunity Act of 1964, to establish a Community Services Administration in the Department of Health, Education, and Welfare to administer community programs which have been administered by the Office of Economic Opportunity, and for other purposes.

By Mr. NELSON, Mr. CRANSTON, Mr. MONDALE,
Mr. RANDOLPH, and Mr. BAYH

AUGUST 1, 1974

Read twice and referred to the Committee on Labor
and Public Welfare