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Union Calendar No. 484

93D CONGRESS
2D SESSION

H. R. 14449

[Report No. 93-1043]

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 1974

Mr. HAWKINS (for himself, Mr. PERKINS, Mr. STEIGER of Wisconsin, and Mr. BELL) introduced the following bill; which was referred to the Committee on Education and Labor

MAY 15, 1974

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

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 Act*
4 *of 1974".*

5 STATEMENT OF PURPOSE

6 SEC. 2. (a) This Act provides for community service
7 programs, together with appropriate powers and responsibili-
8 ties designed to assist in the development and coordination of
9 such programs. The purpose of this Act is, first of all, to



~~1 establish within the Department of Health, Education, and
2 Welfare the Community Action Administration (herein-
3 after referred to as the "Administration"). Second, the pur-
4 pose is to eliminate the poverty in this Nation by opening to
5 everyone the opportunity for education and training, the op-
6 portunity to work, and the opportunity to live in decency and
7 dignity. It is the purpose of this Act to strengthen, supple-
8 ment, and coordinate efforts in furtherance of these policies.~~

~~9 (b) It is the sense of the Congress that it is highly de-
10 sirable to employ the resources of the private sector of the
11 economy of the United States and of State and local govern-
12 ments in all such efforts to further the policy of this Act.~~

~~13 TITLE I URBAN AND RURAL COMMUNITY~~

~~14 ACTION PROGRAMS~~

~~15 STATEMENT OF PURPOSE~~

~~16 SEC. 101. (a) This part provides for community action
17 agencies and programs, prescribes the structure and describes
18 the functions of community action agencies and authorizes
19 financial assistance to community action programs and related
20 projects and activities. Its basic purpose is to stimulate a
21 better focusing of all available local, State, private, and Fed-
22 eral resources upon the goal of enabling low-income families,
23 and low-income individuals of all ages, in rural and urban
24 areas to attain the skills, knowledge, and motivations and~~

~~1 secure the opportunities needed for them to become fully
2 self-sufficient. Its specific purposes are to promote, as
3 methods of achieving a better focusing of resources on the
4 goal of individual and family self-sufficiency—~~

~~5 (1) the strengthening of community capabilities for
6 planning and coordinating Federal, State, and other as-
7 sistance related to the elimination of poverty, so that this
8 assistance, through the efforts of local officials, organi-
9 zations, and interested and affected citizens, can be made
10 more responsive to local needs and conditions;~~

~~11 (2) the better organization of a range of services re-
12 lated to the needs of the poor, so that these services may
13 be made more effective and efficient in helping families
14 and individuals to overcome particular problems in a
15 way that takes account of, and supports their progress in
16 overcoming, related problems;~~

~~17 (3) the greater use, subject to adequate evaluation,
18 of new types of services and innovative approaches in
19 attacking causes of poverty, so as to develop increasingly
20 effective methods of employing available resources;~~

~~21 (4) the development and implementation of all
22 programs and projects designed to serve the poor or low-
23 income areas with the maximum feasible participation
24 of residents of the areas and members of the groups~~

1 ~~served, so as to best stimulate and take full advantage~~
 2 ~~of capabilities for self-advancement and assure that those~~
 3 ~~programs and projects are otherwise meaningful to and~~
 4 ~~widely utilized by their intended beneficiaries; and~~

5 ~~(5) the broadening of the resource base of programs~~
 6 ~~directed to the elimination of poverty, so as to secure, in~~
 7 ~~addition to the services and assistance of public officials,~~
 8 ~~private religious, charitable, and neighborhood organiza-~~
 9 ~~tions, and individual citizens, a more active role for busi-~~
 10 ~~ness, labor, and professional groups able to provide em-~~
 11 ~~ployment opportunities or otherwise influence the quan-~~
 12 ~~tity and quality of services of concern to the poor.~~

13 ~~(b) It is further declared to be the purpose of this part~~
 14 ~~and the policy of the Administration to provide for basic~~
 15 ~~education, health care, vocational training, and employment~~
 16 ~~opportunities in rural America to enable the poor living in~~
 17 ~~rural areas to remain in such areas and become self-sufficient~~
 18 ~~therein. It shall not be the purpose of this title or the policy~~
 19 ~~of the Administration to encourage the rural poor to migrate~~
 20 ~~to urban areas, inasmuch as it is the finding of Congress that~~
 21 ~~continuation of such migration is frequently not in the best~~
 22 ~~interests of the poor and tends to further congest the already~~
 23 ~~overcrowded slums and ghettos of our Nation's cities.~~

1 ~~PART A COMMUNITY ACTION AGENCIES AND PROGRAMS~~

2 ~~DESIGNATION OF COMMUNITY ACTION AGENCIES:~~

3 ~~COMMUNITY ACTION PROGRAMS~~

4 ~~SEC. 111. (a) A community action agency shall be a~~
 5 ~~State or political subdivision of a State (having elected or~~
 6 ~~duly appointed governing officials), or a combination of such~~
 7 ~~political subdivisions, or a public or private nonprofit agency~~
 8 ~~or organization which has been designated by a State or such~~
 9 ~~a political subdivision or combination of such subdivisions,~~
 10 ~~which—~~

11 ~~(1) has the power and authority and will perform~~
 12 ~~the functions set forth in section 113, including the~~
 13 ~~power to enter into contracts with public and private~~
 14 ~~nonprofit agencies and organizations to assist in fulfilling~~
 15 ~~the purposes of this title, and~~

16 ~~(2) is determined to be capable of planning, con-~~
 17 ~~ducting, administering, and evaluating a community~~
 18 ~~action program and is currently designated as a com-~~
 19 ~~munity action agency by the Director.~~

20 ~~A community action program is a community based and~~
 21 ~~operated program—~~

22 ~~(1) which includes or is designed to include a~~
 23 ~~sufficient number of projects or components to provide,~~

1 in sum, a range of services and activities having a meas-
 2 urable and potentially major impact on causes of poverty
 3 in the community or those areas of the community
 4 where poverty is a particularly acute problem;

5 (2) which has been developed, and which orga-
 6 nizes and combines its component projects and activities,
 7 in a manner appropriate to carry out all the purposes
 8 of this part; and

9 (3) which conforms to such other supplementary
 10 criteria as the Director may prescribe consistent with
 11 the purposes and provisions of this title.

12 (b) Components of a community action program may
 13 be administered by the community action agency, where
 14 consistent with sound and efficient management and appli-
 15 cable law, or by other agencies. They may be projects eligi-
 16 ble for assistance under this part, or projects assisted from
 17 other public or private sources; and they may be either
 18 specially designed to meet local needs, or designed pursuant
 19 to the eligibility standards of a State or Federal program
 20 providing assistance to a particular kind of activity which
 21 will help in meeting those needs.

22 (c) For the purpose of this title, a community may be
 23 a city, county, multicity, or multicounty unit, an Indian
 24 reservation, or a neighborhood or other area (irrespective
 25 of boundaries or political subdivisions) which provides a

1 suitable organizational base and possesses the commonality
 2 of interest needed for a community action program. The Di-
 3 rector shall consult with the heads of other Federal agencies
 4 responsible for programs relating to work and training pro-
 5 grams, physical and economic development housing, educa-
 6 tion, health, and other community services to encourage the
 7 establishment of coterminous or complementary boundaries
 8 for planning purposes among those programs and community
 9 action programs assisted under this title.

10 (d) The Director may designate and provide financial
 11 assistance to a public or private nonprofit agency as a com-
 12 munity action agency in lieu of a community action agency
 13 designated under subsection (a) for activities of the kind
 14 described in this part where he determines (1) that the
 15 community action agency serving the community has failed,
 16 after having a reasonable opportunity to do so, to submit a
 17 satisfactory plan for a community action program which
 18 meets the criteria for approval set forth in this title, or to
 19 carry out such plan in a satisfactory manner, or (2) that
 20 neither the State nor any qualified political subdivision or
 21 combination of such subdivisions is willing to be designated
 22 as the community action agency for such community or to
 23 designate a public or private nonprofit agency or organiza-
 24 tion to be so designated by the Director.

25 (e) No political subdivision of a State shall be included

1 ~~in the community action program of a community action~~
 2 ~~agency designated under subsection (a) if the elected or duly~~
 3 ~~appointed governing officials of such political subdivision do~~
 4 ~~not wish to be so included. Such political subdivision, and~~
 5 ~~any public or private nonprofit organization or agency desig-~~
 6 ~~nated by it, shall be eligible for designation as a community~~
 7 ~~action agency on the same basis as other political subdivisions~~
 8 ~~and their designees.~~

9 (f) ~~For the purposes of this title, a tribal government of~~
 10 ~~an Indian reservation shall be deemed to be a political sub-~~
 11 ~~division of a State.~~

12 (g) ~~In carrying out his responsibilities under this part~~
 13 ~~the Director may delegate to a State, in accordance with~~
 14 ~~criteria and guidelines established by him, such functions as~~
 15 ~~he deems appropriate, except that no such delegation shall~~
 16 ~~take place unless all the community action agencies within~~
 17 ~~such State formally indicate their approval of such proposed~~
 18 ~~delegation.~~

19 COMMUNITY ACTION AGENCIES AND BOARDS

20 SEC. 112. (a) ~~Each community action agency which is~~
 21 ~~a State or a political subdivision of a State, or a combination~~
 22 ~~of political subdivision, shall administer its program through~~
 23 ~~a community action board which shall meet the requirements~~
 24 ~~of subsection (b). Each community action agency which is~~
 25 ~~a public or private nonprofit agency or organization desig-~~

1 ~~nated by a State or political subdivision of a State, or combi-~~
 2 ~~nation of political subdivisions, or is an agency designated by~~
 3 ~~the Director under section 111 (d), shall have a governing~~
 4 ~~board which shall meet the requirements of subsection (b).~~

5 (b) ~~Each board to which this subsection applies shall~~
 6 ~~consist of not more than fifty-one members and shall be so~~
 7 ~~constituted that (1) one-third of the members of the board~~
 8 ~~are elected public officials, or their representatives, except~~
 9 ~~that if the number of elected officials reasonably available and~~
 10 ~~willing to serve is less than one-third of the membership of~~
 11 ~~the board, membership on the board of appointive public~~
 12 ~~officials may be counted in meeting such one-third require-~~
 13 ~~ment, (2) at least one-third of the members are persons~~
 14 ~~chosen in accordance with democratic selection procedures~~
 15 ~~adequate to assure that they are representative of the poor in~~
 16 ~~the area served, and (3) the remainder of the members are~~
 17 ~~officials or members of business, industry, labor, religious,~~
 18 ~~welfare, education, or other major groups and interests in the~~
 19 ~~community. Each member of the board selected to represent~~
 20 ~~a specific geographic area within a community must reside~~
 21 ~~in the area he represents. No person selected under clause~~
 22 ~~(2) or (3) of this subsection as a member of a board shall~~
 23 ~~serve on such board for more than five consecutive years, or~~
 24 ~~more than a total of ten years.~~

25 (c) ~~Where a community action agency places re-~~

~~sponsibility for major policy determinations with respect to the character, funding, extent, and administration of and budgeting for programs to be carried on in a particular geographic area within the community in a subsidiary board, council, or similar agency, such board, council, or agency shall be broadly representative of such area, subject to regulations of the Director which assure adequate opportunity for membership of elected public officials on such board, council, or agency. Each community action agency shall be encouraged to make use of neighborhood-based organizations composed of residents of the area or members of the groups served to assist such agency in the planning, conduct, and evaluation of components of the community action program.~~

~~(d) (1) The Director shall promulgate such standards or rules relating to the scheduling and notice of meetings, quorums (which shall be not less than 50 per centum of the total membership), procedures, establishment of committees, and similar matters as he may deem necessary to assure that boards which are subject to subsection (b) provide a continuing and effective mechanism for securing broad community involvement in programs assisted under this title and that all groups or elements represented on those boards have a full and fair opportunity to participate in decisions affecting those programs. Such standards or rules shall not preclude any such board from appointing an execu-~~

~~tive committee or similar group, which fairly reflects the composition of the board, to transact the board's business between its meetings. The quorum requirements for any such committee or group, which shall not be less than 50 per cent of the membership, shall be established by the board.~~

~~(2) The Director shall require community action agencies to establish procedures under which community agencies and representative groups of the poor which feel themselves inadequately represented on the community action board or governing board may petition for adequate representation.~~

~~(e) The powers of every community action agency governing board shall include the power to appoint persons to senior staff positions, to determine major personnel, fiscal, and program policies, to approve overall program plans and priorities, and to assure compliance with conditions of and approve proposals for financial assistance under this part.~~

~~(f) Each community action board referred to in the first sentence of subsection (a) shall—~~

~~(1) have a full opportunity to participate in the development and implementation of all programs and projects designed to serve the poor or low-income areas with maximum feasible participation of residents of the areas and members of the groups served, so as to best stimulate and take full advantage of capabilities for self-advance-~~

1 ~~ment and assure that those programs and projects are~~
 2 ~~otherwise meaningful to and widely utilized by their in-~~
 3 ~~tended beneficiaries;~~

4 ~~(2) have at least one third of its members chosen~~
 5 ~~in accordance with democratic selection procedures ade-~~
 6 ~~quate to assure that they are representative of the poor~~
 7 ~~in the area served;~~

8 ~~(3) be so established and organized that the poor~~
 9 ~~and residents of the area concerned will be enabled to in-~~
 10 ~~fluence the character of programs affecting their interests~~
 11 ~~and regularly participate in the planning and implemen-~~
 12 ~~tation of those programs; and~~

13 ~~(4) be a continuing and effective mechanism for se-~~
 14 ~~curing broad community involvement in the programs~~
 15 ~~assisted under this title.~~

16 ~~(g) The Director shall insure that no election or other~~
 17 ~~democratic selection procedure conducted pursuant to clause~~
 18 ~~(2) of subsection (b), or pursuant to clause (2) of subsec-~~
 19 ~~tion (f), shall be held on a Sabbath Day which is observed as~~
 20 ~~a day of rest and worship by residents in the area served.~~

21 ~~SPECIFIC POWERS AND FUNCTIONS OF COMMUNITY ACTION~~
 22 ~~AGENCIES~~

23 ~~SEC. 113. (a) In order to carry out its overall respon-~~
 24 ~~sibility for planning, coordinating, evaluating, and adminis-~~
 25 ~~tering a community action program, a community action~~

1 ~~agency must have authority under its charter or applicable~~
 2 ~~law to receive and administer funds under this part, funds and~~
 3 ~~contributions from private or local public sources which may~~
 4 ~~be used in support of a community action program, and funds~~
 5 ~~under any Federal or State assistance program pursuant to~~
 6 ~~which a public or private nonprofit agency (as the case may~~
 7 ~~be) organized in accordance with this title could act as~~
 8 ~~grantee, contractor, or sponsor of projects appropriate for in-~~
 9 ~~clusion in a community action program. A community action~~
 10 ~~agency must also be empowered to transfer funds so received,~~
 11 ~~and to delegate powers to other agencies, subject to the~~
 12 ~~powers of its governing board and its overall program respon-~~
 13 ~~sibilities. This power to transfer funds and delegate powers~~
 14 ~~must include the power to make transfers and delegations~~
 15 ~~covering component projects in all cases where this will con-~~
 16 ~~tribute to efficiency and effectiveness or otherwise further~~
 17 ~~program objectives.~~

18 ~~(b) In exercising its powers and carrying out its overall~~
 19 ~~responsibility for a community action program, a community~~
 20 ~~action agency shall have, subject to the purposes of this title,~~
 21 ~~at least the following functions:~~

22 ~~(1) Planning systematically for and evaluating the~~
 23 ~~program, including actions to develop information as to~~
 24 ~~the problems and causes of poverty in the community,~~
 25 ~~determine how much and how effectively assistance is~~

1 being provided to deal with those problems and causes,
2 and establish priorities among projects, activities and
3 areas as needed for the best and most efficient use of
4 resources.

5 (2) Encouraging agencies engaged in activities re-
6 lated to the community action program to plan for, se-
7 cure and administer assistance available under this part
8 or from other sources on a common or cooperative basis;
9 providing planning or technical assistance to those agen-
10 cies; and generally, in cooperation with community
11 agencies and officials, undertaking actions to improve
12 existing efforts to attack poverty, such as improving day-
13 to-day communication, closing service gaps, focusing re-
14 sources on the most needy, and providing additional
15 opportunities to low-income individuals for regular em-
16 ployment or participation in the programs or activities
17 for which these community agencies and officials are
18 responsible.

19 (3) Initiating and sponsoring projects responsive
20 to needs of the poor which are not otherwise being met,
21 with particular emphasis on providing central or com-
22 mon services that can be drawn upon by a variety of
23 related programs, developing new approaches or new
24 types of services that can be incorporated into other
25 programs, and filling gaps pending the expansion or
26 modification of those programs.

1 (4) Establishing effective procedures by which the
2 poor and area residents concerned will be enabled to
3 influence the character of programs affecting their in-
4 terests, providing for their regular participation in the
5 implementation of those programs, and providing tech-
6 nical and other support needed to enable the poor and
7 neighborhood groups to secure on their own behalf
8 available assistance from public and private sources.

9 (5) Joining with and encouraging business, labor,
10 and other private groups and organizations to undertake,
11 together with public officials and agencies, activities in
12 support of the community action program which will
13 result in the additional use of private resources and capa-
14 bilities, with a view to such things as developing new
15 employment opportunities, stimulating investment that
16 will have a measurable impact in reducing poverty
17 among residents of areas of concentrated poverty, and
18 providing methods by which residents of those areas can
19 work with private groups, firms, and institutions in
20 seeking solutions to problems of common concern.

21 ADMINISTRATIVE STANDARDS

22 SEC. 114. (a) Each community action agency shall
23 observe, and shall (as appropriate) require or encourage
24 other agencies participating in a community action program
25 to observe, standards of organization, management and ad-

~~1 ministration which will assure, so far as reasonably possible,~~
~~2 that all program activities are conducted in a manner con-~~
~~3 sistent with the purposes of this title and the objective of~~
~~4 providing assistance effectively, efficiently, and free of any~~
~~5 taint of partisan political bias or personal or family favorit-~~
~~6 ism. Each community action agency shall establish or adopt~~
~~7 rules to carry out this section, which shall include rules to~~
~~8 assure full staff accountability in matters governed by law,~~
~~9 regulations, or agency policy. Each community action agency~~
~~10 shall also provide for reasonable public access to informa-~~
~~11 tion, including but not limited to public hearings at the~~
~~12 request of appropriate community groups and reasonable~~
~~13 public access to books and records of the agency or other~~
~~14 agencies engaged in program activities or operations involv-~~
~~15 ing the use of authority or funds for which it is responsible.~~
~~16 And each community action agency shall adopt for itself~~
~~17 and other agencies using funds or exercising authority for~~
~~18 which it is responsible, rules designed to establish specific~~
~~19 standards governing salaries, salary increases, travel and per~~
~~20 diem allowances, and other employee benefits; to assure that~~
~~21 only persons capable of discharging their duties with com-~~
~~22 petence and integrity are employed and that employees are~~
~~23 promoted or advanced under impartial procedures calculated~~
~~24 to improve agency performance and effectiveness; to guard~~
~~25 against personal or financial conflicts of interests; and to~~

~~1 define employee duties of advocacy on behalf of the poor~~
~~2 in an appropriate manner which will in any case preclude~~
~~3 employees from participating, in connection with the per-~~
~~4 formance of their duties, in any form of picketing, protest,~~
~~5 or other direct action which is in violation of law.~~

~~6 (b) The Director shall prescribe rules or regulations to~~
~~7 supplement subsection (a), which shall be binding on all~~
~~8 agencies carrying on community action program activities~~
~~9 with financial assistance under this title. He may, where ap-~~
~~10 propriate, establish special or simplified requirements for~~
~~11 smaller agencies or agencies operating in rural areas. These~~
~~12 special requirements shall not, however, affect the applica-~~
~~13 bility of rules governing conflicts of interest, use of position~~
~~14 or authority for partisan or nonpartisan political purposes or~~
~~15 participation in direct action, regardless of customary prac-~~
~~16 tices or rules among agencies in the community. The Director~~
~~17 shall consult with the heads of other Federal agencies re-~~
~~18 sponsible for programs providing assistance to activities~~
~~19 which may be included in community action programs for~~
~~20 the purpose of securing maximum consistency between rules~~
~~21 or regulations prescribed or followed by those agencies and~~
~~22 those prescribed under this section.~~

~~23 HOUSING DEVELOPMENT AND SERVICES ORGANIZATIONS~~

~~24 SEC. 115. Each community action agency shall en-~~
~~25 courage the establishment of housing development and serv-~~

~~ices organizations designed to focus on the housing needs of low income families and individuals. Such organizations shall provide the technical, administrative, and financial assistance which is required to help low income families and individuals more effectively to utilize existing programs, and which is required to enable nonprofit, cooperative, and public sponsors more effectively to take advantage of existing Federal, State, and local mortgage insurance and housing assistance programs. Where appropriate, such organizations may be nonprofit housing development corporations. Such corporations may themselves become sponsors of housing under existing programs of specialized housing agencies, but under no circumstances shall such corporations insure mortgages or duplicate the long term capital financing functions of programs now administered by the specialized housing agencies. Housing development and service organizations shall coordinate their efforts with other community action agency efforts so that any programs undertaken under authority of this section shall be closely related to other community action programs.~~

~~PART B FINANCIAL ASSISTANCE TO COMMUNITY ACTION PROGRAMS AND RELATED ACTIVITIES~~

~~GENERAL PROVISIONS FOR FINANCIAL ASSISTANCE~~

~~SEC. 121. (a) The Director may provide financial assistance to community action agencies for the planning, conduct, administration and evaluation of community action~~

~~programs and components. These components may involve, without limitation, other activities and supporting facilities designed to assist participants including the elderly poor—~~

- ~~(1) to secure and retain meaningful employment;~~
- ~~(2) to attain an adequate education;~~
- ~~(3) to make better use of available income;~~
- ~~(4) to provide and maintain adequate housing and a suitable living environment;~~
- ~~(5) to undertake family planning, consistent with personal and family goals, religious and moral convictions;~~
- ~~(6) to obtain services for the prevention of narcotics addiction, alcoholism, and the rehabilitation of narcotic addicts and alcoholics;~~
- ~~(7) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment related assistance;~~
- ~~(8) to remove obstacles and solve personal and family problems which block the achievement of self-sufficiency;~~
- ~~(9) to achieve greater participation in the affairs of the community; and~~
- ~~(10) to make more frequent and effective use of other programs related to the purposes of this Act.~~

~~1 He may also provide financial assistance to other public or
2 private nonprofit agencies to aid them in planning for the
3 establishment of a community action agency.~~

~~4 (b) If the Director determines that a limited purpose
5 project or program involving activities otherwise eligible
6 under this section is needed to serve needs of low income
7 families and individuals in a community and no community
8 action agency has been designated for that community pur-
9 suant to section 111, or where a community action agency
10 gives its approval for such a program to be funded directly
11 through a public or private nonprofit agency or organization,
12 he may extend financial assistance for that project or pro-
13 gram to a public or private nonprofit agency which he
14 finds is capable of carrying out the project in an efficient
15 and effective manner consistent with the purpose of this title.~~

~~16 (c) The Director shall prescribe necessary rules or regu-
17 lations governing applications for assistance under this sec-
18 tion to assure that every reasonable effort is made by each
19 applicant to secure the views of local public officials and agen-
20 cies in the community having a direct or substantial interest
21 in the application and to resolve all issues of cooperation
22 and possible duplication prior to its submission.~~

~~23 (d) The Director shall require, as a condition of as-
24 sistance, that each community action agency has adopted a
25 systematic approach to the achievement of the purposes of~~

~~1 this title and to the utilization of funds provided under this
2 part. Such systematic approach shall encompass a plan-
3 ning and implementation process which seeks to identify
4 the problems and causes of poverty in the community, seeks
5 to mobilize and coordinate relevant public and private re-
6 sources, establishes program priorities, links program com-
7 ponents with one another and with other relevant programs,
8 and provides for evaluation. The Director may, however,
9 extend the time for such requirement to take into account the
10 length of time a program has been in operation. He shall
11 also take necessary steps to assure the participation of other
12 Federal agencies in support of the development and imple-
13 mentation of plans under this subsection.~~

~~14 (e) In order to promote local responsibility and initia-
15 tive, the Director shall not establish binding national priori-
16 ties on funds authorized by this section, but he shall review
17 each application for financial assistance on its merits. Before
18 extending financial assistance to a new community action
19 agency under this section, and in determining the amount of
20 and conditions on which such assistance shall be extended,
21 the Director shall consider the extent and nature of poverty
22 in the community and the probable capacity of the agency
23 to carry out an effective program. In reviewing or supple-
24 menting financial assistance to a previously existing com-~~

1 ~~munity action agency, he shall consider the progress made in~~
 2 ~~carrying on programs by such agency.~~

3 ~~SPECIAL PROGRAMS AND ASSISTANCE~~

4 ~~SEC. 122. (a) In order to stimulate actions to meet or~~
 5 ~~deal with particularly critical needs or problems of the poor~~
 6 ~~which are common to a number of communities, the Director~~
 7 ~~may develop and carry on special programs under this sec-~~
 8 ~~tion. This authority shall be used only where the Director~~
 9 ~~determines that the objectives sought could not be effectively~~
 10 ~~achieved through the use of authorities under section 121,~~
 11 ~~including assistance to components or projects based on~~
 12 ~~models developed and promulgated by him. It shall also be~~
 13 ~~used only with respect to programs which (A) involve~~
 14 ~~activities which can be incorporated into or be closely co-~~
 15 ~~ordinated with community action programs, (B) involve~~
 16 ~~significant new combinations of resources or new and innova-~~
 17 ~~tive approaches, or (C) are structured in a way that will,~~
 18 ~~within the limits of the type of assistance or activities con-~~
 19 ~~templated, most fully and effectively promote the purposes~~
 20 ~~of this part. Subject to such conditions as may be appro-~~
 21 ~~priate to assure effective and efficient administration, the~~
 22 ~~Director may provide financial assistance to public or pri-~~
 23 ~~vate nonprofit agencies to carry on local projects initiated~~
 24 ~~under such special programs; but he shall do so in a manner~~
 25 ~~that will encourage, wherever feasible, the inclusion of the~~

1 ~~assisted projects in community action programs, with a view~~
 2 ~~to minimizing possible duplication and promoting efficiencies~~
 3 ~~in the use of common facilities and services, better assisting~~
 4 ~~persons or families having a variety of needs, and otherwise~~
 5 ~~securing from the funds committed the greatest possible im-~~
 6 ~~pact in promoting family and individual self sufficiency. Pro-~~
 7 ~~grams under this section shall include those described in the~~
 8 ~~following paragraphs:~~

9 ~~(1) A "Legal Services" program to further the~~
 10 ~~cause of justice among persons living in poverty by~~
 11 ~~mobilizing the assistance of lawyers and legal institutions~~
 12 ~~and by providing legal advice, legal representation, legal~~
 13 ~~counseling, education in legal matters, and other appro-~~
 14 ~~priate legal services. Projects involving legal advice~~
 15 ~~and representation shall be carried on in a way that~~
 16 ~~assures maintenance of a lawyer-client relationship con-~~
 17 ~~sistent with the best standards of the legal profession.~~
 18 ~~The Director shall make arrangements under which the~~
 19 ~~State bar association and the principal local bar associa-~~
 20 ~~tions in the community to be served by any proposed~~
 21 ~~project authorized by this paragraph shall be consulted~~
 22 ~~and afforded an adequate opportunity to submit, to the~~
 23 ~~Director, comments and recommendations on the pro-~~
 24 ~~posed project before such project is approved or funded,~~
 25 ~~and to submit, to the Director comments and recom-~~

~~1 recommendations on the operations to such project, if approved~~
~~2 and funded. No funds or personnel made available for~~
~~3 such program (whether conducted pursuant to this sec-~~
~~4 tion or any other section in this part) shall be~~
~~5 utilized for the defense of any person indicted (or pro-~~
~~6 ceeded against by information) for the commission of~~
~~7 a crime, except in extraordinary circumstances where,~~
~~8 after consultation with the court having jurisdiction, the~~
~~9 Director has determined that adequate legal assistance~~
~~10 will not be available for an indigent defendant unless~~
~~11 such services are made available. Members of the Armed~~
~~12 Forces, and members of their immediate families, shall~~
~~13 be eligible to obtain legal services under such programs~~
~~14 in cases of extreme hardship (determined in accordance~~
~~15 with regulations of the Director issued after consultation~~
~~16 with the Secretary of Defense: *Provided*, That nothing~~
~~17 in this sentence shall be so construed as to require the~~
~~18 Director to expand or enlarge existing programs or to~~
~~19 initiate new programs in order to carry out the provi-~~
~~20 sions of this sentence unless and until the Secretary of~~
~~21 Defense assumes the cost of such services and has reached~~
~~22 agreement with the Director on reimbursement for all~~
~~23 such additional costs as may be incurred in carrying out~~
~~24 the provisions of this sentence.~~

25 ~~(2) A program to be known as "Community Food~~

~~1 and Nutrition program" designed to provide on an emer-~~
~~2 gency basis, directly or by delegation of authority pursu-~~
~~3 ant to the provisions of title VI of this Act, financial~~
~~4 assistance for the provision of such supplies and services,~~
~~5 nutritional foodstuffs, and related services, as may be~~
~~6 necessary to counteract conditions of starvation or mal-~~
~~7 nutrition among the poor. Such assistance may be pro-~~
~~8 vided by way of supplement to such other assistance as~~
~~9 may be extended under the provisions of other Federal~~
~~10 programs, and may be used to extend and broaden such~~
~~11 programs to serve economically disadvantaged individ-~~
~~12 uals and families where such services are not now pro-~~
~~13 vided and without regard to the requirements of such~~
~~14 laws for local or State administration or financial partici-~~
~~15 pation. In extending such assistance, the Director may~~
~~16 make grants to community action agencies or local pub-~~
~~17 lic or private nonprofit organizations or agencies to carry~~
~~18 out the purposes of this paragraph. The Director is au-~~
~~19 thorized to carry out the functions under this paragraph~~
~~20 through the Secretary of Agriculture in a manner that will~~
~~21 insure the availability of such supplies and services, nutri-~~
~~22 tional foodstuffs, and related services through a commu-~~
~~23 nity action agency where feasible, or other agencies or~~
~~24 organizations if no such agency exists or is able to admin-~~

1 ~~ister programs to provide such foodstuffs, services, and~~
 2 ~~supplies to needy individuals and families.~~

3 ~~(3) An "Environmental Action" program through~~
 4 ~~which low-income persons will be paid for work (which~~
 5 ~~would not otherwise be performed) on projects designed~~
 6 ~~to combat pollution or to improve the environment.~~

7 ~~Projects may include, without limitation: cleanup and~~
 8 ~~sanitation activities, including solid waste removal;~~
 9 ~~reclamation and rehabilitation of eroded or ecologically~~
 10 ~~damaged areas, including areas affected by strip mining;~~
 11 ~~conservation and beautification activities, including tree~~
 12 ~~planting and recreation area development; the restora-~~
 13 ~~tion and maintenance of the environment; and the im-~~
 14 ~~provement of the quality of life in urban and rural~~
 15 ~~areas.~~

16 ~~(4) A program to be known as "Rural Housing~~
 17 ~~Development and Rehabilitation" designed to assist low-~~
 18 ~~income families in rural areas to construct and acquire~~
 19 ~~ownership of adequate housing, to rehabilitate or repair~~
 20 ~~existing substandard units in such areas, and to other-~~
 21 ~~wise assist families in obtaining standard housing. Fi-~~
 22 ~~nancial assistance under this paragraph shall be provided~~
 23 ~~to nonprofit rural housing development corporations and~~
 24 ~~cooperatives serving areas which are defined by the~~
 25 ~~Farmers Home Administration as rural areas, and shall~~

1 ~~be used for, but not limited to, such purposes as adminis-~~
 2 ~~trative expenses; revolving development funds; nonre-~~
 3 ~~volving land, land development and construction write-~~
 4 ~~downs; rehabilitation or repair of substandard housing;~~
 5 ~~and loans to low-income families. In the construction,~~
 6 ~~rehabilitation, and repair of housing for low income fam-~~
 7 ~~ilies under this paragraph, the services of persons en-~~
 8 ~~rolled in Mainstream programs may be utilized. Loans~~
 9 ~~under this paragraph may be used for, but not limited to,~~
 10 ~~such purposes as the purchase of new housing units, the~~
 11 ~~repair, rehabilitation and purchase of existing units,~~
 12 ~~and to supplement existing Federal loan programs in~~
 13 ~~order that low income families may benefit from them.~~
 14 ~~The repayment period of such loans shall not exceed~~
 15 ~~thirty three years. No loans under this paragraph shall~~
 16 ~~bear an interest rate of less than 1 per centum per an-~~
 17 ~~num, but if the Director, after having examined the~~
 18 ~~family income of the applicant, the projected housing~~
 19 ~~costs of the applicant, and such other factors as he deems~~
 20 ~~appropriate, determines that the applicant would other-~~
 21 ~~wise be unable to participate in this program, he may~~
 22 ~~waive the interest in whole or in part and for such pe-~~
 23 ~~riods of time as he may establish except that (1) no~~
 24 ~~such waiver may be granted to an applicant whose ad-~~
 25 ~~justed family income (as defined by the Farmers Home~~

1 ~~Administration) is in excess of \$3,700 per annum and~~
 2 ~~(2) any applicant for whom such a waiver is provided~~
 3 ~~shall be required to commit at least 20 per centum of~~
 4 ~~his adjusted family income toward the mortgage debt~~
 5 ~~service and other housing costs. Family incomes shall be~~
 6 ~~recertified annually, and monthly payments for all loans~~
 7 ~~under this paragraph adjusted accordingly.~~

8 ~~(5) A program to be known as "Senior Opportuni-~~
 9 ~~ties and Services" designed to identify and meet the~~
 10 ~~needs of older, poor persons above the age of sixty in one~~
 11 ~~or more of the following areas: development and provi-~~
 12 ~~sion of new employment and volunteer services; effective~~
 13 ~~referral to existing health, welfare, employment, hous-~~
 14 ~~ing, legal, consumer, transportation, education, and rec-~~
 15 ~~reational and other services; stimulation and creation of~~
 16 ~~additional services and programs to remedy gaps and~~
 17 ~~deficiencies in presently existing services and programs;~~
 18 ~~modification of existing procedures, eligibility require-~~
 19 ~~ments and program structures to facilitate the greater~~
 20 ~~use of, and participation in, public services by the older~~
 21 ~~poor; development of all-season recreation and service~~
 22 ~~centers controlled by older persons themselves, and such~~
 23 ~~other activities and services as the Director may deter-~~
 24 ~~mine are necessary or specially appropriate to meet the~~
 25 ~~needs of the older poor and to assure them greater self-~~

1 ~~sufficiency. In administering this program the Director~~
 2 ~~shall utilize to the maximum extent feasible the services~~
 3 ~~of the Administration of Aging.~~

4 ~~RESIDENT EMPLOYMENT~~

5 ~~SEC. 123. In the conduct of all component programs~~
 6 ~~under this title, residents of the area and members of the~~
 7 ~~groups served shall be provided maximum employment op-~~
 8 ~~portunity, including opportunity for further occupational~~
 9 ~~training and career advancement. The Director shall en-~~
 10 ~~courage the employment of persons fifty-five years and older~~
 11 ~~as regular, part time and short term staff in component~~
 12 ~~programs.~~

13 ~~NEIGHBORHOOD CENTERS~~

14 ~~SEC. 124. The Director shall encourage the develop-~~
 15 ~~ment of neighborhood centers, designed to promote the ef-~~
 16 ~~fectiveness of needed services in such fields as health, educa-~~
 17 ~~tion, manpower, consumer protection, child and economic~~
 18 ~~development, housing, legal, recreation, and social services,~~
 19 ~~and so organized (through a corporate or other appropriate~~
 20 ~~framework) as to promote maximum participation of neigh-~~
 21 ~~borhood residents in center planning, policymaking, adminis-~~
 22 ~~tration, and operation. In addition to providing such services~~
 23 ~~as may not otherwise be conveniently or readily available,~~
 24 ~~such centers shall be responsive to such neighborhood needs,~~
 25 ~~such as counseling, referral, followthrough, and community~~

~~1 development activities, as may be necessary or appropriate
2 to best assure a system under which existing programs are
3 extended to the most disadvantaged, are linked to one an-
4 other, are responsive and relevant to the range of community,
5 family, and individual problems and are fully adapted to
6 neighborhood needs and conditions.~~

~~7 ALLOTMENT OF FUNDS: LIMITATIONS ON ASSISTANCE~~

~~8 SEC. 125, (a) Of the sums which are appropriated
9 or allocated for assistance in the development and imple-
10 mentation of community action programs pursuant to section
11 121, and for special program projects referred to in section
12 122 (a), and which are not subject to any other provision
13 governing allotment or distribution, the Director 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 20 per centum of those sums for allot-
18 ment in accordance with such criteria and procedures as he
19 may prescribe. The remainder shall be allotted among the
20 States, in accordance with the latest available data, so that
21 equal proportions are distributed on the basis of (1) the
22 relative number of public assistance recipients in each State
23 as compared to all States, (2) the average number of un-
24 employed persons in each State as compared to all States,
25 and (3) the relative number of related children living with~~

~~1 families with income of less than \$1,000 in each State as
2 compared to all States. That part of any State's allotment
3 which the Director determines will not be needed may
4 be reallocated, at such dates during the fiscal year as the
5 Director may fix, in proportion to the original allotments,
6 but with appropriate adjustments to assure that any amount
7 so made available to any State in excess of its needs is simi-
8 larly reallocated among the other States.~~

~~9 (b) The Director may provide for the separate allotment
10 of funds for any special program referred to in section
11 122 (a). This allotment may be made in accordance with
12 the criteria prescribed in subsection (a), or it may be made
13 in accordance with other criteria which he determines will
14 assure an equitable distribution of funds reflecting the rela-
15 tive incidence in each State of the needs or problems at which
16 the program is directed, except that in no event may more
17 than 12½ per centum of the funds for any one program be
18 used in any one State.~~

~~19 (c) Unless otherwise provided in this title, financial
20 assistance extended to a community action agency or other
21 agency pursuant to sections 121 and 122 (a), for the period
22 ending June 30, 1975, shall not exceed 80 per centum of the
23 approved cost of the assisted programs or activities. For the
24 succeeding period ending June 30, 1976, such financial as-
25 sistance shall not exceed 70 per centum of such costs and~~

1 thereafter shall not exceed 60 per centum of such costs.
 2 However, the Director may approve assistance in excess of
 3 such percentages if he determines, in accordance with regu-
 4 lations establishing objective criteria, that such action is
 5 required in furtherance of the purposes of this title. The Di-
 6 rector shall not require non-Federal contributions in excess
 7 of 20 per centum in fiscal year 1975, 30 per centum in fiscal
 8 year 1976, and 40 per centum in fiscal year 1977 of the
 9 approved cost of programs or activities assisted under this
 10 Act. In addition, for the periods ending June 30, 1976, and
 11 June 30, 1977, the Director may approve assistance in
 12 excess of such percentages upon evidence that the aggregate
 13 of all non-Federal contributions by agencies within a State for
 14 grants made pursuant to sections 121 and 122 (a) as a per-
 15 centage of the aggregate of all funds granted to such agencies
 16 in such State pursuant to such sections meets the percentage
 17 requirements of this subsection. Non-Federal contributions
 18 may be in cash or in kind, fairly evaluated, including but not
 19 limited to plant, equipment, or services.

20 (d) No program shall be approved for assistance under
 21 sections 121 and 122 (a) unless the Director satisfies him-
 22 self (1) that the services to be provided under such program
 23 will be in addition to, and not in substitution for, services
 24 previously provided without Federal assistance, and (2) that
 25 funds or other resources devoted to programs designed to

1 meet the needs of the poor within the community will not
 2 be diminished in order to provide any contributions re-
 3 quired under subsection (c). The requirement imposed by
 4 the preceding sentence shall be subject to such regulations as
 5 the Director may adopt and promulgate establishing objec-
 6 tive criteria for determinations covering situations where a
 7 strict application of that requirement would result in un-
 8 necessary hardship or otherwise be inconsistent with the pur-
 9 poses sought to be achieved.

10 ~~DESIGN AND PLANNING ASSISTANCE PROGRAMS~~

11 SEC. 126. (a) The Director shall make grants or enter
 12 into contracts to provide financial assistance for the operat-
 13 ing expenses of programs conducted by community-based
 14 design and planning organizations to provide technical assist-
 15 ance and professional architectural and related services re-
 16 lating to housing, neighborhood facilities, transportation and
 17 other aspects of community planning and development to
 18 persons and community organizations or groups not other-
 19 wise able to afford such assistance. Such programs shall be
 20 conducted with maximum use of the voluntary services of
 21 professional and community personnel. In providing assist-
 22 ance under this section, the Director shall afford priority
 23 to persons in urban or rural poverty areas with substandard
 24 housing, substandard public service facilities, and generally

1 blighted conditions. Design and planning services to be pro-
2 vided by such organization shall include--

3 ~~(1) comprehensive community or area planning and~~
4 ~~development;~~

5 ~~(2) specific projects for the priority planning and~~
6 ~~development needs of the community; and~~

7 ~~(3) educational programs directed to local residents~~
8 ~~emphasizing their role in the planning and development~~
9 ~~process in the community.~~

10 ~~(b) No assistance may be provided under this section~~
11 ~~unless such design and planning organization--~~

12 ~~(1) is a nonprofit organization located in the neigh-~~
13 ~~borhood or area to be served with a majority of the gov-~~
14 ~~erning body of such organization comprised of residents~~
15 ~~of that neighborhood or area;~~

16 ~~(2) has as a primary function the goal of bringing~~
17 ~~about, through the involvement of the appropriate com-~~
18 ~~munity action agency or otherwise, maximum possible~~
19 ~~participation of local residents, especially low income~~
20 ~~residents, in the planning and decisionmaking regarding~~
21 ~~the development of their community; and~~

22 ~~(3) will carry out its design and planning services~~
23 ~~principally through the voluntary participation of pro-~~
24 ~~fessional and community personnel (including, where~~
25 ~~available, VISTA volunteers).~~

1 ~~(c) Design and planning organizations receiving assist-~~
2 ~~ance under this section shall not subcontract with any profit-~~
3 ~~making organization or pay fees for architectural professional~~
4 ~~services.~~

5 ~~YOUTH RECREATION AND SPORTS PROGRAM~~

6 ~~Sec. 127. (a) In order to provide to disadvantaged~~
7 ~~youth recreation and physical fitness instruction and competi-~~
8 ~~tion with high quality facilities and supervision and related~~
9 ~~educational and counseling services (including instruction~~
10 ~~concerning study practices, career opportunities, job responsi-~~
11 ~~bilities, health and nutrition, and drug abuse education)~~
12 ~~through regular association with college instructors and~~
13 ~~athletes and exposure to college and university campuses~~
14 ~~and other recreational facilities, the Director shall make~~
15 ~~grants or enter into contracts for the conduct of an annual~~
16 ~~youth recreation and sports program concentrated in the~~
17 ~~summer months and with continued activities throughout~~
18 ~~the year, so as to offer disadvantaged youth living in areas of~~
19 ~~rural and urban poverty an opportunity to receive such~~
20 ~~recreation and educational instruction, information, and serv-~~
21 ~~ices and to participate in such physical fitness programs and~~
22 ~~sports competitions.~~

23 ~~(b) No assistance may be provided under this section~~
24 ~~unless satisfactory assurances are received that (1) not~~
25 ~~less than 90 per centum of the youths participating in each~~

~~1 program to be assisted under this section are from families~~
~~2 with incomes below the poverty level as determined by~~
~~3 the Director, and that such participating youths and other~~
~~4 neighborhood residents, through the involvement of the ap-~~
~~5 propriate community action agency or otherwise, will have~~
~~6 maximum participation in program planning and operation~~
~~7 and (2) all significant segments of the low-income popula-~~
~~8 tion of the community to be served will be served on an~~
~~9 equitable basis in terms of participating youths and instruc-~~
~~10 tional and other support personnel.~~

~~11 (c) Programs under this section shall be administered~~
~~12 by the Director through grants or contracts with any quali-~~
~~13 fied organization of colleges and universities or such other~~
~~14 qualified nonprofit organizations active in the field with~~
~~15 access to appropriate recreational facilities as the Director~~
~~16 shall determine in accordance with regulations which he shall~~
~~17 prescribe. Each such grant or contract and subcontract with~~
~~18 participating institutions of higher education or other quali-~~
~~19 fied organizations active in the field shall contain provisions~~
~~20 to assure that the program to be assisted will provide a non-~~
~~21 Federal contribution (in cash or in kind) of no less than 20~~
~~22 per centum of the direct costs necessary to carry out the~~
~~23 program. Each such grant, contract, or subcontract shall~~
~~24 include provisions for—~~

~~25 (1) providing opportunities for disadvantaged youth~~

~~1 to engage in competitive sports and receive sports skills~~
~~2 and physical fitness instruction and education in good~~
~~3 health and nutrition practices;~~

~~4 (2) providing such youth with instruction and~~
~~5 information regarding study practices, career oppor-~~
~~6 tunities, job responsibilities, and drug abuse;~~

~~7 (3) carrying out continuing related activities~~
~~8 throughout the year;~~

~~9 (4) meeting the requirements of subsection (b)~~
~~10 of this section;~~

~~11 (5) enabling the contractor and institutions of~~
~~12 higher education or other qualified organizations active~~
~~13 in the field located conveniently to such areas of poverty~~
~~14 and the students and personnel of such institutions or~~
~~15 organizations active in the field to participate more fully~~
~~16 in the community life and in solutions of community~~
~~17 problems; and~~

~~18 (6) serving metropolitan centers of the United~~
~~19 States and rural areas, within the limits of program~~
~~20 resources.~~

~~21 CONSUMER ACTION AND COOPERATIVE PROGRAMS~~

~~22 SEC. 128. (a) The Director shall make grants or enter~~
~~23 into contracts to provide financial assistance for the devel-~~
~~24 opment, technical assistance to and conduct of consumer~~
~~25 action and advocacy and cooperative programs, credit re-~~

1 ~~sources development programs, and consumer protection and~~
 2 ~~education programs designed to demonstrate various tech-~~
 3 ~~niques and models and to carry out projects to assist and pro-~~
 4 ~~vide technical assistance to low income persons to try to im-~~
 5 ~~prove the quality, improve the delivery, and lower the price~~
 6 ~~of goods and services, to obtain, without undue delay or~~
 7 ~~burden, financial credit at reasonable cost, and to develop~~
 8 ~~means of enforcing consumer rights, developing consumer~~
 9 ~~grievance procedures and presenting consumer grievances,~~
 10 ~~submitting consumer views and concerns for protection~~
 11 ~~against unfair, deceptive, or discriminatory trade and com-~~
 12 ~~mmercial practices and educating low income persons with~~
 13 ~~respect to such rights, procedures, grievances, views and~~
 14 ~~concerns.~~

15 (b) No assistance may be provided under this section
 16 unless the grantee or contracting organization or agency is a
 17 nonprofit organization and has as a primary function the goal
 18 of bringing about, through the involvement of the appro-
 19 priate community action agency or otherwise, maximum
 20 possible participation of low income persons in the project.

21 ~~PART C SUPPLEMENT PROGRAMS AND ACTIVITIES~~

22 ~~TECHNICAL ASSISTANCE AND TRAINING~~

23 ~~SEC. 131. The Director may provide, directly or~~
 24 ~~through grants or other arrangements, (1) technical assist-~~
 25 ~~ance to communities in developing, conducting, and admin-~~

1 ~~istering programs under this part, and (2) training for~~
 2 ~~specialized or other personnel which is needed in connec-~~
 3 ~~tion with these programs or which otherwise pertains to the~~
 4 ~~purposes of this title. Upon request of an agency receiving~~
 5 ~~financial assistance under this title, the Director may make~~
 6 ~~special assignments of personnel to the agency to assist and~~
 7 ~~advise it in the performance of functions related to the~~
 8 ~~assisted activity; but no such special assignment shall be~~
 9 ~~for a period of more than two years in the case of any agency.~~

10 ~~STATE AGENCY ASSISTANCE~~

11 ~~SEC. 132. (a) The Director may provide financial~~
 12 ~~assistance to State agencies designated in accordance with~~
 13 ~~State law, to enable those agencies—~~

14 ~~(1) to provide technical assistance to communities~~
 15 ~~and local agencies in developing and carrying out pro-~~
 16 ~~grams under this title;~~

17 ~~(2) to assist in coordinating State activities related~~
 18 ~~to this title;~~

19 ~~(3) to advise and assist the Director in developing~~
 20 ~~procedures and programs to promote the participation~~
 21 ~~of States and State agencies in programs under this title;~~
 22 ~~and~~

23 ~~(4) to advise and assist the Director and the heads~~
 24 ~~of other Federal agencies, in identifying problems posed~~
 25 ~~by Federal statutory or administrative requirements that~~

1 ~~operate to impede State level coordination of programs~~
 2 ~~related to this title, and in developing methods or~~
 3 ~~recommendations for overcoming those problems.~~

4 ~~(b) In any grants or contracts with State agencies, the~~
 5 ~~Director shall give preference to programs or activities which~~
 6 ~~are administered or coordinated by the agencies designated~~
 7 ~~pursuant to subsection (a), or which have been developed~~
 8 ~~and will be carried on with the assistance of those agencies.~~

9 ~~(c) In order to promote coordination in the use of funds~~
 10 ~~under this Act and funds provided or granted by State agen-~~
 11 ~~cies, the Director may enter into agreements with States~~
 12 ~~or State agencies pursuant to which they will act as agents~~
 13 ~~of the United States for purposes of providing financial as-~~
 14 ~~sistance to community action agencies or other local agencies~~
 15 ~~in connection with specific projects or programs involving~~
 16 ~~the common or joint use of State funds and funds under~~
 17 ~~this title.~~

18 ~~(d) If any member of a board to which section 112-~~
 19 ~~(b) is applicable files an allegation with the Director that~~
 20 ~~an agency receiving assistance under this section is not ob-~~
 21 ~~serving any requirement of this Act, or any regulation, rule,~~
 22 ~~or guideline promulgated by the Director under this Act,~~
 23 ~~the Director shall promptly investigate such allegation and~~
 24 ~~shall consider it; and, if after such investigation and con-~~
 25 ~~sideration he finds reasonable cause to believe that the~~

1 ~~allegations are true, he shall hold a hearing, upon the conclu-~~
 2 ~~sion of which he shall notify all interested persons of his~~
 3 ~~findings. If he finds that the allegations are true, and that,~~
 4 ~~after being afforded a reasonable opportunity to do so, the~~
 5 ~~agency has failed to make appropriate corrections, he shall~~
 6 ~~forthwith terminate further assistance under this part to~~
 7 ~~such agency until he has received assurances satisfactory to~~
 8 ~~him that further violations will not occur.~~

9 ~~SPECIAL ASSISTANCE~~

10 ~~SEC. 133. The Director may provide financial assist-~~
 11 ~~ance for projects conducted by public or private nonprofit~~
 12 ~~agencies which are designed to serve groups of low income~~
 13 ~~individuals who are not being effectively served by other~~
 14 ~~programs under this title. In administering this section, the~~
 15 ~~Director shall give special consideration to programs designed~~
 16 ~~to assist older persons and other low income individuals who~~
 17 ~~do not reside in low income areas and who are not being~~
 18 ~~effectively served by other programs under this title.~~

19 ~~PART D—GENERAL AND TECHNICAL PROVISIONS~~

20 ~~RURAL AREAS~~

21 ~~SEC. 141. (a) In exercising authority under this title,~~
 22 ~~the Director shall take necessary steps to further the exten-~~
 23 ~~sion of benefits to residents of rural areas, consistent with~~
 24 ~~the extent and severity of poverty among rural residents, and~~
 25 ~~to encourage high levels of managerial and technical compe-~~

1 ~~tence in programs undertaken in rural areas. These steps~~
 2 ~~shall include, to the maximum extent practicable, (1) the~~
 3 ~~development under section 122 (a) of programs particu-~~
 4 ~~larly responsive to special needs of rural areas; (2) the es-~~
 5 ~~tablishment, pursuant to section 521, of a program of re-~~
 6 ~~search and pilot project activities specifically focused upon~~
 7 ~~the problems of rural poverty; (3) the provision of techni-~~
 8 ~~cal assistance so as to afford a priority to agencies in rural~~
 9 ~~communities and to aid those agencies, through such ar-~~
 10 ~~rangements as may be appropriate, in securing assistance~~
 11 ~~under Federal programs which are related to this title but~~
 12 ~~which are not generally utilized in rural areas; and (4) the~~
 13 ~~development of special or simplified procedures, forms, guide-~~
 14 ~~lines, model components, and model programs for use in rural~~
 15 ~~areas.~~

16 ~~(b) The Director shall establish criteria designed to~~
 17 ~~achieve an equitable distribution of assistance under this~~
 18 ~~Act within the States between urban and rural areas. In~~
 19 ~~developing such criteria, he shall consider the relative num-~~
 20 ~~ber in the States or areas therein of: (1) low income fami-~~
 21 ~~lies, particularly those with children; (2) unemployed per-~~
 22 ~~sons; (3) persons receiving cash or other assistance on a~~
 23 ~~needs basis from public agencies or private organizations;~~
 24 ~~(4) school dropouts; (5) adults with less than an eighth-~~

1 ~~grade education; (6) persons rejected for military service;~~
 2 ~~and (7) poor persons living in urban places compared to~~
 3 ~~the number living in rural places as determined by the latest~~
 4 ~~reports of the Bureau of the Census.~~

5 ~~(c) Notwithstanding any other provision of this title,~~
 6 ~~the Director is authorized to provide financial assistance in~~
 7 ~~rural areas to public or private nonprofit agencies for any~~
 8 ~~project for which assistance to community action agencies~~
 9 ~~is authorized, if he determines that it is not feasible to estab-~~
 10 ~~lish a community action agency within a reasonable period~~
 11 ~~of time. The assistance so granted shall be subject to such~~
 12 ~~conditions as the Director deems appropriate to promote~~
 13 ~~adherence to the purposes of this Act and the early establish-~~
 14 ~~ment of a community action agency in the area.~~

15 ~~(d) The Director shall encourage the development of~~
 16 ~~programs for the interchange of personnel, for the under-~~
 17 ~~taking of common or related projects, and other methods of~~
 18 ~~cooperation between urban and rural communities, with~~
 19 ~~particular emphasis on fostering cooperation in situations~~
 20 ~~where it may contribute to new employment opportunities,~~
 21 ~~and between larger urban communities with concentrations~~
 22 ~~of low income persons and families and rural areas in which~~
 23 ~~substantial numbers of those persons and families have re-~~
 24 ~~cently resided.~~

~~SUBMISSION OF PLANS TO GOVERNORS~~

~~SEC. 142. In carrying out the provisions of this title, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title. Funds to cover the costs of the proposed contract, agreement, grant, loan, or other assistance shall be obligated from the appropriation which is current at the time the plan is submitted to the Governor. This section shall not, however, apply to contracts, agreements, grants, loans or other assistance to any institution of higher education in existence on the date of the approval of this Act.~~

~~FISCAL RESPONSIBILITY AND AUDIT~~

~~SEC. 143. (a) No funds shall be released to any agency receiving financial assistance under this title until it has submitted to the Director a statement certifying that the assisted agency and its delegate agencies (or subcontractors~~

~~for performance of any major portion of the assisted program) have established an accounting system with internal controls adequate to safeguard their assets, check the accuracy and reliability of the accounting data, promote operating efficiency and encourage compliance with prescribed management policies and such additional fiscal responsibility and accounting requirements as the Director may establish. The statement may be furnished by a certified public accountant, a duly licensed public accountant or, in the case of a public agency, the appropriate public financial officer who accepts responsibility for providing required financial services to that agency.~~

~~(b) Within three months after the effective date of a grant to or contract of assistance with an organization or agency, the Director shall make or cause to be made a preliminary audit survey to review and evaluate the adequacy of the accounting system and internal controls established thereunder to meet the standards set forth in the statement referred to in subsection (a). Promptly after the completion of the survey, the Director shall determine on the basis of findings and conclusions resulting from the survey whether the accounting systems and internal controls meet those standards and, if not, whether to suspend the grant or contract. In the event of suspension, the assisted agency shall be given not more than six months within which to estab-~~

~~1 lish the necessary systems and controls, and, in the event~~
~~2 of failure to do so within such time period, the assistance shall~~
~~3 be terminated by the Director.~~

~~4 (c) At least once annually the Director shall make or~~
~~5 cause to be made an audit of each grant or contract of assist-~~
~~6 ance under this title. Promptly after the completion of such~~
~~7 audit, he shall determine on the basis of resulting findings~~
~~8 and conclusions whether any of the costs of expenditures~~
~~9 incurred shall be disallowed. In the event of disallowance,~~
~~10 the Director may seek recovery of the sums involved by~~
~~11 appropriate means, including court action or a commensurate~~
~~12 increase in the required non Federal share of the costs of~~
~~13 any grant or contract with the same agency or organization~~
~~14 which is then in effect or which is entered into within twelve~~
~~15 months after the date of disallowance.~~

~~16 (d) The Director shall establish such other requirements~~
~~17 and take such actions as he may deem necessary and appro-~~
~~18 priate to carry out the provisions of this section and to insure~~
~~19 fiscal responsibility and accountability, and the effective and~~
~~20 efficient handling of funds in connection with programs~~
~~21 assisted under this title. These requirements and actions shall~~
~~22 include (1) necessary action to assure that the rate of ex-~~
~~23 penditure of any agency receiving financial assistance does~~
~~24 not exceed the rate contemplated under its approved pro-~~
~~25 gram; and (2) appropriate requirements to promote the~~

~~1 continuity and coordination of all projects or components of~~
~~2 programs receiving financial assistance under this title, in-~~
~~3 cluding provision for the periodic reprogramming and supple-~~
~~4 mentation of assistance previously provided.~~

~~5 SPECIAL LIMITATIONS~~

~~6 SEC. 144. The following special limitations shall apply,~~
~~7 as indicated, to programs under this title.~~

~~8 (1) Financial assistance under this title may in-~~
~~9 clude funds to provide a reasonable allowance for at-~~
~~10 tendance at meetings of any community action agency~~
~~11 governing board, neighborhood council or committee, as~~
~~12 appropriate to assure and encourage the maximum~~
~~13 feasible participation of members of groups and residents~~
~~14 of areas served in accordance with the purposes of this~~
~~15 title, and to provide reimbursement of actual expenses~~
~~16 connected with those meetings; but those funds (or~~
~~17 matching non-Federal funds) may not be used to pay~~
~~18 allowances in the case of any individual who is a Fed-~~
~~19 eral, State, or local government employee, or an em-~~
~~20 ployee of a community action agency, or for payment~~
~~21 of an allowance to any individual for attendance at more~~
~~22 than two meetings a month.~~

~~23 (2) The Director shall issue necessary rules or~~
~~24 regulations to assure that no employee engaged in car-~~
~~25 rying out community action program activities receiving~~

~~financial assistance under this title is compensated from funds so provided at a rate in excess of \$15,000 per annum, and that any amount paid to such an employee at a rate in excess of \$15,000 per annum shall not be considered in determining whether the non-Federal contributions requirements of section 125(c) have been complied with; the Director may, however, provide in those rules or regulations for exceptions covering cases (particularly in large metropolitan areas) where, because of the need for specialized or professional skills or prevailing local salary levels, application of the foregoing restriction would greatly impair program effectiveness or otherwise be inconsistent with the purposes sought to be achieved.~~

~~(3) No officer or employee of the Agency shall serve as member of a board, council, or committee of any agency serving as grantee, contractor, or delegate agency in connection with a program receiving financial assistance under this title; but this shall not prohibit an officer or employee from serving on a board, council, or committee which does not have any authority or powers in connection with a program assisted under this title.~~

~~(4) In granting financial assistance for projects or activities in the field of family planning, the Director shall assure that family planning services, including the~~

~~dissemination of family planning information and medical assistance and supplies, are made available to all low-income individuals who meet the criteria for eligibility for assistance under this title which have been established by the assisted agency and who desire such information, assistance, or supplies. The Director shall require, in connection with any such financial assistance, that—~~

~~(A) no individual will be provided with any information, medical supervision, or supplies which that individual indicates are inconsistent with his or her moral, philosophical, or religious beliefs; and~~

~~(B) no individual will be provided with any medical supervision or supplies unless he or she has voluntarily requested such medical supervision or supplies.~~

~~The use of family planning services assisted under this title shall not be a prerequisite to the receipts of services from or participation in any other programs under this Act.~~

~~(5) No financial assistance shall be extended under this title to provide general aid to elementary or secondary education in any school or school system; but this shall not prohibit the provision of special, remedial, and other noncurricular educational assistance.~~

~~(6) In extending assistance under this title the Director shall give special consideration to programs which make maximum use of existing schools, community centers, settlement houses, and other facilities during times they are not in use for their primary purpose.~~

~~(7) No financial assistance shall be extended under this title in any case in which the Director determines that the costs of developing and administering all of the programs assisted under this Act carried on by or under the supervision of any community action agency exceed 15 per centum of the total costs, including non Federal contributions to such costs, of such programs. The Director, after consultation with the Director of the Bureau of the Budget, shall establish by regulation, criteria for determining (i) the costs of developing and administering such programs, and (ii) the total costs of such programs. In any case in which the Director determines that the cost of administering such programs does not exceed 15 per centum of such total costs but is, in his judgment, excessive, he shall forthwith require such community action agency to take such steps prescribed by him as will eliminate such excessive administrative cost, including the sharing by one or more such community action agencies of a common director and other administrative personnel. The Director may waive the limitation prescribed by this paragraph for specific peri-~~

~~ods of time not to exceed six months whenever he determines that such a waiver is necessary in order to carry out the purposes of this title.~~

~~(8) Consistent with the provisions of this Act, the Director shall assure that financial assistance under this title will be distributed on an equitable basis in any community and within any State so that all significant segments of the low income population are being served.~~

~~INCENTIVE GRANTS~~

~~SEC. 145. (a) The Director may provide financial assistance from funds appropriated to carry out this section to community action agencies or public or private nonprofit agencies designated under section 110 for programs authorized under this title, and to State economic opportunity offices for programs and activities authorized under section 132 (a). Financial assistance extended to a community action agency or other agency pursuant to this section may be used for new programs or to supplement existing programs and shall not exceed 50 per centum of the cost of such new or supplemental programs.~~

~~(b) Matching local and State funds supplied under this section shall be in cash and shall represent State and local initiatives newly obligated within the previous year to the purposes of the grant supported activity; and no program shall be approved for assistance under this section unless the Director satisfies himself (1) that the activities to be~~

1 ~~carried out under such program will be in addition to, and~~
 2 ~~not in substitution for, activities previously carried on with-~~
 3 ~~out Federal assistance, and (2) that funds or other resources~~
 4 ~~devoted to programs designed to meet the needs of the poor~~
 5 ~~within the community, area, or State will not be diminished~~
 6 ~~in order to provide the contributions required under this sec-~~
 7 ~~tion. The requirement imposed by the preceding sentence~~
 8 ~~shall be subject to such regulations as the Secretary may~~
 9 ~~adopt and promulgate establishing objective criteria for~~
 10 ~~determinations covering situations where a strict application~~
 11 ~~of that requirement would result in unnecessary hardship or~~
 12 ~~otherwise be inconsistent with the purposes sought to be~~
 13 ~~achieved.~~

14 ~~TITLE II SPECIAL PROGRAMS TO COMBAT~~

15 ~~POVERTY IN RURAL AREAS~~

16 ~~PART A RURAL LOAN PROGRAMS~~

17 ~~STATEMENT OF PURPOSE~~

18 ~~SEC. 211. It is the purpose of this part to meet~~
 19 ~~some of the special needs of low-income rural families by~~
 20 ~~establishing a program of loans to assist in raising and main-~~
 21 ~~taining their income living standards.~~

22 ~~LOANS TO FAMILIES~~

23 ~~SEC. 212. (a) The Director is authorized to make loans~~
 24 ~~having a maximum maturity of fifteen years and in amounts~~

1 ~~not resulting in an aggregate principal indebtedness of more~~
 2 ~~than \$3,500 at any one time to any low income rural family~~
 3 ~~where, in the judgment of the Director, such loans have a~~
 4 ~~reasonable possibility of effecting a permanent increase in~~
 5 ~~the income of such families, or, in the case of the elderly,~~
 6 ~~will contribute to the improvement of their living or housing~~
 7 ~~conditions by assisting or permitting them to—~~

8 ~~(A) acquire or improve real estate or reduce encum-~~
 9 ~~brances or erect improvements thereon,~~

10 ~~(B) operate or improve the operation of farms not~~
 11 ~~larger than family sized, including but not limited to the~~
 12 ~~purchase of feed, seed, fertilizer, livestock, poultry, and~~
 13 ~~equipment, or~~

14 ~~(C) participate in cooperative associations; and/or~~
 15 ~~to finance nonagricultural enterprises which will enable~~
 16 ~~such families to supplement their income.~~

17 ~~(b) Loans under this section shall be made only if the~~
 18 ~~family is not qualified to obtain such funds by loan under~~
 19 ~~other Federal programs.~~

20 ~~COOPERATIVE ASSOCIATIONS~~

21 ~~SEC. 213. The Director is authorized to make loans to~~
 22 ~~local cooperative associations furnishing essential processing,~~
 23 ~~purchasing, or marketing services, supplies, or facilities pro-~~
 24 ~~dominantly to low-income rural families.~~

~~LIMITATIONS ON ASSISTANCE~~

~~SEC. 214. No financial or other assistance shall be provided under this title unless the Director determines that~~

~~(a) the providing of such assistance will materially further the purposes of this title, and~~

~~(b) in the case of assistance provided pursuant to section 213, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.~~

~~LOAN TERMS AND CONDITIONS~~

~~SEC. 215. Loans pursuant to sections 212 and 213 shall have such terms and conditions as the Director shall determine, subject to the following limitations:-~~

~~(a) there is reasonable assurance of repayment of the loan;~~

~~(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;~~

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

~~(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on~~

~~outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;~~

~~(e) with respect to loans made pursuant to section 213, the loan is repayable within not more than thirty years; and~~

~~(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes: *Provided*, That (1) packing, canning, cooking, freezing, or other processing used in preparing or marketing edible farm products, including, dairy products, shall not be regarded as manufacturing merely by reason of the fact that it results in the creation of a new or different substance; and (2) a cooperative organization formed by and consisting of members of an Indian tribe (including any tribe with whom the special Federal relationship with Indians has been terminated) engaged in the production of agricultural commodities, or in manufacturing products, on an Indian reservation (or former reservation in the case of tribes with whom the special Federal relationship with Indians has been term~~

1 ~~inated) shall not be regarded as a cooperative orga-~~
 2 ~~nization within the purview of this clause.~~

3 ~~REVOLVING FUND~~

4 ~~SEC. 216. (a) To carry out the lending and guaranty~~
 5 ~~functions authorized under this subpart there is authorized~~
 6 ~~to be established a revolving fund. The capital of the fund~~
 7 ~~shall consist of such amounts as may be advanced to it by~~
 8 ~~the Director from funds appropriated pursuant to this Act~~
 9 ~~and shall remain available until expended.~~

10 ~~(b) The Director shall pay into miscellaneous receipts~~
 11 ~~of the Treasury, at the close of each fiscal year, interest on~~
 12 ~~the capital of the fund at a rate determined by the Secre-~~
 13 ~~tary of the Treasury, taking into consideration the average~~
 14 ~~market yield on outstanding Treasury obligations of com-~~
 15 ~~parable maturity during the last month of the preceding fiscal~~
 16 ~~year. Interest payments may be deferred with the approval~~
 17 ~~of the Secretary of the Treasury, but any interest payments~~
 18 ~~so deferred shall themselves bear interest.~~

19 ~~(c) Whenever any capital in the fund is determined by~~
 20 ~~the Director to be in excess of current needs, such capital~~
 21 ~~shall be credited to the appropriation from which advanced,~~
 22 ~~where it shall be held for future advances.~~

23 ~~(d) Receipts from any lending and guaranty opera-~~
 24 ~~tions under this Act (except operations under title III car-~~
 25 ~~ried on by the Small Business Administration) shall be~~

1 ~~credited to the fund. The fund shall be available for the pay-~~
 2 ~~ment of all expenditures of the Director for loans, participa-~~
 3 ~~tions, and guaranties authorized under this part.~~

4 ~~PART B ASSISTANCE FOR MIGRANT, AND OTHER SEASON-~~
 5 ~~ALLY EMPLOYED, FARMWORKERS AND THEIR FAMILIES~~

6 ~~STATEMENT OF PURPOSE~~

7 ~~SEC. 221. The purpose of this part is to assist mi-~~
 8 ~~grant and seasonal farmworkers and their families to improve~~
 9 ~~their living conditions and develop skills necessary for a~~
 10 ~~productive and self-sufficient life in an increasingly complex~~
 11 ~~and technological society.~~

12 ~~FINANCIAL ASSISTANCE~~

13 ~~SEC. 222. (a) The Secretary of Labor may provide~~
 14 ~~financial assistance to assist State and local agencies, private~~
 15 ~~nonprofit institutions and cooperatives in developing and car-~~
 16 ~~rying out programs to fulfill the purpose of this part.~~

17 ~~(b) Programs assisted under this part may include~~
 18 ~~projects or activities—~~

19 ~~(1) to meet the immediate needs of migrant and~~
 20 ~~seasonal farmworkers and their families, such as day care~~
 21 ~~for children, education, health services, improved housing~~
 22 ~~and sanitation (including the provision and maintenance~~
 23 ~~of emergency and temporary housing and sanitation fa-~~
 24 ~~cilities), legal advice and representation, and consumer~~
 25 ~~training and counseling;~~

1 ~~(2) to promote increased community acceptance of~~
 2 ~~migrant and seasonal farmworkers and their families; and~~
 3 ~~(3) to equip unskilled migrant and seasonal farm-~~
 4 ~~workers and members of their families as appropriate~~
 5 ~~through education and training to meet the changing~~
 6 ~~demands in agricultural employment brought about by~~
 7 ~~technological advancement and to take advantage of~~
 8 ~~opportunities available to improve their well-being and~~
 9 ~~self-sufficiency by gaining regular or permanent employ-~~
 10 ~~ment or by participating in available Government em-~~
 11 ~~ployment or training programs.~~

12 ~~LIMITATIONS ON ASSISTANCE~~

13 ~~SEC. 223. (a) Assistance shall not be extended under~~
 14 ~~this part unless the Secretary determines that the appli-~~
 15 ~~cant will maintain its prior level of effort in similar activities.~~

16 ~~(b) The Secretary shall establish necessary procedures~~
 17 ~~or requirements to assure that programs under this part~~
 18 ~~are carried on in coordination with other programs or activi-~~
 19 ~~ties providing assistance to the persons and groups served.~~

20 ~~TECHNICAL ASSISTANCE, TRAINING, AND EVALUATION~~

21 ~~SEC. 224. The Secretary may provide directly or~~
 22 ~~through grants, contracts, or other arrangements, such tech-~~
 23 ~~nical assistance or training of personnel as may be required~~
 24 ~~to implement effectively the purposes of this title.~~

1 ~~TITLE III EMPLOYMENT AND INVESTMENT~~
 2 ~~INCENTIVES~~

3 ~~STATEMENT OF PURPOSE~~

4 ~~SEC. 301. It is the purpose of this title to assist in the~~
 5 ~~establishment, preservation, and strengthening of small~~
 6 ~~business concerns and improve the managerial skills em-~~
 7 ~~ployed in such enterprises, with special attention to small~~
 8 ~~business concerns (1) located in urban or rural areas with~~
 9 ~~high proportions of unemployed or low-income individuals,~~
 10 ~~or (2) owned by low-income individuals; and to mobilize~~
 11 ~~for these objectives private as well as public managerial~~
 12 ~~skills and resources.~~

13 ~~LOANS, PARTICIPATIONS, AND GUARANTIES~~

14 ~~SEC. 302. (a) The Administrator of the Small Busi-~~
 15 ~~ness Administration is authorized to make, participate (on~~
 16 ~~an immediate basis) in, or guarantee loans, repayable in not~~
 17 ~~more than fifteen years, to any small business concern (as~~
 18 ~~defined in section 3 of the Small Business Act (15 U.S.C.~~
 19 ~~632) and regulations issued thereunder), or to any qualified~~
 20 ~~person seeking to establish such a concern, when he deter-~~
 21 ~~mines that such loans will assist in carrying out the purposes~~
 22 ~~of this part, with particular emphasis on the preservation or~~
 23 ~~establishment of small business concerns located in urban or~~
 24 ~~rural areas with high proportions of unemployed or low-~~

~~1 income individuals or owned by low income individuals:~~
~~2 Provided, however, That no such loans shall be made, par-~~
~~3 ticipated in, or guaranteed if the total of such Federal~~
~~4 assistance to a single borrower outstanding at any one time~~
~~5 would exceed \$50,000. The Administrator of the Small~~
~~6 Business Administration may defer payments on the prin-~~
~~7 cipal of such loans for a grace period and use such other~~
~~8 methods as he deems necessary and appropriate to assure~~
~~9 the successful establishment and operation of such concern.~~
~~10 The Administrator of the Small Business Administration~~
~~11 may, in his discretion, as a condition of such financial assist-~~
~~12 ance, require that the borrower take steps to improve his~~
~~13 management skills by participating in a management train-~~
~~14 ing program approved by the Administrator of the Small~~
~~15 Business Administration: Provided, however, That any man-~~
~~16 agement training program so approved must be of sufficient~~
~~17 scope and duration to provide reasonable opportunity for the~~
~~18 individuals served to develop entrepreneurial and mana-~~
~~19 gerial self-sufficiency. The Administrator of the Small Busi-~~
~~20 ness Administration shall encourage, as far as possible, the~~
~~21 participation of the private business community in the pro-~~
~~22 gram of assistance to such concerns, and shall seek to stimu-~~
~~23 late new private lending activities to such concerns through~~
~~24 the use of the loan guaranties, participations in loans, and~~
~~25 pooling arrangements authorized by this section.~~

~~1 (b) To the extent necessary or appropriate to carry~~
~~2 out the programs provided for in this title the Administrator~~
~~3 of the Small Business Administration shall have the same~~
~~4 powers as are conferred upon the Director by section 602~~
~~5 of this Act. To insure an equitable distribution between~~
~~6 urban and rural areas for loans between \$3,500 and \$25,000~~
~~7 made under this part, the Administrator is authorized to~~
~~8 use the agencies and agreements and delegations developed~~
~~9 under title II of this Act as he shall determine necessary.~~
~~10 (c) The Administrator shall provide for the continuing~~
~~11 evaluation of programs under this section, including full~~
~~12 information on the location, income characteristics, and~~
~~13 types of businesses and individuals assisted, and on new~~
~~14 private lending activity stimulated, and the results of such~~
~~15 evaluation together with recommendations shall be included~~
~~16 in the report by section 609.~~

~~17 LOAN TERMS AND CONDITIONS~~

~~18 SEC. 303. Loans made pursuant to section 302 (in-~~
~~19 cluding immediate participation in and guaranties of such~~
~~20 loans) shall have such terms and conditions as the Admin-~~
~~21 istrator of the Small Business Administration shall determine,~~
~~22 subject to the following limitations—~~
~~23 (a) there is reasonable assurance of repayment of~~
~~24 the loan;~~
~~25 (b) the financial assistance is not otherwise avail-~~

~~able on reasonable terms from private sources or other Federal, State, or local programs;~~

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

~~(d) the loan bears interest at a rate not less than~~

~~(1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward~~

~~covering other costs of the program as the Administrator of the Small Business Administration may determine to be consistent with its purposes: Provided, however, That~~

~~the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and~~

~~(e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.~~

~~DISTRIBUTION OF FINANCIAL ASSISTANCE~~

~~SEC. 304. The Administrator of the Small Business Administration shall take such steps as may be necessary to~~

~~insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this title are allotted to small business concerns located in urban areas identified by the Director, after consideration of any recommendations of the Administrator of the Small Business Administration, as having high concentrations of unemployed or low income individuals or to small business concerns owned by low income individuals. The Administrator of the Small Business Administration, after consideration of any recommendations of the Director, shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this title, and such definition need not correspond to the definition of low income as used elsewhere in this Act.~~

~~LIMITATION ON FINANCIAL ASSISTANCE~~

~~SEC. 305. No financial assistance shall be extended pursuant to this title where the Administrator of the Small Business Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.~~

~~TECHNICAL ASSISTANCE AND MANAGEMENT TRAINING~~

~~SEC. 306. (a) The Administrator of the Small Business Administration is authorized to provide financial assistance to public or private organizations to pay all or part of~~

~~1 the costs of projects designed to provide technical and man-~~
~~2 agement assistance to individuals or enterprises eligible for~~
~~3 assistance under section 302, with special attention to small~~
~~4 business concerns located in urban areas of high concentra-~~
~~5 tion of unemployed or low income individuals or owned by~~
~~6 low income individuals.~~

~~7 (b) Financial assistance under this section may be pro-~~
~~8 vided for projects, including without limitation—~~

~~9 (1) planning and research, including feasibility~~
~~10 studies and market research;~~

~~11 (2) the identification and development of new~~
~~12 business opportunities;~~

~~13 (3) the furnishing of centralized services with~~
~~14 regard to public services and government programs, in-~~
~~15 cluding programs authorized under section 302;~~

~~16 (4) the establishment and strengthening of busi-~~
~~17 ness service agencies, including trade associations and~~
~~18 cooperatives;~~

~~19 (5) the encouragement of the placement of sub-~~
~~20 contracts by major business with small business con-~~
~~21 cerns located in urban areas of high concentration of un-~~
~~22 employed or low income individuals or owned by low-~~
~~23 income individuals, including the provision of incentives~~
~~24 and assistance to such major businesses so that they will~~

~~1 aid in the training and upgrading of potential subcon-~~
~~2 tractors or other small business concerns; and~~

~~3 (6) the furnishing of business counseling, manage-~~
~~4 ment training, and legal and other related services, with~~
~~5 special emphasis on the development of management~~
~~6 training programs using the resources of the business~~
~~7 community, including the development of management~~
~~8 training opportunities in existing businesses, and with~~
~~9 emphasis in all cases upon providing management train-~~
~~10 ing of sufficient scope and duration to develop entre-~~
~~11 preneurial and managerial self-sufficiency on the part of~~
~~12 the individuals served.~~

~~13 (c) The Administrator of the Small Business Admin-~~
~~14 istration shall give preference to projects which promote~~
~~15 the ownership, participation in ownership, or management~~
~~16 of small business concerns by residents of urban areas of high~~
~~17 concentration of unemployed or low-income individuals, and~~
~~18 to projects which are planned and carried out with the par-~~
~~19 ticipation of local businessmen.~~

~~20 (d) To the extent feasible, services under this section~~
~~21 shall be provided in a location which is easily accessible to~~
~~22 the individuals and small business concerns served.~~

~~23 (e) The Administrator of the Small Business Admin-~~
~~24 istration shall, in carrying out programs under this section,~~

1 ~~consult with and take into consideration the views of the~~
 2 ~~Secretary of Commerce, with a view to coordinating activi-~~
 3 ~~ties and avoiding duplication of effort.~~

4 ~~(f) The President may, if he determines that it is nec-~~
 5 ~~essary to carry out the purposes of this title, transfer any of~~
 6 ~~the functions under this section to the Secretary of~~
 7 ~~Commerce.~~

8 ~~(g) The Administrator of the Small Business Adminis-~~
 9 ~~tration shall provide for an independent and continuing eval-~~
 10 ~~uation of programs under this section, including full~~
 11 ~~information on and analysis of the character and impact of~~
 12 ~~managerial assistance provided, the location, income char-~~
 13 ~~acteristics and types of businesses and individuals assisted,~~
 14 ~~and the extent to which private resources and skills have~~
 15 ~~been involved in these programs. Such evaluation together~~
 16 ~~with any recommendations as he deems advisable shall be~~
 17 ~~included in the report required by section 600.~~

18 ~~GOVERNMENT CONTRACTS~~

19 ~~SEC. 307. (a) The Administrator of the Small Busi-~~
 20 ~~ness Administration shall take such steps as may be~~
 21 ~~necessary and appropriate, in coordination and cooperation~~
 22 ~~with the heads of other Federal departments and agencies,~~
 23 ~~so that contracts, subcontracts, and deposits made by the~~
 24 ~~Federal Government or in connection with programs aided~~

1 ~~with Federal funds are placed in such a way as to further~~
 2 ~~the purposes of this title.~~

3 ~~(b) The Administrator of the Small Business Adminis-~~
 4 ~~tration shall provide for the continuing evaluation of pro-~~
 5 ~~grams under this section and the results of such evaluation~~
 6 ~~together with recommendations shall be included in the re-~~
 7 ~~port required by section 600.~~

8 ~~TITLE IV—WORK EXPERIENCE, TRAINING, AND~~ 9 ~~DAY CARE PROGRAMS~~

10 ~~PART A—WORK EXPERIENCE AND TRAINING PROGRAMS~~

11 ~~STATEMENT OF PURPOSE~~

12 ~~SEC. 411. It is the purpose of this part to expand~~
 13 ~~the opportunities for constructive work experience and other~~
 14 ~~needed training available to persons (including workers in~~
 15 ~~farm families with less than \$1,200 net family income, un-~~
 16 ~~employed heads of families and other needy persons) who~~
 17 ~~are unable to support themselves or their families.~~

18 ~~TRANSFER OF FUNDS~~

19 ~~SEC. 412. In order to permit the carrying out of work~~
 20 ~~experience and training programs meeting the criteria set~~
 21 ~~forth in the Comprehensive Employment and Training Act~~
 22 ~~of 1973, the Director is authorized to transfer funds (1)~~
 23 ~~to make payments under section 1115 of the Social Secu-~~
 24 ~~rity Act for experimental, pilot, or demonstration proj-~~

1 ~~ects which provide pretraining services and basic mainte-~~
 2 ~~nance, health, family, basic education, day care, counseling,~~
 3 ~~and similar supportive services required for such programs,~~
 4 ~~and (2) to reimburse the Secretary of Labor for carrying~~
 5 ~~out the activities described in the Comprehensive Employ-~~
 6 ~~ment and Training Act of 1973. Costs of such projects and~~
 7 ~~activities shall, notwithstanding the provisions of the Social~~
 8 ~~Security Act and the Comprehensive Employment and~~
 9 ~~Training Act of 1973, be met entirely from funds appro-~~
 10 ~~priated to carry out this part: Provided, That such funds~~
 11 ~~may not be used to assist families and individuals inso-~~
 12 ~~far as they are otherwise receiving or eligible to receive~~
 13 ~~assistance or social services through a State plan approved~~
 14 ~~under title I, IV X, XIV, XVI, or XIX of the Social~~
 15 ~~Security Act.~~

16 ~~LIMITATIONS ON WORK EXPERIENCE AND~~

17 ~~TRAINING PROGRAMS~~

18 ~~SEC. 413. (a) The provisions of paragraphs (1) to~~
 19 ~~(6), inclusive, of section 409 of the Social Security Act,~~
 20 ~~unless otherwise inconsistent with the provisions of this~~
 21 ~~part, shall be applicable with respect to work experience~~
 22 ~~and training programs assisted with funds under this~~
 23 ~~part. The costs of such programs to the United States shall,~~
 24 ~~notwithstanding the provisions of such Act, be met entirely~~

1 ~~from funds appropriated or allocated to carry out the purpose~~
 2 ~~of this part.~~

3 ~~(b) Work experience and training programs shall be~~
 4 ~~so designed that participation of individuals in such pro-~~
 5 ~~grams will not ordinarily exceed 36 months, except that~~
 6 ~~nothing in this subsection shall prevent the provision of~~
 7 ~~necessary and appropriate follow-up services for a reasonable~~
 8 ~~period after an individual has completed work experience~~
 9 ~~and training.~~

10 ~~(c) Not more than 12½ per centum of the sums appro-~~
 11 ~~priated or allocated for any fiscal year to carry out the~~
 12 ~~purposes of this part shall be used within any one State.~~
 13 ~~In the case of any work experience and training program~~
 14 ~~approved on or after July 1, 1968, not more than 80 per~~
 15 ~~centum of the costs of projects or activities referred to in~~
 16 ~~section 412 may be paid from funds appropriated or allocated~~
 17 ~~to carry out this part, unless the Director determines, pur-~~
 18 ~~suant to regulations prescribed by him establishing objective~~
 19 ~~criteria for such determinations, that assistance in excess of~~
 20 ~~such percentage is required in furtherance of the purposes of~~
 21 ~~this part. Non-Federal contributions may be in cash or in~~
 22 ~~kind, fairly evaluated, including but not limited to plant~~
 23 ~~equipment and services.~~

TRANSITION

~~SEC. 414. The Secretary of Labor is authorized to provide work experience and training programs authorized by the Comprehensive Employment and Training Act of 1973. The Secretary of Health, Education, and Welfare, pursuant to agreement with the Secretary of Labor which shall include provisions for joint evaluation and approval of the training and work experience aspect of each project or program, may—~~

~~(1) with the concurrence of the Secretary of Labor, renew existing projects and programs, or develop and provide new projects or programs, to accomplish the purposes of this part and of the Comprehensive Employment and Training Act of 1973; and~~

~~(2) with the concurrence of the Secretary of Labor, develop and provide other work experience and training programs pursuant to such Act, with respect to such projects or parts of projects which the Secretary of Labor is unable to provide after being given notice and a reasonable opportunity to do so.~~

PART B DAY CARE PROJECTS

STATEMENT OF PURPOSE

~~SEC. 421. The purpose of this part is to provide day care for children from families which need such assistance to become or remain self-sufficient or otherwise to obtain~~

~~objectives related to the purposes of this Act, with particular emphasis upon enabling the parents or relatives of such children to choose to undertake or to continue basic education, vocational training, or gainful employment.~~

FINANCIAL ASSISTANCE FOR DAY CARE PROJECTS

~~SEC. 422. (a) The Director is authorized to provide financial assistance to appropriate public agencies and private organizations to pay not to exceed 90 per centum of the cost of planning, conducting, administering, and evaluating projects under which children from low-income families or from urban and rural areas with large concentrations or proportions of low-income persons may receive day care. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment and services. Such day care projects shall provide health, education, social, and such other supportive services as may be needed. Financial assistance under this section may be provided to employers, labor unions, or to joint employer-union organizations, for day care projects established at or in association with a place of employment or training where such projects are financed in major part through private funds. Project costs payable under this title may include costs of renovation and alteration of physical facilities. Financial assistance under this section may be provided in conjunction~~



1 ~~with or to supplement day care projects under the Social~~
2 ~~Security Act or other relevant statutes.~~

3 ~~(b) The Director may require a family which is not a~~
4 ~~low income family to make payment, in whole or in part,~~
5 ~~for the day care services provided under this program where~~
6 ~~the family's financial condition is, or becomes through~~
7 ~~employment or otherwise, such as to make such payment~~
8 ~~appropriate.~~

9 ~~(c) The Director may provide, directly or through~~
10 ~~contracts or other arrangements, technical assistance and~~
11 ~~training necessary for the initiation or effective operation of~~
12 ~~programs under this subpart.~~

13 ~~(d) The Director shall take all necessary steps to coordi-~~
14 ~~nate programs under his jurisdiction which provide day~~
15 ~~care, with a view to establishing, insofar as possible, a com-~~
16 ~~mon set of program standards and regulations, and mecha-~~
17 ~~nisms for coordination at the State and local levels. Such~~
18 ~~standards shall be no less comprehensive than the Federal~~
19 ~~interagency day care requirements as approved by the De-~~
20 ~~partment of Health, Education, and Welfare, the Office of~~
21 ~~Economic Opportunity and the Department of Labor on~~
22 ~~September 23, 1968. In approving applications for assistance~~
23 ~~under this part, the Director shall take into consideration~~
24 ~~(1) the extent to which applicants show evidence of coordi-~~

1 ~~nation and cooperation between their projects and other day~~
2 ~~care programs in the areas which they will serve, and (2)~~
3 ~~the extent to which unemployed or low income individuals~~
4 ~~are to be employed, including individuals receiving or eligible~~
5 ~~to receive assistance under the Social Security Act.~~

6 ~~(e) Each project to which payments are made here-~~
7 ~~under shall provide for a thorough evaluation. This evalua-~~
8 ~~tion shall be conducted by such agency or independent pub-~~
9 ~~lic or private organization as the Director shall designate,~~
10 ~~with a view to determining, among other things, the extent~~
11 ~~to which the day care provided may have increased the em-~~
12 ~~ployment of parents and relatives of the children served, the~~
13 ~~extent to which such day care may have reduced the costs~~
14 ~~of aid and services to such children, the extent to which such~~
15 ~~children have received health and educational benefits, and~~
16 ~~the extent to which the project has been coordinated with~~
17 ~~other day care activities in the area served. Up to 100 per~~
18 ~~centum of the costs of evaluation may be paid by the Direc-~~
19 ~~tor from funds appropriated for the purposes of carrying~~
20 ~~out this title, except that where such evaluation is carried~~
21 ~~on by the assisted agency itself, he may pay only 90 per~~
22 ~~centum of such costs. Such evaluations, together with a re-~~
23 ~~port on the program described in this subpart, shall be in-~~
24 ~~cluded in the report required by section 609.~~

~~TITLE V—EVALUATION, RESEARCH, AND
DEMONSTRATION~~

~~PART A—EVALUATION~~

~~COMPREHENSIVE EVALUATION OF PROGRAMS~~

~~SEC. 511. (a) The Director shall provide for the continuing evaluation of programs under this Act and of programs authorized under related Acts, including evaluations that describe and measure, with appropriate means and to the extent feasible, the impact of such programs, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, and including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. The Director may, for such purposes, contract or make other arrangements for independent evaluations of those programs or individual projects.~~

~~(b) The Director shall to the extent feasible develop and publish standards for evaluation of program effectiveness in achieving the objectives of this Act. He shall consider the extent to which such standards have been met in deciding whether to renew or supplement financial assistance authorized under any section of this Act.~~

~~(c) In carrying out this part, the Director may re-~~

~~quire community action agencies to provide independent evaluations.~~

~~COOPERATION OF OTHER AGENCIES~~

~~SEC. 512. Federal agencies administering programs related to this Act shall—~~

~~(1) cooperate with the Director in the discharge of his responsibility to plan and conduct evaluations of such poverty related programs as he deems appropriate, to the fullest extent permitted by other applicable law; and~~

~~(2) provide the Director on a cooperative basis with such agency, with such statistical data, program reports, and other materials, as they collect and compile on program operations, beneficiaries, and effectiveness.~~

~~CONSULTATION~~

~~SEC. 513. (a) In carrying out evaluations under this part, the Director shall, whenever possible, arrange to obtain the opinions of program participants about the strengths and weaknesses of programs.~~

~~(b) The Director shall consult, when appropriate, with State agencies, in order to provide for jointly sponsored objective evaluation studies of programs on a State basis.~~

~~PUBLICATION OF EVALUATION RESULTS~~

~~SEC. 514. (a) The Director shall publish summaries (prepared by the evaluator) of the results of evaluative re-~~

1 ~~search and evaluations of program impact and effectiveness~~
2 ~~no later than sixty days after its completion.~~

3 ~~(b) The Director shall take necessary action to assure~~
4 ~~that all studies, evaluations, proposals, and data produced~~
5 ~~or developed with Federal funds shall become the property~~
6 ~~of the United States.~~

7 ~~(c) The Director shall publish summaries of the results~~
8 ~~of activities carried out pursuant to this title in the report~~
9 ~~required by section 609 of this Act.~~

10 ~~EVALUATION BY OTHER ADMINISTERING AGENCIES~~

11 ~~SEC. 515. The head of any agency administering a~~
12 ~~program authorized under this Act may, with respect to such~~
13 ~~program, conduct evaluations and take other actions au-~~
14 ~~thorized under this title to the same extent and in the same~~
15 ~~manner as the Director under this part. Nothing in this~~
16 ~~section shall preclude the Director from conducting such~~
17 ~~evaluations or taking such actions otherwise authorized un-~~
18 ~~der this title with respect to such programs.~~

19 ~~PART B RESEARCH AND DEMONSTRATION PROGRAMS~~

20 ~~ASSISTANCE FOR PROJECTS~~

21 ~~SEC. 521. (a) The Director may contract or provide~~
22 ~~financial assistance for demonstration projects conducted by~~
23 ~~public or private agencies which are designed to test or~~
24 ~~assist in the development of new approaches or methods that~~
25 ~~will aid in overcoming special problems or otherwise in~~

1 ~~furthering the purposes of this Act. He may also contract~~
2 ~~or provide financial assistance for research pertaining to the~~
3 ~~purposes of this Act.~~

4 ~~(b) The Director shall establish an overall plan to~~
5 ~~govern the approval of demonstration projects and the use~~
6 ~~of all research authority under this Act. The plan shall set~~
7 ~~forth specific objectives to be achieved and priorities among~~
8 ~~such objectives. In formulating the plan, the Director shall~~
9 ~~consult with other Federal agencies for the purpose of~~
10 ~~minimizing duplication among similar activities or projects~~
11 ~~and determining whether the findings resulting from any~~
12 ~~research or demonstration projects may be incorporated into~~
13 ~~one or more programs for which those agencies are responsi-~~
14 ~~ble. As part of the annual report required by section 609,~~
15 ~~or in a separate annual report, the Director shall submit~~
16 ~~a description for each fiscal year of the current plan required~~
17 ~~by this section, of activities subject to the plan, and of the~~
18 ~~findings derived from those activities, together with a state-~~
19 ~~ment indicating the time and, to the extent feasible, the man-~~
20 ~~ner in which the benefits of those activities and findings~~
21 ~~are expected to be realized.~~

22 ~~(c) Not more than 15 per centum of the sums appro-~~
23 ~~priated or allocated in any fiscal year for this title shall be~~
24 ~~used for the purposes of this section. One third of the sums~~

~~1 so appropriated or allocated shall be available only for~~
~~2 projects authorized under subsection (f) of this section.~~

~~3 (d) No demonstration project under this section~~
~~4 shall be commenced in any city, county, or other major po-~~
~~5 litical subdivision, unless a plan setting forth such proposed~~
~~6 demonstration project has been submitted to the appropriate~~
~~7 community action agency, or, if there is no such agency, to~~
~~8 the local governing officials of the political subdivision, and~~
~~9 such plan has not been disapproved by the community action~~
~~10 agency or governing body, as the case may be, within~~
~~11 thirty days of such submission, or, if so disapproved, has been~~
~~12 reconsidered by the Director and found by him to be fully~~
~~13 consistent with the provisions and in furtherance of the pur-~~
~~14 poses of this title.~~

~~15 (e) The Director shall develop and carry out demon-~~
~~16 stration projects which (1) aid elderly persons to achieve~~
~~17 greater self-sufficiency, (2) focus upon the problems of rural~~
~~18 poverty, (3) are designed to develop new techniques and~~
~~19 community based efforts to prevent narcotics addiction or to~~
~~20 rehabilitate narcotic addicts, or (4) are designed to encour-~~
~~21 age the participation of private organizations, other than non-~~
~~22 profit organizations, in programs under this title.~~

~~23 (f) The Director shall conduct, either directly or through~~
~~24 grants or other arrangements, research and demonstration~~
~~25 projects designed to assure a more effective use of human~~

~~1 and natural resources of rural America and to slow the migra-~~
~~2 tion from rural areas due to lack of economic opportunity,~~
~~3 thereby reducing population pressures in urban centers. Such~~
~~4 projects may be operated jointly or in cooperation with~~
~~5 other federally assisted programs, particularly programs au-~~
~~6 thorized under the Public Works and Economic Develop-~~
~~7 ment Act of 1965, in the area to be served by the project.~~

~~8 TITLE VI—ADMINISTRATION AND~~

~~9 COORDINATION~~

~~10 PART A—ADMINISTRATION~~

~~11 ESTABLISHMENT OF THE ADMINISTRATION FOR~~

~~12 COMMUNITY SERVICES~~

~~13 SEC. 601. (a) There is established in the Department of~~
~~14 Health, Education, and Welfare a Community Action Ad-~~
~~15 ministration (hereinafter in this Act referred to as the "Ad-~~
~~16 ministration") which shall be headed by a Director (herein-~~
~~17 after in this Act referred to as the "Director"). The Admin-~~
~~18 istration shall be the principal agency for carrying out this~~
~~19 Act. In the performance of his functions, the Director shall~~
~~20 be directly responsible to the Secretary. The Secretary shall~~
~~21 not approve any delegation of the functions of the Director~~
~~22 to any other officer not directly responsible to the Director.~~

~~23 (b) The Director shall be appointed by the President~~
~~24 by and with the advice and consent of the Senate.~~

~~AUTHORITY OF THE DIRECTOR~~

~~SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized to~~

~~(1) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Administration to carry out its functions, and, except as otherwise provided herein, fix the compensation of such personnel in accordance with chapter 51 of title 5, United States Code: Provided, That all Federal personnel, employed on the effective date of this Act under authorization and appropriation of the Economic Opportunity Act of 1964, as amended, shall be transferred to, and to the extent feasible, assigned to related functions and organizational units in the Administration without loss of salary, rank, or other benefits, including the right to representation and to existing collective bargaining agreements;~~

~~(2) (A) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; (B) compensate individuals so employed at rates not in excess of the daily equivalent of the rate payable to a GS-18 employee under section 5332 of such title, in-~~

~~cluding traveltime; (C) allow such individuals, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently, while so employed; and (D) annually renew contracts for such employment under this clause;~~

~~(3) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 606), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;~~

~~(4) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act;~~

~~(5) with their consent, utilize the services and facilities of Federal agencies without reimbursement, and,~~

~~1 with the consent of any State or a political subdivision~~
~~2 of a State, accept and utilize the services and facilities~~
~~3 of the agencies of such State or subdivision without~~
~~4 reimbursement;~~

~~5 (6) accept in the name of the Administration, and~~
~~6 employ or dispose of in furtherance of the purposes of~~
~~7 this Act, or of any title thereof, any money or property,~~
~~8 real, personal, or mixed, tangible or intangible, received~~
~~9 by gift, devise, bequest, or otherwise;~~

~~10 (7) accept voluntary and uncompensated services;~~

~~11 (8) allocate and expend funds made available~~
~~12 under this Act as he deems necessary to carry out the~~
~~13 provisions hereof, including (without regard to the~~
~~14 provisions of section 4774 (d) of title 10, United States~~
~~15 Code), expenditure for construction, repairs, and capital~~
~~16 improvements;~~

~~17 (9) disseminate, without regard to the provisions~~
~~18 of section 3204 of title 39, United States Code, data~~
~~19 and information, in such form as he shall deem appro-~~
~~20 priate to public agencies, private organizations, and the~~
~~21 general public;~~

~~22 (10) adopt an official seal, which shall be judicially~~
~~23 noticed;~~

~~24 (11) collect or compromise all obligations to or~~
~~25 held by him and all legal or equitable rights accruing~~

~~1 to him in connection with the payment of obligations~~
~~2 in accordance with Federal Claims Collection Act of~~
~~3 1966 (31 U.S.C. 951-53);~~

~~4 (12) notwithstanding any other provision of law~~
~~5 relating to the acquisition, handling, or disposal of real~~
~~6 or personal property by the United States, deal with,~~
~~7 complete, rent, renovate, modernize, or sell for cash~~
~~8 or credit at his discretion any properties acquired by~~
~~9 him in connection with loans, participations, and guar-~~
~~10 anties made by him pursuant to title II and title III~~
~~11 of this Act;~~

~~12 (13) expend funds made available for purposes of~~
~~13 this Act as follows: (A) for printing and binding, in~~
~~14 accordance with applicable law and regulations; and~~
~~15 (B) without regard to any other law or regulation, for~~
~~16 rent of buildings and space in buildings and for repair,~~
~~17 alteration, and improvement of buildings and space in~~
~~18 buildings rented by him; but the Director shall not~~
~~19 utilize the authority contained in this subclause (B) —~~

~~20 (i) except when necessary to obtain an item,~~
~~21 service, or facility, which is required in the proper~~
~~22 administration of this Act, and which otherwise~~
~~23 could not be obtained, or could not be obtained in the~~
~~24 quantity or quality needed, or at the time, in the~~

1 ~~form, or under the conditions in which, it is needed,~~

2 ~~and~~

3 ~~(ii) prior to having given written notification~~
 4 ~~to the Administrator of General Services (if the~~
 5 ~~exercise of such authority would affect an activity~~
 6 ~~which otherwise would be under the jurisdiction of~~
 7 ~~the General Services Administration) of his inten-~~
 8 ~~tion to exercise such authority, the item, service, or~~
 9 ~~facility with respect to which such authority is pro-~~
 10 ~~posed to be exercised, and the reasons and justifica-~~
 11 ~~tions for the exercise of such authority;~~

12 ~~(14) establish such policies, standards, criteria, and~~
 13 ~~procedures, prescribe such rules and regulations, enter~~
 14 ~~into such contracts and agreements with public agencies~~
 15 ~~and private organizations and persons, and make such~~
 16 ~~payments (in lump sum or installments, and in advance~~
 17 ~~or by way of reimbursement, and in the case of grants~~
 18 ~~otherwise authorized under this Act, with necessary ad-~~
 19 ~~justments on account of overpayments and underpay-~~
 20 ~~ments) as are necessary or appropriate to carry out the~~
 21 ~~provisions of this Act; and~~

22 ~~(15) generally perform such functions and take~~
 23 ~~such steps, consistent with the purposes and provisions~~
 24 ~~of this Act, as he deems necessary or appropriate to carry~~
 25 ~~out the provisions of this Act.~~

1 ~~POLITICAL ACTIVITIES~~

2 ~~SEC. 603. (a) No part of any funds appropriated to~~
 3 ~~carry out this Act, or any program administered by the~~
 4 ~~Administration, shall be used to finance, directly or indi-~~
 5 ~~rectly, any activity designed to influence the outcome of any~~
 6 ~~election to Federal office, or any voter registration activity,~~
 7 ~~or to pay the salary of any officer or employee of the Admin-~~
 8 ~~istration who, in his official capacity as such an officer or~~
 9 ~~employee, engages in any such activity. As used in this sec-~~
 10 ~~tion, the term "election" has the same meaning given such~~
 11 ~~term by section 301 (a) of the Federal Election Campaign~~
 12 ~~Act of 1971 (Public Law 92-225), and the term "Federal~~
 13 ~~office" has the same meaning given such term by section~~
 14 ~~301 (c) of such Act.~~

15 ~~(b) Programs assisted under this Act shall not be car-~~
 16 ~~ried on in a manner involving the use of funds, the provision~~
 17 ~~of services, or the employment or assignment of personnel in~~
 18 ~~a manner supporting or resulting in the identification of such~~
 19 ~~programs with (1) any partisan or nonpartisan political~~
 20 ~~activity or any other political activity associated with a~~
 21 ~~candidate, or contending faction or group, in an election for~~
 22 ~~public or party office, (2) any activity to provide voters or~~
 23 ~~prospective voters with transportation to the polls or similar~~
 24 ~~assistance in connection with any such election, or (3) any~~
 25 ~~voter registration activity. The Director, after consultation~~

1 ~~with the Civil Service Commission, shall issue rules and~~
 2 ~~regulations to provide for the enforcement of this section,~~
 3 ~~which shall include provisions for summary suspension of~~
 4 ~~assistance for no more than thirty days until notice and an~~
 5 ~~opportunity to be heard can be provided or other action~~
 6 ~~necessary to permit enforcement on an emergency basis.~~

7 ~~(c) For purposes of chapter 15 of title 5 of the United~~
 8 ~~States Code any overall community action agency which~~
 9 ~~assumes responsibility for planning, developing, and coordi-~~
 10 ~~nating community wide antipoverty programs and receives~~
 11 ~~assistance under this Act shall be deemed to be a State or~~
 12 ~~local agency; and for purposes of clauses (1) and (2) of~~
 13 ~~section 1502 (a) of such title any agency receiving assist-~~
 14 ~~ance under this Act shall be deemed to be a State or local~~
 15 ~~agency.~~

16 ~~APPEALS, NOTICE, AND HEARING~~

17 ~~SEC. 604. The Director shall prescribe procedures to~~
 18 ~~assure that—~~

19 ~~(1) special notice of and an opportunity for a~~
 20 ~~timely and expeditious appeal to the Director is provided~~
 21 ~~for an agency or organization which would like to serve~~
 22 ~~as a delegate agency under title I and whose applica-~~
 23 ~~tion to the prime sponsor or community action agency~~
 24 ~~has been wholly or substantially rejected or has not~~

1 ~~been acted upon within a period of time deemed rea-~~
 2 ~~sonable by the Director;~~

3 ~~(2) financial assistance under title I and part B~~
 4 ~~of title II shall not be suspended for failure to comply~~
 5 ~~with applicable terms and conditions, except in emer-~~
 6 ~~gency situations, nor shall an application for refunding~~
 7 ~~under section 121, 122, or 222, be denied, unless the~~
 8 ~~recipient agency has been given reasonable notice and~~
 9 ~~opportunity to show cause why such action should not~~
 10 ~~be taken; and—~~

11 ~~(3) financial assistance under title I and part B~~
 12 ~~of title II shall not be terminated for failure to comply~~
 13 ~~with applicable terms and conditions unless the recipi-~~
 14 ~~ent agency has been afforded reasonable notice and op-~~
 15 ~~portunity for a full and fair hearing.~~

16 ~~ADVISORY COUNCILS~~

17 ~~SEC. 605. (a) There is hereby established in the Ad-~~
 18 ~~ministration a National Advisory Council on Community~~
 19 ~~Services (hereinafter referred to as the Advisory Council),~~
 20 ~~to be composed of twenty one members appointed, for stag-~~
 21 ~~gered terms and without regard to the civil service laws, by~~
 22 ~~the President. Such members shall be representative of the~~
 23 ~~public in general and appropriate fields of endeavor related to~~
 24 ~~the purposes of this Act. The President shall designate the~~

~~1 chairman from among such members. The Advisory~~
~~2 Council shall meet at the call of the chairman but not less~~
~~3 often than four times a year. The Director shall be an ex~~
~~4 officio member of the Advisory Council.~~

~~5 (b) The Advisory Council shall —~~

~~6 (1) advise the Director with respect to policy mat-~~
~~7 ters arising in the administration of this Act; and~~

~~8 (2) review the effectiveness and the operation of~~
~~9 programs under this Act and make recommendations~~
~~10 concerning (A) the improvement of such programs,~~
~~11 (B) the elimination of duplication of effort, and (C) the~~
~~12 coordination of such programs with other Federal pro-~~
~~13 grams designed to assist low income individuals and~~
~~14 families.~~

~~15 Such recommendations shall include such proposals for~~
~~16 changes in this Act as the Advisory Council deems appro-~~
~~17 priate.~~

~~18 (c) The Advisory Council shall make an annual report~~
~~19 of its findings and recommendations to the President not~~
~~20 later than March 31 of each calendar year beginning with~~
~~21 the calendar year 1975. The President shall transmit each~~
~~22 such report to the Congress together with his comments~~
~~23 and recommendations.~~

~~1 ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION~~

~~2 CONTRACTS~~

~~3 SEC. 606. (a) The Director or the head of any Fed-~~
~~4 eral agency administering a program under this Act shall~~
~~5 make a public announcement concerning:~~

~~6 (1) The title, purpose, intended completion date,~~
~~7 identity of the contractor, and proposed cost of any con-~~
~~8 tract with a private or non-Federal public agency or~~
~~9 organization for any demonstration or research project;~~
~~10 and~~

~~11 (2) The results, findings, data, or recommendations~~
~~12 made or reported as a result of such activities.~~

~~13 (b) The public announcements required by subsection~~
~~14 (a) shall be made within thirty days of entering into such~~
~~15 contracts and thereafter within thirty days of the receipt~~
~~16 of such results.~~

~~17 (c) It shall be the duty of the Comptroller General to~~
~~18 assure that the requirements of this section are met, and he~~
~~19 shall at once report to the Congress concerning any failure~~
~~20 to comply with these requirements.~~

~~21 LABOR STANDARDS~~

~~22 SEC. 607. All laborers and mechanics employed by~~
~~23 contractors or subcontractors in the construction, alteration~~

~~1 or repair, including painting and decorating of projects,~~
~~2 buildings and works which are federally assisted under this~~
~~3 Act shall be paid wages at rates not less than those prevailing~~
~~4 on similar construction in the locality as determined by the~~
~~5 Secretary of Labor in accordance with the Davis Bacon Act,~~
~~6 as amended (40 U.S.C. 276a-276a-5). The Secretary of~~
~~7 Labor shall have, with respect to such labor standards, the~~
~~8 authority and functions set forth in Reorganization Plan~~
~~9 Numbered 14 of 1950 (15 F.R. 2176; 64 Stat. 1267) and~~
~~10 in section 2 of the Act of June 1, 1934, as amended (48~~
~~11 Stat. 948, ch. 492, as amended; 40 U.S.C. 276c).~~

~~AUDIT~~

~~13 SEC. 608. (a) Each recipient of Federal grants, sub-~~
~~14 grants, contracts, subcontracts, or loans entered into under~~
~~15 this Act other than by formal advertising, and which are~~
~~16 otherwise authorized by this Act, shall keep such records~~
~~17 as the Director shall prescribe, including records which fully~~
~~18 disclose the amount and disposition by such recipient of the~~
~~19 proceeds of such assistance, the total cost of the project or~~
~~20 undertaking in connection with which such assistance is~~
~~21 given or used, the amount of that portion of the cost of the~~
~~22 project or undertaking supplied by other sources, and such~~
~~23 other records as will facilitate an effective audit.~~

~~24 (b) The Director and the Comptroller General of the~~
~~25 United States, or any of their duly authorized representa-~~

~~1 tives, shall, until the expiration of three years after com-~~
~~2 pletion of the project or undertaking referred to in subsection~~
~~3 (a) of this section, have access for the purpose of audit and~~
~~4 examination to any books, documents, papers, and records~~
~~5 of such recipients which in the opinion of the Director or~~
~~6 the Comptroller General may be related or pertinent to the~~
~~7 grants, contracts, subcontracts, subgrants, or loans referred~~
~~8 to in subsection (a).~~

~~REPORTS~~

~~10 SEC. 609. Not later than one hundred and twenty days~~
~~11 after the end of each fiscal year, the Director shall prepare~~
~~12 and submit to the President for transmittal by the President~~
~~13 to the Congress a full and complete report on the activities of~~
~~14 the Administration during such year. Each such report shall~~
~~15 contain a detailed statement with respect to programs estab-~~
~~16 lished by this Act which are administered by other Federal~~
~~17 agencies, together with an opinion of the Director with~~
~~18 respect to the extent to which the operation of such programs~~
~~19 fulfill the purposes of this Act.~~

~~PROGRAMS FOR THE ELDERLY POOR~~

~~21 SEC. 610. It is the intention of Congress that whenever~~
~~22 feasible the special problems of the elderly poor shall be con-~~
~~23 sidered in the development, conduct, and administration of~~
~~24 programs under this Act. The Director shall (1) carry out~~
~~25 such investigations and studies, including consultations with~~

1 appropriate agencies and organizations, as may be necessary
 2 to develop and carry out a plan for the participation of the
 3 elderly poor in programs under this Act, including programs
 4 providing employment opportunities, public service oppor-
 5 tunities, education and other services and activities which
 6 assist the elderly poor to achieve self-sufficiency; (2) main-
 7 tain a constant review of all programs under this Act to as-
 8 sure that the needs of the elderly poor are given adequate
 9 consideration; (3) initiate and maintain interagency liaison
 10 with all other appropriate Federal agencies to achieve a
 11 coordinated national approach to the needs of the elderly
 12 poor; and (4) determine and recommend to the President
 13 and the Congress such programs requiring additional author-
 14 ity and the necessary legislation to provide such authority.
 15 In exercising his responsibilities under this section, the Di-
 16 rector shall cooperate with the Commissioner on Aging. The
 17 Director shall describe the ways in which this section has
 18 been implemented in the annual report required by section
 19 609.

20 COMPARABILITY OF WAGES

21 SEC. 611. (a) The Director shall take such action as
 22 may be necessary to assure that persons employed in carry-
 23 ing out programs financed under title I (except a person
 24 compensated as provided in section 602) shall not re-
 25 ceive compensation at a rate which is (1) in excess of the

1 average rate of compensation paid in the area where the
 2 program is carried out to a substantial number of the persons
 3 providing substantially comparable services, or in excess of
 4 the average rate of compensation paid to a substantial num-
 5 ber of the persons providing substantially comparable serv-
 6 ices in the area of the person's immediately preceding em-
 7 ployment, whichever is higher or (2) less than the minimum
 8 wage rate prescribed in section 6(a)(1) of the Fair Labor
 9 Standards Act of 1938.

10 (b) Not later than sixty days after the close of the fiscal
 11 year 1975 and each fiscal year thereafter the Director shall
 12 prepare and submit to the President for submission to the
 13 Congress a list of the names of all officers or employees whose
 14 compensation is subject to the limitations set forth in sub-
 15 section (a) of this section and who were receiving at the
 16 end of such fiscal year a salary of \$10,000 or more per year,
 17 together with the amount of compensation paid to each per-
 18 son and the amount of such compensation paid from funds
 19 advanced or granted pursuant to this Act. No grant, con-
 20 tract or agreement shall be made under any of the provisions
 21 of this Act referred to in subsection (a) of this section which
 22 does not contain adequate provisions to assure the furnish-
 23 ing of information required by the preceding sentence.

24 (c) No person whose compensation exceeds \$6,000
 25 per annum and is paid pursuant to any grant, contract, or

~~1 agreement authorized under part A of title I (ex-~~
~~2 cept a person compensated as provided in section 602) shall~~
~~3 be employed at a rate of compensation which exceeds by~~
~~4 more than 20 per centum the salary which he was receiving~~
~~5 in his immediately preceding employment, but the Director~~
~~6 may grant exceptions for specific cases. In determining salary~~
~~7 in preceding employment for one regularly employed for a~~
~~8 period of less than twelve months per year, the salary shall~~
~~9 be adjusted to an annual basis.~~

~~10 LIMITATION ON BENEFITS FOR THOSE VOLUNTARILY~~

~~11 POOR~~

~~12 SEC. 612. The Director shall take such action as may~~
~~13 be necessary to assure that, in determining a person's eligi-~~
~~14 bility for benefits under this Act on account of his poverty,~~
~~15 such person will not be deemed to meet the poverty criteria~~
~~16 if his lack of income results from his refusal, without good~~
~~17 cause, to seek or accept employment commensurate with~~
~~18 his health, age, education, and ability.~~

~~19 JOINT FUNDING~~

~~20 SEC. 613. Pursuant to regulations prescribed by the~~
~~21 President, where funds are advanced for a single project~~
~~22 by more than one Federal agency to a community action~~
~~23 agency or other agency assisted under this Act, any one~~
~~24 Federal agency may be designated to act for all in adminis-~~

~~1 tering the funds advanced. In such cases, a single local share~~
~~2 requirement may be established according to the proportion~~
~~3 of funds advanced by each agency, and any such agency~~
~~4 may waive any technical grant or contract requirement (as~~
~~5 defined by such regulations) which is inconsistent with the~~
~~6 similar requirements of the administering agency or which~~
~~7 the administering agency does not impose.~~

~~8 PROHIBITION OF FEDERAL CONTROL~~

~~9 SEC. 614. Nothing contained in this Act shall be con-~~
~~10 strued to authorize any department, agency, officer, or em-~~
~~11 ployee of the United States to exercise any direction, super-~~
~~12 vision, or control over the curriculum, program of instruc-~~
~~13 tion, administration, or personnel of any education institution~~
~~14 or school system.~~

~~15 LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL~~

~~16 ACTIVITIES~~

~~17 SEC. 615. No individual employed or assigned by any~~
~~18 community action agency or other agency assisted under this~~
~~19 Act shall, pursuant to or during the performance of services~~
~~20 rendered in connection with any program or activity con-~~
~~21 ducted or assisted under this Act by such community action~~
~~22 agency or such other agency, plan, initiate, participate in, or~~
~~23 otherwise aid or assist in the conduct of any unlawful demon-~~
~~24 stration, rioting, or civil disturbance.~~

~~TRANSFER OF FUNDS~~

~~SEC. 616. Notwithstanding any limitation on appropriations for any program or activity under this Act or any Act authorizing appropriations for such program or activity, not to exceed 20 per centum for each fiscal year of the amount appropriated or allocated from any appropriation for the purpose of enabling the Director to carry out any such program or activity under the Act may be transferred and used by the Director for the purpose of carrying out any other such program or activity under the Act.~~

~~LIMITATIONS ON FEDERAL ADMINISTRATIVE EXPENSES~~

~~SEC. 617. The total administrative expenses, including the compensation of Federal employees, incurred by Federal agencies under the authority of this Act for any fiscal year shall not exceed 10 per centum of the amount authorized to be appropriated by this Act for that year: Provided, however, That grants, subsidies, and contributions, and payments to individuals, other than Federal employees shall not be counted as an administrative expense.~~

~~PRIVATE ENTERPRISE PARTICIPATION~~

~~SEC. 618. The Director and the heads of any Federal departments or agencies to which the conduct of programs described in this Act have been delegated shall take such steps as may be desirable and appropriate to insure that the resources of private enterprise are employed to the~~

~~maximum feasible extent in the programs described in this Act. The Director and such other agency heads shall submit at least annually to the Congress a joint or combined report describing the actions taken and the progress made under this section.~~

~~ADVANCE FUNDING~~

~~SEC. 619. For the purpose of affording adequate notice of funding available under this Act, appropriations for grants, contracts, or other payments under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.~~

~~POVERTY LINE~~

~~SEC. 620. (a) Every agency administering programs authorized by this Act in which the poverty line is a criterion of eligibility shall revise the poverty line at annual intervals, or at any shorter interval it deems feasible and desirable.~~

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

1 ~~(c) Revisions required by subsection (a) of this sec-~~
 2 ~~tion shall be made and issued not more than thirty days after~~
 3 ~~the date on which the necessary Consumer Price Index data~~
 4 ~~becomes available.~~

5 ~~NOTICE AND HEARING PROCEDURES FOR SUSPENSION AND~~
 6 ~~TERMINATION OF FINANCIAL ASSISTANCE~~

7 ~~SEC. 621. The Director is authorized, in accordance~~
 8 ~~with the provisions of this section, to suspend further pay-~~
 9 ~~ments or to terminate payments under any contract or grant~~
 10 ~~providing assistance under this Act, whenever he determines~~
 11 ~~there is a material failure to comply with the applicable terms~~
 12 ~~and conditions of any such grant or contract. The Director~~
 13 ~~shall prescribe procedures to insure that—~~

14 ~~(1) assistance under this Act shall not be suspended~~
 15 ~~for failure to comply with applicable terms and condi-~~
 16 ~~tions, except in emergency situations for thirty days,~~
 17 ~~nor shall an application for refunding under this Act be~~
 18 ~~denied, unless the recipient has been given reasonable~~
 19 ~~notice and opportunity to show cause why such action~~
 20 ~~should not be taken; and~~

21 ~~(2) assistance under this Act shall not be terminated~~
 22 ~~for failure to comply with applicable terms and condi-~~
 23 ~~tions unless the recipient has been afforded reasonable~~
 24 ~~notice and opportunity for a full and fair hearing.~~

1 ~~DURATION OF PROGRAM~~

2 ~~SEC. 622. The Director shall carry out the programs~~
 3 ~~provided for in this Act during the fiscal year ending June~~
 4 ~~30, 1975, and the three succeeding fiscal years. For each~~
 5 ~~such fiscal year, only such sums may be appropriated as the~~
 6 ~~Congress may authorize by law.~~

7 ~~DISTRIBUTION OF BENEFITS BETWEEN RURAL AND URBAN~~
 8 ~~AREAS~~

9 ~~SEC. 623. The Director shall adopt appropriate admin-~~
 10 ~~istrative measures to assure that the benefits of and services~~
 11 ~~under this Act will be distributed equitably between resi-~~
 12 ~~dents of rural and urban areas.~~

13 ~~PART B—COORDINATION~~

14 ~~RESPONSIBILITIES OF THE DIRECTOR~~

15 ~~SEC. 631. In addition to his other powers under this~~
 16 ~~Act, and to assist the President in coordinating the anti-~~
 17 ~~poverty efforts of all Federal agencies, the Director shall—~~

18 ~~(1) undertake special studies of specific coordina-~~
 19 ~~tion problems at the request of the President or the~~
 20 ~~Council, or on his own initiative;~~

21 ~~(2) consult with interested agencies and groups,~~
 22 ~~including State agencies described in section 132 of this~~
 23 ~~Act and the National Advisory Council, with a view to~~
 24 ~~identifying coordination problems that may warrant~~

1 ~~consideration by the Council or the President and, to the~~
 2 ~~extent feasible or appropriate, initiate action for over-~~
 3 ~~coming these problems, either through the Administra-~~
 4 ~~tion or in conjunction with other Federal, State, or local~~
 5 ~~agencies; and~~

6 ~~(3) prepare a five year national poverty action~~
 7 ~~plan showing estimates of Federal and other govern-~~
 8 ~~mental expenditures, and, where feasible, the contribu-~~
 9 ~~tions of the private sector, needed to eliminate poverty~~
 10 ~~in this country within alternative periods of time. Such~~
 11 ~~plan shall include estimates of the funds necessary to~~
 12 ~~finance all relevant programs authorized by this and~~
 13 ~~other Acts, and any new programs which may be~~
 14 ~~necessary to eliminate poverty in this country, and it~~
 15 ~~shall include recommendations for such new programs.~~
 16 ~~The plan shall be presented to the Congress and updated~~
 17 ~~on an annual basis.~~

18 ~~COOPERATION OF FEDERAL AGENCIES~~

19 ~~SEC. 632. (a) Federal agencies administering pro-~~
 20 ~~grams related to this Act shall—~~

21 ~~(1) cooperate with the Director and with the~~
 22 ~~Council in carrying out their duties and responsibilities;~~
 23 ~~and~~

24 ~~(2) carry out their programs and exercise their~~
 25 ~~functions so as to assist in carrying out the provisions~~

1 ~~and purposes of this Act, to the fullest extent permitted~~
 2 ~~by other applicable law.~~

3 ~~(b) The Council and the Director may call upon Fed-~~
 4 ~~eral agencies to supply statistical data, program reports,~~
 5 ~~and other materials as they deem necessary to discharge~~
 6 ~~their responsibilities under this Act.~~

7 ~~(c) The President may direct that particular programs~~
 8 ~~and functions, including the expenditure of funds, of Federal~~
 9 ~~agencies shall be carried out, to the extent not inconsistent~~
 10 ~~with other applicable law, in conjunction with or in support~~
 11 ~~of programs authorized under this Act.~~

12 ~~COMBINATIONS AMONG PROJECTS AND PROGRAMS~~

13 ~~SEC. 633. In order to encourage efficiencies, close~~
 14 ~~unnecessary service gaps, and generally promote more effec-~~
 15 ~~tive administration, the Director shall require, to the fullest~~
 16 ~~extent feasible, that projects or programs assisted under this~~
 17 ~~Act be carried on so as to supplement one another, or where~~
 18 ~~appropriate other related programs or projects, and be in-~~
 19 ~~cluded within or otherwise carried on in combination with~~
 20 ~~community action programs. In the case of other programs~~
 21 ~~related to this Act, the heads of the Federal agencies respon-~~
 22 ~~sible for those programs shall, to the extent permitted by~~
 23 ~~law, similarly provide assistance for projects and activities in~~
 24 ~~a manner which encourages combinations with other related~~

~~1 projects and activities where appropriate, and with commu-~~
~~2 nity action programs. The Director shall, in carrying out his~~
~~3 responsibilities under this part, make a continuing review of~~
~~4 the operation of this section with a view to (1) determining~~
~~5 particular groups of programs which, because of their objec-~~
~~6 tives, or similarities in target groups or areas, are especially~~
~~7 appropriate for combined or closely coordinated operation~~
~~8 at the State or local level, and making recommendations~~
~~9 accordingly to the President or appropriate Federal officials;~~
~~10 (2) evaluating Federal agency procedures for carrying out~~
~~11 this section, and developing or recommending additional or~~
~~12 common procedures, as appropriate; and (3) determining~~
~~13 whether, and to what extent, consolidations of Federal pro-~~
~~14 grams may be justified and making recommendations re-~~
~~15 specting such consolidations to the President.~~

~~INFORMATION CENTER~~

~~17 SEC. 634. (a) The Director shall establish and operate~~
~~18 an information center for the purpose of insuring that maxi-~~
~~19 mum use is made of Federal programs related to this Act~~
~~20 and that information concerning those programs and other~~
~~21 relevant information is readily available to public officials~~
~~22 and other interested persons. The Director shall collect, pre-~~
~~23 pare, analyze, correlate, and distribute information as de-~~
~~24 scribed above, either free of charge or by sale at cost (any~~

~~1 funds so received to be deposited to the Director's account~~
~~2 as an offset of that cost), and may make arrangements and~~
~~3 pay for any printing and binding without regard to the pro-~~
~~4 visions of any other law or regulations. In connection with~~
~~5 operation of the center, the Director may carry on research~~
~~6 or studies concerning the improvement of information sys-~~
~~7 tems in support of the purposes of this Act, the adequacy~~
~~8 of existing data, ways in which data generated on the State~~
~~9 and local level may be incorporated into Federal information~~
~~10 systems, and methods by which data may be made more~~
~~11 readily available to State and local officials or used to further~~
~~12 coordination objectives.~~

~~13 (b) The Director shall publish and maintain on a cur-~~
~~14 rent basis, a catalog of Federal programs relating to indi-~~
~~15 vidual and community improvement. He may also make~~
~~16 grants, from funds appropriated to carry out title I of this~~
~~17 Act, to States and communities to establish information serv-~~
~~18 ice centers on the collection, correlation, and distribution of~~
~~19 information required to further the purposes of this Act.~~

~~20 (c) In order to assure that all appropriate officials are~~
~~21 kept fully informed of programs related to this Act, and that~~
~~22 maximum use is made of those programs, the Director shall~~
~~23 establish procedures to assure prompt distribution to State~~
~~24 and local agencies of all current information, including admin-~~

1 istrative rules, regulations, and guidelines, required by those
2 agencies for the effective performance of their responsibilities.

3 ~~SPECIAL RESPONSIBILITIES: TRAINING PROGRAMS~~

4 ~~SEC. 635. (a) It shall be the responsibility of the~~
5 ~~Director, the Secretary of Labor, and the heads of all other~~
6 ~~departments and agencies concerned, acting through such~~
7 ~~procedures or mechanisms as the President may prescribe, to~~
8 ~~provide for, and take such steps as may be necessary and~~
9 ~~appropriate to implement, the effective coordination of all~~
10 ~~programs and activities within the executive branch of the~~
11 ~~Government relating to the training of individuals for the~~
12 ~~purpose of improving or restoring employability.~~

13 ~~(b) The Secretary of Labor, pursuant to such agree-~~
14 ~~ments as may be necessary or appropriate (which may~~
15 ~~include arrangements for reimbursement) shall—~~

16 ~~(1) be responsible for assuring that the Federal-~~
17 ~~State employment service provides and develops its~~
18 ~~capacity for providing maximum support for the pro-~~
19 ~~grams described in subsection (a); and~~

20 ~~(2) obtain from the Secretary of Commerce, and~~
21 ~~the head of any other Federal agency administering a~~
22 ~~training program, such employment information as~~
23 ~~will facilitate the placement of individuals being trained.~~

1 ~~TITLE VII—TRANSFER OF PROGRAMS~~

2 ~~PART I—HEADSTART FOLLOW THROUGH~~

3 ~~SHORT TITLE; ADMINISTRATION~~

4 ~~SEC. 701. This part may be cited as the “Headstart-~~
5 ~~Follow Through Act” (hereinafter in this part referred to~~
6 ~~as the “Act”).~~

7 ~~STATEMENT OF PURPOSE~~

8 ~~SEC. 702. In recognition of the role which Project~~
9 ~~Headstart has played in the effective delivery of comprehen-~~
10 ~~sive health, educational, nutritional, social, and other serv-~~
11 ~~ices to economically disadvantaged children and their fam-~~
12 ~~ilies, the Act extends the authority for appropriation of funds~~
13 ~~for that program.~~

14 ~~SUBPART A—PROGRAM AUTHORITY AND REQUIREMENTS~~

15 ~~AUTHORIZATION OF HEADSTART PROGRAM~~

16 ~~SEC. 711. The Secretary may, upon application by an~~
17 ~~agency which is eligible for designation as a Headstart~~
18 ~~agency, pursuant to section 714, provide financial assist-~~
19 ~~ance to such agency for the planning, conduct, administra-~~
20 ~~tion, and evaluation of a program to be known as Project~~
21 ~~Headstart focused upon children from low-income families~~
22 ~~who have not reached the age of compulsory school attend-~~
23 ~~ance which (A) will provide such comprehensive health,~~

~~1 nutritional, educational, social, and other services as the Sec-~~
~~2 retary finds will aid the children to attain their full potential,~~
~~3 and (B) will provide for direct participation of the parents~~
~~4 of such children in the development, conduct, and overall~~
~~5 program direction at the local level. Pursuant to such regula-~~
~~6 tions as the Secretary may prescribe, persons who are not~~
~~7 members of low-income families may be permitted to receive~~
~~8 services in projects assisted under the Act.~~

~~9 AUTHORIZATION OF APPROPRIATIONS~~

~~10 SEC. 712. There are authorized to be appropriated for~~
~~11 carrying out the purposes of this subpart \$500,000,000 for~~
~~12 the fiscal year ending June 30, 1975, \$525,000,000 for the~~
~~13 fiscal year ending June 30, 1976, and \$550,000,000 for the~~
~~14 fiscal year ending June 30, 1977.~~

~~15 ALLOTMENT OF FUNDS: LIMITATIONS ON ASSISTANCE~~

~~16 SEC. 713. (a) Of the sums which are appropriated or~~
~~17 allocated pursuant to section 712, the Secretary shall allot~~
~~18 not more than 2 per centum among Guam, American Samoa,~~
~~19 the Trust Territory of the Pacific Islands, and the Virgin~~
~~20 Islands, according to their respective needs. He shall also~~
~~21 reserve not more than 20 per centum of those sums for allot-~~
~~22 ment in accordance with such criteria and procedures as he~~
~~23 may prescribe. The remainder shall be allotted among the~~
~~24 States, in accordance with the latest available data, so that~~
~~25 equal proportions are distributed on the basis of (1) the~~

~~1 number of children age 0-5 living in poverty in each State~~
~~2 as compared to all States: Provided, That no State shall~~
~~3 receive less than obligated in fiscal 1974.~~

~~4 (b) Financial assistance extended to a grantee agency~~
~~5 for a Headstart program shall not exceed 80 per centum of~~
~~6 the approved costs of the assisted program or activities, ex-~~
~~7 cept that the Secretary may approve assistance in excess of~~
~~8 such percentage if he determines, in accordance with regula-~~
~~9 tions establishing objective criteria, that such action is~~
~~10 required in furtherance of the purposes of the Act. Non-~~
~~11 Federal contributions may be in cash or in kind, fairly~~
~~12 evaluated, including but not limited to plant, equipment, or~~
~~13 services. The Secretary shall not require non Federal con-~~
~~14 tributions in excess of 20 per centum of the approved cost~~
~~15 of programs or activities assisted under the Act.~~

~~16 (c) No program shall be approved for assistance under~~
~~17 the Act unless the Secretary satisfies himself that the~~
~~18 services to be provided under such program will be in addi-~~
~~19 tion to, and not in substitution for, comparable services pre-~~
~~20 viously provided without Federal assistance. The requirement~~
~~21 imposed by the preceding sentence shall be subject to such~~
~~22 regulations as the Secretary may adopt.~~

~~23 (d) The Secretary shall establish policies and pro-~~
~~24 cedures designed to assure that no less than 10 per centum~~
~~25 of the total number of enrollment opportunities in Headstart~~

1 ~~programs in each State shall be available for handicapped~~
 2 ~~children (as defined in paragraph (1) of section 602 of the~~
 3 ~~Education of the Handicapped Act) and that services shall~~
 4 ~~be provided to meet their special needs. The Secretary shall~~
 5 ~~report to the Congress at least annually on the status of~~
 6 ~~handicapped children in Headstart programs, including the~~
 7 ~~number of children being served, their handicapping condi-~~
 8 ~~tions, and the services being provided such children.~~

9 ~~(c) The Secretary shall adopt appropriate administra-~~
 10 ~~tive measures to assure that benefits of the Act will be~~
 11 ~~distributed equitably between residents of rural and urban~~
 12 ~~areas.~~

13 ~~DESIGNATION OF GRANTEEES~~

14 ~~SEC. 714. (a) A public or private nonprofit agency~~
 15 ~~which (1) has the power and authority to carry out the pur-~~
 16 ~~poses of the Act and perform the functions set forth in sec-~~
 17 ~~tion 4115 within a community, and (2) is determined by~~
 18 ~~the Secretary to be capable of planning, conducting, ad-~~
 19 ~~ministering, and evaluating, either directly or by other~~
 20 ~~means, a Headstart program, may be designated as a Head-~~
 21 ~~start agency.~~

22 ~~(b) For the purposes of the Act, a community may be~~
 23 ~~a city, county, multicounty, or multicounty unit, an Indian~~
 24 ~~reservation, or a neighborhood or other area (irrespective of~~
 25 ~~boundaries or political subdivisions) which provides a suit-~~

1 ~~able organization base and possesses the commonality of~~
 2 ~~interest needed to operate a Headstart program.~~

3 ~~(c) In the administration of the provisions of this sec-~~
 4 ~~tion, the Secretary shall give priority in the designation of~~
 5 ~~Headstart agencies to any public or private nonprofit agency~~
 6 ~~which is receiving funds under any Headstart program on~~
 7 ~~the date of the enactment of this section, except that the~~
 8 ~~Secretary shall, before giving such priority, determine that~~
 9 ~~the agency involved meets program and fiscal requirements~~
 10 ~~established by the Secretary.~~

11 ~~REQUIRED POWERS AND FUNCTIONS OF HEADSTART~~

12 ~~AGENCIES~~

13 ~~SEC. 715. (a) In order to be designated as a Head-~~
 14 ~~start agency under the Act; an agency must have authority~~
 15 ~~under its charter or applicable law to receive and adminis-~~
 16 ~~ter funds under the Act, funds and contributions from pri-~~
 17 ~~rate or local public sources which may be used in support~~
 18 ~~of a Headstart program, and funds under any Federal or~~
 19 ~~State assistance program pursuant to which a public or pri-~~
 20 ~~rate nonprofit agency (as the case may be) organized in~~
 21 ~~accordance with the Act could act as grantee, contractor,~~
 22 ~~or sponsor of projects appropriate for inclusion in a Head-~~
 23 ~~start program. Such an agency must also be empowered to~~
 24 ~~transfer funds so received, and to delegate powers to other~~
 25 ~~agencies, subject to the powers of its governing board and its~~

1 overall program responsibilities. This power to transfer funds
2 and delegate powers must include the power to make trans-
3 fers and delegations covering component projects in all
4 cases where this will contribute to efficiency and effective-
5 ness or otherwise further program objectives.

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

15 SUBMISSION OF PLANS TO GOVERNORS

16 SEC. 716. In carrying out the provisions of the Act,
17 no contract, agreement, grant, or other assistance shall be
18 made for the purpose of carrying out a Headstart program
19 within a State unless a plan setting forth such proposed
20 contract, agreement, grant, or other assistance has been
21 submitted to the Governor of the State, and such plan has
22 not been disapproved by the Governor within thirty days of
23 such submission, or, if so disapproved, has been reconsidered
24 by the Secretary and found by him to be fully consistent
25 with the provisions and in furtherance of the purposes of

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

8 ADMINISTRATION REQUIREMENTS AND STANDARDS

9 SEC. 717. (a) Each Headstart agency shall observe
10 standards of organization, management, and administration
11 which will assure, so far as reasonably possible, that all pro-
12 gram activities are conducted in a manner consistent with
13 the purposes of the Act and the objective of providing
14 assistance effectively, efficiently, and free of any taint of
15 partisan political bias or personal or family favoritism. Each
16 such agency shall establish or adopt rules to carry out this
17 section, which shall include rules to assure full staff ac-
18 countability in matters governed by law, regulations, or
19 agency policy. Each agency shall also provide for reasona-
20 ble public access to information, including but not limited
21 to public hearings at the request of appropriate community
22 groups and reasonable public access to books and records of
23 the agency or other agencies engaged in program activities
24 or operations involving the use of authority or funds for
25 which it is responsible. Each such agency shall adopt for

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

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

~~1 does not exceed 15 per centum of such total costs but is, in
2 his judgment, excessive, he shall forthwith require the re-
3 cipient of such financial assistance to take such steps pre-
4 scribed by him as will eliminate such excessive administra-
5 tive cost, including the sharing by one or more Headstart
6 agencies of a common director and other administrative per-
7 sonnel. The Secretary may waive the limitation prescribed
8 by this paragraph for specific periods of time not to exceed
9 six months whenever he determines that such a waiver is
10 necessary in order to carry out the purposes of the Act.~~

~~11 (c) The Secretary shall prescribe rules or regulations
12 to supplement subsection (a), which shall be binding on all
13 agencies carrying on Headstart program activities with
14 financial assistance under the Act. He may, where appro-
15 priate, establish special or simplified requirements for smaller
16 agencies or agencies operating in rural areas.~~

~~17 (d) All rules, regulations, guidelines, instructions, and
18 application forms published or promulgated by the Secretary
19 pursuant to the Act shall be published in the Federal Regis-
20 ter at least thirty days prior to their effective date.~~

~~POVERTY LINE~~

~~22 SEC. 718. (a) The Secretary shall revise annually
23 (or at any shorter interval he deems feasible and desirable)
24 a poverty line which, except as provided in section 4111,~~

1 ~~shall be used as a criterion of eligibility for participation in~~
2 ~~Headstart programs.~~

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

9 ~~(c) Revisions required by subsection (a) of this sec-~~
10 ~~tion shall be made and issued not more than thirty days after~~
11 ~~the date on which the necessary Consumer Price Index data~~
12 ~~becomes available.~~

13 ~~APPEALS, NOTICE, AND HEARING~~

14 ~~SEC. 719. The Secretary shall prescribe procedures~~
15 ~~to assure that —~~

16 ~~(1) special notice of and an opportunity for a~~
17 ~~timely and expeditious appeal to the Secretary is pro-~~
18 ~~vided for an agency or organization which would like~~
19 ~~to serve as a delegate agency under the Act and whose~~
20 ~~application to the Headstart agency has been wholly or~~
21 ~~substantially rejected or has not been acted upon within~~
22 ~~a period of time deemed reasonable by the Secretary;~~

23 ~~(2) financial assistance under the Act shall not be~~
24 ~~suspended for failure to comply with applicable terms~~
25 ~~and conditions, except in emergency situations, nor shall~~

1 ~~an application for refunding be denied, unless the recip-~~
2 ~~ient agency has been given reasonable notice and oppor-~~
3 ~~tunity to show cause why such action should not be~~
4 ~~taken; and —~~

5 ~~(3) financial assistance under the Act shall not~~
6 ~~be terminated for failure to comply with applicable~~
7 ~~terms and conditions unless the recipient has been af-~~
8 ~~forded reasonable notice and opportunity for a full and~~
9 ~~fair hearing.~~

10 ~~RECORDS AND AUDIT~~

11 ~~SEC. 720. (a) Each recipient of financial assistance~~
12 ~~under the Act shall keep such records as the Secretary shall~~
13 ~~prescribe, including records which fully disclose the amount~~
14 ~~and disposition by such recipient of the proceeds of such~~
15 ~~financial assistance, the total cost of the project or under-~~
16 ~~taking in connection with which such financial assistance is~~
17 ~~given or used, the amount of that portion of the cost of the~~
18 ~~project or undertaking supplied by other sources, and such~~
19 ~~other records as will facilitate an effective audit.~~

20 ~~(b) The Secretary and the Comptroller General of the~~
21 ~~United States, or any of their duly authorized representa-~~
22 ~~tives, shall have access for the purpose of audit and exami-~~
23 ~~nation to any books, documents, papers, and records of the~~
24 ~~recipients that are pertinent to the financial assistance re-~~
25 ~~ceived under the Act.~~

~~TECHNICAL ASSISTANCE AND TRAINING~~

~~SEC. 721. The Secretary may provide, directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering programs under the Act and (2) training for specialized or other personnel which is needed in connection with Headstart programs.~~

~~RESEARCH AND DEMONSTRATION PROGRAMS~~

~~SEC. 722. (a) The Secretary may 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 the Act. He may also contract or provide financial assistance for research pertaining to the purposes of the Act.~~

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

~~ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION~~

~~CONTRACTS~~

~~SEC. 723. (a) The Secretary shall make a public announcement concerning~~

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

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

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

~~EVALUATION~~

~~SEC. 724. (a) The Secretary shall provide for the continuing evaluation of programs under the Act, including evaluations that describe and measure, with appropriate means and to the extent feasible, the impact of such programs, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, and including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. The Secretary may, for such purposes, contract or make other arrangements for independent evaluations of these programs or individual projects.~~

~~(b) The Secretary shall to the extent feasible develop~~

~~1 and publish standards for evaluation of program effective-~~
~~2 ness in achieving the objectives of the Act. He shall con-~~
~~3 sider the extent to which such standards have been met in~~
~~4 deciding whether to renew or supplement financial assist-~~
~~5 ance authorized under the Act.~~

~~6 (c) In carrying out evaluations under the Act, the~~
~~7 Secretary may require Headstart agencies to provide inde-~~
~~8 pendent evaluations.~~

~~9 GENERAL PROVISIONS; DEFINITIONS~~

~~10 SEC. 725. As used in the Act—~~

~~11 (1) the term "Secretary" means the Secretary of~~
~~12 Health, Education, and Welfare;~~

~~13 (2) the term "State" means a State, the Common-~~
~~14 wealth of Puerto Rico, the District of Columbia, Guam,~~
~~15 American Samoa, the Virgin Islands, and the Trust~~
~~16 Territory of the Pacific Islands; except that when used~~
~~17 in section 713 (a) of the Act this term means only a~~
~~18 State, the Commonwealth of Puerto Rico, or the District~~
~~19 of Columbia; and—~~

~~20 (3) the term "financial assistance" includes as-~~
~~21 sistence advanced by grant, agreement, or contract, and~~
~~22 payments may be made in installments and in advance or~~
~~23 by way of reimbursement, with necessary adjustments~~
~~24 on account of overpayments or underpayments.~~

~~1 LABOR STANDARDS~~

~~2 SEC. 726. All laborers and mechanics employed by~~
~~3 contractors or subcontractors in the construction, alteration,~~
~~4 or repair, including painting and decorating of projects,~~
~~5 buildings, and works which are federally assisted under the~~
~~6 Act shall be paid wages at rates not less than those prevail-~~
~~7 ing on similar construction in the locality as determined by~~
~~8 the Secretary of Labor in accordance with the Davis Bacon~~
~~9 Act, as amended (40 U.S.C. 276a-276a-5). The Secretary~~
~~10 of Labor shall have, with respect to such labor standards, the~~
~~11 authority and functions set forth in Reorganization Plan~~
~~12 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5~~
~~13 U.S.C. 133-133z-15), and section 2 of the Act of June 1,~~
~~14 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.~~
~~15 276 (C)).~~

~~16 COMPARABILITY OF WAGES~~

~~17 SEC. 727. (a) The Secretary shall take such action~~
~~18 as may be necessary to assure that persons employed in~~
~~19 carrying out programs financed under the Act shall not~~
~~20 receive compensation at a rate which is (1) in excess of~~
~~21 the average rate of compensation paid in the area where the~~
~~22 program is carried out to a substantial number of the persons~~
~~23 providing substantially comparable services, or in excess~~
~~24 of the average rate of compensation paid to a substantial~~
~~25 number of the persons providing substantially comparable~~

1 ~~services in the area of the person's immediately preceding~~
 2 ~~employment, whichever is higher or (2) less than the~~
 3 ~~minimum wage rate prescribed in section 6(a)(1) of the~~
 4 ~~Fair Labor Standards Act of 1938.~~

5 ~~NONDISCRIMINATION PROVISIONS~~

6 ~~SEC. 728. (a) No person in the United States shall~~
 7 ~~on the ground of race, creed, color, national origin, sex, or~~
 8 ~~political affiliation be excluded from participation in, be~~
 9 ~~denied the benefits of, or be subjected to discrimination under~~
 10 ~~any program or activity funded in whole or in part with~~
 11 ~~funds made available under the Act.~~

12 ~~(b) The Secretary shall enforce the provisions of this~~
 13 ~~section by (1) referring the matter to the Attorney General~~
 14 ~~with a recommendation that an appropriate civil action be~~
 15 ~~instituted, (2) exercising the powers and functions provided~~
 16 ~~by title VI of the Civil Rights Act of 1964, or (3) taking~~
 17 ~~such other action as may be provided by law.~~

18 ~~LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL~~

19 ~~ACTIVITIES~~

20 ~~SEC. 729. No individual employed or assigned by any~~
 21 ~~Headstart agency or other agency assisted under the Act~~
 22 ~~shall, pursuant to or during the performance of services~~
 23 ~~rendered in connection with any program or activity con-~~
 24 ~~ducted or assisted under the Act by such Headstart agency~~
 25 ~~or such other agency, plan, initiate, participate in, or other~~

1 ~~wise aid or assist in the conduct of any unlawful demonstra-~~
 2 ~~tion, rioting, or civil disturbance.~~

3 ~~POLITICAL ACTIVITIES~~

4 ~~SEC. 730. (a) For purposes of chapter 15 of title 5 of~~
 5 ~~the United States Code any agency which assumes respon-~~
 6 ~~sibility for planning, developing, and coordinating Head-~~
 7 ~~start programs and receives assistance under the Act shall~~
 8 ~~be deemed to be a State or local agency; and for purposes of~~
 9 ~~clauses (1) and (2) of section 1502(a) of such title any~~
 10 ~~agency receiving assistance under this title shall be deemed~~
 11 ~~to be a State or local agency.~~

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

1 ~~may suspension of assistance or other action necessary to~~
2 ~~permit enforcement on an emergency basis.~~

3 ~~ADVANCE FUNDING~~

4 ~~SEC. 731. For the purpose of affording adequate notice~~
5 ~~of funding available under the Act, appropriations for~~
6 ~~grants, contracts, or other payments under the Act are au-~~
7 ~~thorized to be included in the appropriation Act for the fiscal~~
8 ~~year preceding the fiscal year for which they are available~~
9 ~~for obligation.~~

10 ~~Subpart B Follow Through Projects~~

11 ~~GRANTEES; NATURE OF PROJECTS~~

12 ~~SEC. 751. (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, any other~~
16 ~~public or appropriate nonprofit private agencies, organiza-~~
17 ~~tions, and institutions for the purpose of carrying out a pro-~~
18 ~~gram to be known as Follow Through focused primarily on~~
19 ~~children 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~~

1 ~~a local educational agency receiving assistance under para-~~
2 ~~graph (1) is unable or unwilling to include in a Follow~~
3 ~~Through project children enrolled in nonprofit private schools~~
4 ~~who would otherwise be eligible to participate therein, or~~
5 ~~(B) that it is otherwise necessary in order to accomplish~~
6 ~~the purposes of this section, he may provide financial assist-~~
7 ~~ance for the purpose of carrying out a Follow Through proj-~~
8 ~~ect to any other public or appropriate nonprofit private~~
9 ~~agency, organization, or institution.~~

10 ~~(3) Projects to be assisted under this section must~~
11 ~~provide comprehensive services which the Secretary finds~~
12 ~~will aid in the continued development of children described~~
13 ~~in paragraph (1) to their full potential. Such projects must~~
14 ~~provide for the direct participation of the parents of such~~
15 ~~children in the development, conduct, and overall direction~~
16 ~~of the program at the local level. If the Secretary determines~~
17 ~~that participation in the project of children who are not~~
18 ~~from low income families will enhance the development of~~
19 ~~children from low income families or will otherwise serve to~~
20 ~~carry out the purposes of this section, he may require or~~
21 ~~permit the inclusion of such children from non-low income~~
22 ~~families, but only to the extent that their participation will~~
23 ~~not dilute the effectiveness of the services designed for~~
24 ~~children described in paragraph (1).~~

~~AUTHORIZATION OF APPROPRIATIONS~~

~~SEC. 752. (a) There are authorized to be appropriated for carrying out the purposes of this subpart \$60,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years.~~

~~Funds so appropriated shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated, except that so much of the funds appropriated which the Secretary determines to be necessary to carry out the activities authorized by subsection (c) (2) shall remain available until expended.~~

~~(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 percentage if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this section. 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 section unless the Secretary satisfies himself 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 adopt.~~

~~RESEARCH AND DEMONSTRATION, EVALUATION, AND~~

~~TECHNICAL ASSISTANCE ACTIVITIES~~

~~SEC. 753. (a) In conjunction with the activities authorized by subsection (a), 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 section;~~

~~(2) provide, by contract or other arrangement, on a nationwide basis, for the continuing evaluation of projects assisted under this section, including evaluations that describe and measure, with appropriate means and to the extent feasible, the impact of such projects, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, and including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such projects; and~~

~~(3) provide, directly or through grants or other~~

1 ~~appropriate arrangements (A) technical assistance to~~
 2 ~~Follow Through projects in developing, conducting, and~~
 3 ~~administering programs under this section and (B)~~
 4 ~~training for specialized or other personnel which is needed~~
 5 ~~in connection with Follow Through projects.~~

6 ~~ADVANCE FUNDING~~

7 ~~SEC. 754. For the purpose of affording adequate no-~~
 8 ~~tice of funding available under this subpart, appropriations~~
 9 ~~for grants, contracts, or other payments under the Act are~~
 10 ~~authorized to be included in the appropriation Act for the~~
 11 ~~fiscal year preceding the fiscal year for which they are~~
 12 ~~available for obligation.~~

13 ~~GENERAL PROVISIONS~~

14 ~~SEC. 755. (a) Recipients of financial assistance under~~
 15 ~~this section shall provide maximum employment opportu-~~
 16 ~~nities for residents of the area to be served, and to parents~~
 17 ~~of children who are participating in projects assisted under~~
 18 ~~this section.~~

19 ~~(b) Financial assistance under this section shall not be~~
 20 ~~suspended for failure to comply with applicable terms and~~
 21 ~~conditions, except in emergency situations, nor shall an ap-~~
 22 ~~plication for refunding be denied, unless the recipient agency~~
 23 ~~has been given reasonable notice and opportunity to show~~
 24 ~~cause why such action should not be taken.~~

25 ~~(c) Financial assistance under this section shall not be~~

1 ~~terminated for failure to comply with applicable terms and~~
 2 ~~conditions unless the recipient has been afforded reasonable~~
 3 ~~notice and opportunity for a full and fair hearing.~~

4 ~~PART II NATIVE AMERICANS~~

5 ~~SHORT TITLE; ADMINISTRATION~~

6 ~~SEC. 761. This part may be cited as the "Native Ameri-~~
 7 ~~can Program Extension Act of 1974" (hereinafter in this~~
 8 ~~part referred to as the "Act").~~

9 ~~STATEMENT OF PURPOSE~~

10 ~~SEC. 762. The purpose of the Act is to promote the~~
 11 ~~goal of economic and social self-sufficiency for American~~
 12 ~~Indians and Alaskan natives.~~

13 ~~FINANCIAL ASSISTANCE FOR NATIVE AMERICAN PROJECTS~~

14 ~~SEC. 763. (a) The Secretary is authorized to provide~~
 15 ~~financial assistance to public and nonprofit private agencies,~~
 16 ~~including but not limited to, governing bodies of Indian~~
 17 ~~tribes, Alaskan native villages and regional corporations~~
 18 ~~established by the Alaska Native Claims Settlement Act,~~
 19 ~~for projects pertaining to the purposes of the Act. In deter-~~
 20 ~~mining the projects to be assisted under this section, the~~
 21 ~~Secretary shall consult with other Federal agencies for the~~
 22 ~~purpose of eliminating duplication or conflict among similar~~
 23 ~~activities or projects and for the purpose of determining~~
 24 ~~whether the findings resulting from those projects may be~~

1 ~~incorporated into one or more programs for which these~~
2 ~~agencies are responsible.~~

3 ~~(b) Financial assistance extended to an agency pursuant~~
4 ~~to subsection (a) shall be equal to 80 per centum of the~~
5 ~~approved costs of the assisted project, except that the Secre-~~
6 ~~tary may approve assistance in excess of such percentage if~~
7 ~~he determines, in accordance with regulations establishing~~
8 ~~objective criteria, that such action is required in furtherance~~
9 ~~of the purposes of the Act. Non-Federal contributions may~~
10 ~~be in cash or in kind, fairly evaluated, including but not~~
11 ~~limited to plant, equipment, and services.~~

12 ~~(c) No project shall be approved for assistance under~~
13 ~~this section unless the Secretary satisfies himself that the~~
14 ~~activities to be carried out under such project will be in addi-~~
15 ~~tion to, and not in substitution for, comparable activities~~
16 ~~previously carried out without Federal assistance, except that~~
17 ~~the Secretary may waive this requirement in any case in~~
18 ~~which he determines, in accordance with regulations estab-~~
19 ~~lishing objective criteria, that application of the requirement~~
20 ~~would result in unnecessary hardship or otherwise be incon-~~
21 ~~sistent with the purposes of the Act.~~

22 ~~TECHNICAL ASSISTANCE AND TRAINING~~

23 ~~SEC. 764. The Secretary may provide, directly or~~
24 ~~through other arrangements (1) technical assistance to pub-~~
25 ~~lic and private agencies in developing, conducting, and ad-~~

1 ~~ministering projects under the Act, and (2) short-term~~
2 ~~in-service training for specialized or other personnel which is~~
3 ~~needed in connection with projects receiving financial assist-~~
4 ~~ance under section 4203 of the Act.~~

5 ~~RESEARCH AND DEMONSTRATION PROJECTS~~

6 ~~SEC. 765. (a) The Secretary may provide financial~~
7 ~~assistance for pilot or demonstration projects conducted by~~
8 ~~public or private agencies which are designed to test or~~
9 ~~assist in the development of new approaches or methods that~~
10 ~~will aid in furthering the purposes of the Act. He may also~~
11 ~~provide financial assistance for research pertaining to the~~
12 ~~purposes of the Act.~~

13 ~~(b) The Secretary shall establish an overall plan to~~
14 ~~govern the approval of pilot or demonstration projects and~~
15 ~~the use of all research authority under the Act. The plan~~
16 ~~shall set forth specific objectives to be achieved and priorities~~
17 ~~among such objectives.~~

18 ~~ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION~~

19 ~~CONTRACTS~~

20 ~~SEC. 766. (a) The Secretary shall make a public an-~~
21 ~~nouncement concerning—~~

22 ~~(1) the title, purpose, intended completion date,~~
23 ~~identity of the contractor, and proposed cost of any~~
24 ~~contract with a private or non-Federal public agency~~
25 ~~for a demonstration or research project; and~~

1 ~~(2) except in cases in which the Secretary de-~~
 2 ~~termines that it would not be consistent with the~~
 3 ~~purposes of the Act, the results, findings, data, or~~
 4 ~~recommendations made or reported as a result of such~~
 5 ~~activities.~~

6 ~~(b) The public announcements required by subsection~~
 7 ~~(a) shall be made within thirty days of entering into such~~
 8 ~~contracts and thereafter within thirty days of the receipt of~~
 9 ~~such results.~~

10 ~~SUBMISSION OF PLANS TO STATE AND LOCAL OFFICIALS~~

11 ~~Sec. 767. (a) No financial assistance may be pro-~~
 12 ~~vided to any project under section 763 of the Act or any~~
 13 ~~pilot or demonstration project under section 765 of the~~
 14 ~~Act, which is to be carried out on or in an Indian reserva-~~
 15 ~~tion or Alaskan Native village, unless a plan setting forth~~
 16 ~~the project has been submitted to the governing body of that~~
 17 ~~reservation or village and the plan has not been disapproved~~
 18 ~~by the governing body within thirty days of its submission.~~

19 ~~(b) No financial assistance may be provided to any~~
 20 ~~project under section 763 of the Act or any pilot or dem-~~
 21 ~~onstration project under section 765 of the Act, which~~
 22 ~~is to be carried out in a State other than on or in an Indian~~
 23 ~~reservation or Alaskan Native village, unless the Secretary~~
 24 ~~has notified the chief executive officer of the State of his~~
 25 ~~decision to provide that assistance.~~

1 ~~(c) No financial assistance may be provided to any~~
 2 ~~project under section 763 of the Act or any pilot or dem-~~
 3 ~~onstration project under section 765 of the Act, which~~
 4 ~~is to be carried out in a city, county, or other major politi-~~
 5 ~~cal subdivision of a State, other than on or in an Indian~~
 6 ~~reservation or Alaskan Native village, unless the Secretary~~
 7 ~~has notified the local governing officials of the political sub-~~
 8 ~~division of his decision to provide that assistance.~~

9 ~~RECORDS AND AUDIT~~

10 ~~Sec. 768. (a) Each agency which receives financial~~
 11 ~~assistance under the Act shall keep such records as the~~
 12 ~~Secretary may prescribe, including records which fully~~
 13 ~~disclose the amount and disposition by that agency of such~~
 14 ~~financial assistance, the total cost of the project in connection~~
 15 ~~with which such financial assistance is given or used, the~~
 16 ~~amount of that portion of the cost of the project supplied~~
 17 ~~by other sources, and such other records as will facilitate an~~
 18 ~~effective audit.~~

19 ~~(b) The Secretary and the Comptroller General of the~~
 20 ~~United States, or any of their duly authorized representa-~~
 21 ~~tives, shall have access for the purpose of audit and examina-~~
 22 ~~tion to any books, documents, papers, and records of any~~
 23 ~~agency which receives financial assistance under the Act~~
 24 ~~that are pertinent to the financial assistance received under~~
 25 ~~the Act.~~

~~APPEALS, NOTICE, AND HEARING~~

~~SEC. 769. The Secretary shall prescribe procedures to assure that—~~

~~(1) financial assistance under section 763 of the Act will not be suspended for failure to comply with any applicable terms and conditions, except in emergency situations, nor an application for refunding under that section denied, unless the assisted agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and~~

~~(2) financial assistance under section 763 of the Act will not be terminated for failure to comply with any applicable terms and conditions unless the assisted agency has been afforded reasonable notice and opportunity for a full and fair hearing.~~

~~EVALUATION~~

~~SEC. 770. (a) The Secretary shall provide for the evaluation of projects assisted under the Act, including evaluations that describe and measure, with appropriate means and to the extent feasible, the impact of such projects, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, and including, where appropriate, comparisons with appropriate control groups composed of per-~~

~~sons who have not participated in such projects. The Secretary may, for such purpose, contract or make other arrangements for independent evaluations of projects.~~

~~(b) The Secretary shall, to the extent feasible, develop and publish standards for evaluation of project effectiveness in achieving the objectives of the Act. He shall consider the extent to which such standards have been met in deciding whether to renew or supplement financial assistance authorized under the Act.~~

~~(c) In carrying out evaluations under the Act, the Secretary may require agencies which receive assistance under the Act to provide independent evaluations.~~

~~LABOR STANDARDS~~

~~SEC. 771. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration, or repair, including painting or decorating, of buildings or other facilities in connection with projects assisted under the Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis Bacon Act. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950, and section 2 of the Act of June 1, 1934.~~

CRIMINAL PROVISIONS

SEC. 772. (a) ~~Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any agency receiving financial assistance under the Act embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets, or property which are the subject of a grant or contract of assistance pursuant to the Act, shall be fined not more than \$10,000 or imprisoned for not more than two years, or both, but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both.~~

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

DELEGATION OF AUTHORITY

SEC. 773. (a) ~~The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under the Act, as he may deem appropriate, and~~

~~to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.~~

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

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

DEFINITIONS

SEC. 774. As used in the Act—

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

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

(3) ~~the term "State" includes the District of Columbia; and~~

(4) ~~the term "Indian reservation or Alaskan Native village" includes the reservation of any federally recognized Indian tribe, including any band, nation, pueblo, or rancheria, any former reservation in Oklahoma, any~~

1 community under the jurisdiction of an Indian tribe,
 2 including a band, nation, pueblo, or rancharia, with
 3 allotted lands or lands subject to a restriction against
 4 alienation imposed by the United States or a State, and
 5 any lands of or under the jurisdiction of an Alaskan
 6 Native village or group, including any lands selected by
 7 Alaskan Natives or Alaskan Native organizations under
 8 the Alaska Native Claims Settlement Act.

9 ~~AUTHORIZATION OF APPROPRIATIONS~~

10 ~~SEC. 775. There are authorized to be appropriated for~~
 11 ~~the purpose of carrying out the provisions of the Act, such~~
 12 ~~sums as may be necessary for the fiscal year ending June 30,~~
 13 ~~1975, June 30, 1976, and June 30, 1977.~~

14 ~~PART III—COMPREHENSIVE HEALTH SERVICES~~

15 ~~COMPREHENSIVE HEALTH SERVICES~~

16 ~~SEC. 781. The Secretary of Health, Education, and~~
 17 ~~Welfare shall establish within the Department of Health,~~
 18 ~~Education, and Welfare a "Comprehensive Health Serv-~~
 19 ~~ices" program which shall include—~~

20 ~~(a) programs to aid in developing and carrying~~
 21 ~~out comprehensive health services projects focused upon~~
 22 ~~the needs of urban and rural areas having high con-~~
 23 ~~centrations or proportions of poverty and marked inade-~~
 24 ~~quacy of health services for the poor. These projects~~
 25 ~~shall be designed—~~

1 ~~(1) to make possible, with maximum feas-~~
 2 ~~ible use of existing agencies and resources, the~~
 3 ~~provision of comprehensive health services, such~~
 4 ~~as preventive medical, diagnostic, treatment,~~
 5 ~~rehabilitation, family planning, narcotic addiction~~
 6 ~~and alcoholism prevention and rehabilitation,~~
 7 ~~mental health, dental, and followup services, to-~~
 8 ~~gether with necessary related facilities and services,~~
 9 ~~except in rural areas where the lack of even ele-~~
 10 ~~mental health services and personnel may require~~
 11 ~~simpler, less comprehensive services to be estab-~~
 12 ~~lished first; and~~

13 ~~(2) to assure that these services are made~~
 14 ~~readily accessible to low-income residents of such~~
 15 ~~areas, are furnished in a manner most responsive to~~
 16 ~~their needs and with their participation and wher-~~
 17 ~~ever possible are combined with, or included within,~~
 18 ~~arrangements for providing employment, education,~~
 19 ~~social, or other assistance needed by the families and~~
 20 ~~individuals served: *Provided, however,* That pursu-~~
 21 ~~ant to such regulations as the Secretary of Health,~~
 22 ~~Education, and Welfare may prescribe, persons pro-~~
 23 ~~vided assistance through programs assisted under~~
 24 ~~this paragraph who are not members of low income~~
 25 ~~families may be required to make payment, or have~~

1 ~~payment made in their behalf, in whole or in part for~~
2 ~~such assistance.~~

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

18 ~~(b) programs to provide financial assistance to~~
19 ~~public or private agencies to projects designed to develop~~
20 ~~knowledge or enhance skills in the field of health services~~
21 ~~for the poor. Such projects shall encourage both pros-~~
22 ~~pective and practicing health professionals to direct their~~
23 ~~talents and energies toward providing health services~~
24 ~~for the poor. In carrying out the provisions of this para-~~
25 ~~graph, the Secretary is authorized to provide or arrange~~

1 ~~for training and study in the field of health services for~~
2 ~~the poor. Pursuant to regulations prescribed by him, the~~
3 ~~Secretary may arrange for the payment of stipends and~~
4 ~~allowances (including travel and subsistence expenses)~~
5 ~~for persons undergoing such training and study and for~~
6 ~~their dependents. The Secretary shall achieve effective~~
7 ~~coordination of programs and projects authorized under~~
8 ~~this section with other related activities.~~

9 ~~TITLE VIII AUTHORIZATION OF~~
10 ~~APPROPRIATIONS~~

11 ~~Sec. 801. (a) For the purpose of carrying out this Act,~~
12 ~~except where specifically provided, there are authorized to be~~
13 ~~appropriated such sums as may be necessary for the fiscal~~
14 ~~year ending June 30, 1974, and for each of the three suc-~~
15 ~~ceeding fiscal years.~~

16 ~~(b) For the purposes of carrying out the programs~~
17 ~~authorized under section 121 there is authorized to be ap-~~
18 ~~propriated \$330,000,000 for the fiscal year 1975 and such~~
19 ~~sums as may be necessary for each of the two succeeding~~
20 ~~fiscal years.~~

21 ~~(c) In addition to the amounts made available pursuant~~
22 ~~to subsection (b) there is also authorized to be appro-~~
23 ~~priated not to exceed \$50,000,000 to carry out section 145~~
24 ~~(Incentive Grants) during the fiscal year ending June 30,~~
25 ~~1975, and such sums as may be necessary during each of~~



1 ~~the two succeeding fiscal years, except that in no event may~~
 2 ~~more than 12½ per centum of such additional amounts be~~
 3 ~~used in any one State.~~

4 ~~SEC. 802. Notwithstanding any other provisions of law,~~
 5 ~~unless enacted in express and specific limitation of the pro-~~
 6 ~~visions of this section, funds appropriated for any fiscal year~~
 7 ~~to carry out any program under this Act or any predecessor~~
 8 ~~authority shall remain available, in accordance with the pro-~~
 9 ~~visions of this Act, for obligation and expenditure until~~
 10 ~~expended.~~

~~TITLE IX—GENERAL PROVISIONS~~

~~DEFINITIONS~~

13 ~~SEC. 901. As used in this Act—~~

14 ~~(1) the term "State" means a State, the Common-~~
 15 ~~wealth of Puerto Rico, the District of Columbia, Guam,~~
 16 ~~American Samoa, or the Virgin Islands, and for pur-~~
 17 ~~poses of title I, part A of title II and title III the mean-~~
 18 ~~ing of "State" shall also include the Trust Territory of~~
 19 ~~the Pacific Islands; except that when used in section 125~~
 20 ~~of this Act this term means only a State, Puerto Rico, or~~
 21 ~~the District of Columbia. The term "United States"~~
 22 ~~when used in a geographical sense includes all those~~
 23 ~~places named in the previous sentence, and all other~~
 24 ~~places continental or insular, subject to the jurisdiction~~
 25 ~~of the United States;~~

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

6 ~~(3) the term "lower living standard budget" means~~
 7 ~~that income level (adjusted for regional and metropoli-~~
 8 ~~tan, urban and rural differences and family size) deter-~~
 9 ~~mined annually by the Bureau of Labor Statistics of the~~
 10 ~~Department of Labor and referred to by such Depart-~~
 11 ~~ment as the "lower living standard budget"; and~~

12 ~~(4) the term "peer" or "low income" persons, in-~~
 13 ~~dividuals, or volunteers means such individuals whose in-~~
 14 ~~comes fall at or below the poverty line as set forth in~~
 15 ~~section 620: Provided, That in determining who is~~
 16 ~~"peer" or "low income", the Director shall take into~~
 17 ~~consideration existing poverty guidelines as appropriate~~
 18 ~~to local situations.~~

~~NONDISCRIMINATION~~

19 ~~SEC. 902. (a) The Director shall not provide financial~~
 20 ~~assistance for any program under this Act unless the grant,~~
 21 ~~contract, or agreement with respect to such program specifi-~~
 22 ~~cally provides that no person with responsibilities in the~~
 23 ~~operation of such program will discriminate with respect to~~
 24

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

~~3 (b) No person in the United States shall on the grounds
4 of sex be excluded from participation in, be denied the
5 benefits of, be subjected to discrimination under, or be denied
6 employment in connection with any program or activity
7 receiving assistance under this Act. The Director shall
8 enforce the provisions of the preceding sentence in accord-
9 ance with section 602 of the Civil Rights Act of 1964.
10 Section 608 of such Act shall apply with respect to any
11 action taken by the Director 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 or activity receiving assistance under
17 this Act.~~

~~18 GUIDELINES~~

~~19 SEC. 903. All rules, regulations, guidelines, instructions,
20 and application forms published or promulgated pursuant to
21 this Act shall be published in the Federal Register at least
22 thirty days prior to their effective date.~~

~~23 CRIMINAL PROVISIONS~~

~~24 SEC. 904. (a) Whoever, being an officer, director,
25 agent, or employee of, or connected in any capacity with,~~

~~1 any agency receiving financial assistance under this Act
2 embezzles, willfully misapplies, steals, or obtains by fraud
3 any of the moneys, funds, assets, or property which are the
4 subject of a grant or contract of assistance pursuant to this
5 Act, shall be fined not more than \$10,000 or imprisoned
6 for not more than two years, or both; but if the amount so
7 embezzled, misapplied, stolen, or obtained by fraud does not
8 exceed \$100, he shall be fined not more than \$1,000 or im-
9 prisoned not more than one year, or both.~~

~~10 (b) Whoever, by threat of procuring dismissal of any
11 person from employment or of refusal to employ or refusal
12 to renew a contract of employment in connection with a
13 grant or contract of assistance under this Act induces any
14 person to give up any money or thing of any value to any
15 person (including such grantee agency), shall be fined not
16 more than \$1,000 or imprisoned not more than one year,
17 or both.~~

~~18 WITHHOLDING CERTAIN FEDERAL TAXES BY ANTIPOVERTY 19 AGENCIES~~

~~20 SEC. 905. Upon notice from the Secretary of the Treas-
21 ury or his delegate that any person otherwise entitled to
22 receive a payment made pursuant to a grant, contract, agree-
23 ment, loan or other assistance made or entered into under this
24 Act is delinquent in paying or depositing (1) the taxes im-~~

1 ~~posed on such person under chapters 21 and 23 of the~~
 2 ~~Internal Revenue Code of 1954, or (2) the taxes deducted~~
 3 ~~and withheld by such person under chapters 21 and 24 of~~
 4 ~~such Code, the Director shall suspend such portion of such~~
 5 ~~payment due to such person, which, if possible, is sufficient to~~
 6 ~~satisfy such delinquency, and shall not make or enter into any~~
 7 ~~new grant, contract, agreement, loan or other assistance~~
 8 ~~under this Act with such person until the Secretary of the~~
 9 ~~Treasury or his delegate has notified him that such person is~~
 10 ~~no longer delinquent in paying or depositing such tax or the~~
 11 ~~Director determines that adequate provision has been made~~
 12 ~~for such payment. In order to effectuate the purpose of this~~
 13 ~~section on a reasonable basis the Secretary of the Treasury~~
 14 ~~and the Director shall consult on a quarterly basis.~~

15 ~~REPEAL OF ECONOMIC OPPORTUNITY ACT OF 1964~~

16 ~~SEC. 906. (a) The Economic Opportunity Act of 1964,~~
 17 ~~as amended (Public Law 92-424), is hereby repealed.~~

18 ~~(b) The personnel, property, records, and unexpected~~
 19 ~~balances of appropriations, allocations, and other funds em-~~
 20 ~~ployed, used, held, available, or to be made available in con-~~
 21 ~~nection with the functions of the Director of the Office of~~
 22 ~~Economic Opportunity are hereby transferred to the Director~~
 23 ~~of the Administration. All grants, contracts, and other agree-~~
 24 ~~ments awarded or entered into under the authority of the~~
 25 ~~Economic Opportunity Act of 1964, as amended, will be~~

1 ~~recognized under comparable provisions of this Act so that~~
 2 ~~there is no disruption of ongoing activities for which there~~
 3 ~~is continuing authority.~~

4 ~~(c) All official actions taken by the Director of the Office~~
 5 ~~of Economic Opportunity, his designee, or any other person~~
 6 ~~under the authority of the Economic Opportunity Act of~~
 7 ~~1964, as amended, which are in force on the effective date of~~
 8 ~~this Act and for which there is continuing authority under the~~
 9 ~~provisions of this Act, shall continue in full force and effect~~
 10 ~~until modified, superseded, or revoked by the Director.~~

11 ~~(d) All references to the Office of Economic Opportu-~~
 12 ~~nity, or the Director of the Office of Economic Opportunity in~~
 13 ~~any statute, reorganization plan, Executive order, regulation,~~
 14 ~~or other official document or proceeding shall, on and after the~~
 15 ~~effective date of this Act, be deemed to refer to the Admin-~~
 16 ~~istration and the Director thereof.~~

17 ~~(e) No suit, action, or other proceeding, and no cause of~~
 18 ~~action, by or against the agency known as Office of Economic~~
 19 ~~Opportunity, or any action by any officer thereof acting in his~~
 20 ~~official capacity, shall abate by reason of enactment of this~~
 21 ~~Act.~~

22 ~~EFFECTIVE DATE~~

23 ~~SEC. 907. The provisions of this Act shall take effect on~~
 24 ~~the date of the enactment of this Act.~~

1 ~~TITLE X COMMUNITY ECONOMIC~~
2 ~~DEVELOPMENT~~

3 ~~SEC. 1000. This title may be cited as the "Community~~
4 ~~Economic Development Act of 1974."~~

5 ~~CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE~~

6 ~~SEC. 1001. In spite of the fact that a large majority of~~
7 ~~Americans are enjoying the highest standard of living in~~
8 ~~the world, many of our great cities and numerous rural~~
9 ~~communities are characterized by: A contracting or mori-~~
10 ~~bund economic base; substantial and persistent unemploy-~~
11 ~~ment and underemployment; deteriorated housing; insuffi-~~
12 ~~cient or outmoded physical facilities to promote industrial~~
13 ~~and commercial development; and a general lack of the re-~~
14 ~~sources necessary to promote vigorous business planning~~
15 ~~and development by and for the benefit of residents of such~~
16 ~~urban and rural low income areas. For too long, substantial~~
17 ~~numbers of minority group members and low income whites~~
18 ~~for a variety of reasons have been denied access to the~~
19 ~~economic and social mainstream of American life. In order~~
20 ~~to overcome these problems, the Federal Government must~~
21 ~~establish a more expansive program of direct and indirect~~
22 ~~financial assistance which will: (1) Enable communities~~
23 ~~to develop and redevelop the total economic and social~~
24 ~~well being of their communities, (2) provide technical and~~
25 ~~managerial assistance to members of minority groups and~~

1 ~~low income whites, so as to facilitate their entry into new~~
2 ~~businesses and to strengthen and expand existing businesses~~
3 ~~owned by such individuals, and (3) provide direct financial~~
4 ~~assistance to community development corporations and co-~~
5 ~~operatives comprised of residents of urban and rural low~~
6 ~~income areas to enable them to plan for and develop busi-~~
7 ~~nesses, housing, facilities for commercial and industrial~~
8 ~~development, and other social programs. Such programs should~~
9 ~~be operated and directed in such a manner so as to promote~~
10 ~~the achievement of permanent economic and social benefits~~
11 ~~jobs, housing, ownership, and income through the creation~~
12 ~~of employment and business ownership opportunities for those~~
13 ~~members of minority groups, including low income whites,~~
14 ~~who reside in economically depressed urban and rural areas.~~

15 ~~PART A MINORITY BUSINESS ASSISTANCE~~

16 ~~DEFINITIONS~~

17 ~~SEC. 1011. As used in this Act:~~

- 18 ~~(a) "Secretary" means the Secretary of Commerce.~~
19 ~~(b) "Minority business enterprise" means a business~~
20 ~~enterprise that is owned or controlled by one or more so-~~
21 ~~cially or economically disadvantaged persons. Such disad-~~
22 ~~vantage may arise from cultural, racial, chronic economic~~
23 ~~circumstances or background or other similar cause. Such~~
24 ~~persons include, but are not limited to, Negroes, Puerto~~

~~1 Ricans, Spanish speaking Americans, American Indians,~~
~~2 Eskimos, and Aleuts.~~

~~3 (c) "State" means the States of the United States, the~~
~~4 District of Columbia, the Commonwealth of Puerto Rico, and~~
~~5 the territories and possessions of the United States.~~

~~6 TECHNICAL AND MANAGEMENT ASSISTANCE~~

~~7 SEC. 1012. (a) The Secretary may provide financial~~
~~8 assistance, under such terms and conditions as he deems~~
~~9 necessary or appropriate, in the form of grants or grants in~~
~~10 aid to individuals, partnerships, corporations, and other~~
~~11 entities, and to States and their subdivisions and agencies~~
~~12 thereof.~~

~~13 (1) To assist them in developing and carrying out pro-~~
~~14 grams and projects designed to make available management~~
~~15 and technical assistance to minority business enterprise, in-~~
~~16 cluding, but not limited to—~~

~~17 (A) planning and research, including feasibility~~
~~18 studies and market research;~~

~~19 (B) identification and development of new business~~
~~20 opportunities;~~

~~21 (C) furnishing of centralized services with regard to~~
~~22 public services and Government programs; and~~

~~23 (D) furnishing of business counseling, management~~
~~24 training, legal and other related services, with special~~
~~25 emphasis on the development of management training~~

~~1 programs using the resources of the business and aca-~~
~~2 demic communities, including the development of man-~~
~~3 agement training opportunities in existing businesses,~~
~~4 and with emphasis in all cases upon providing manage-~~
~~5 ment training of sufficient scope and duration to develop~~
~~6 entrepreneurial and managerial self-sufficiency on the~~
~~7 part of the individuals served.~~

~~8 (2) To assist in developing community support for~~
~~9 minority business enterprise by—~~

~~10 (A) establishing and strengthening business service~~
~~11 agencies, including trade or professional associations and~~
~~12 cooperatives;~~

~~13 (B) encouraging the placement of contracts and~~
~~14 subcontracts by businesses and other organizations with~~
~~15 minority business enterprises (including the provision of~~
~~16 incentive and assistance to businesses and other orga-~~
~~17 nizations so that they will aid in the training and up-~~
~~18 grading of potential and existing minority business~~
~~19 entrepreneurs);~~

~~20 (C) furnishing economic feasibility information, and~~
~~21 other services to financial organizations in connection~~
~~22 with applications for financial assistance to a particular~~
~~23 proposed minority business enterprise and in connection~~
~~24 with the planning and initiation of such enterprises;~~

1 ~~(D) paying all or part of the costs, including but~~
 2 ~~not limited to tuition, of the participation of socially or~~
 3 ~~economically disadvantaged persons in courses and train-~~
 4 ~~ing programs for the development of skills relating to any~~
 5 ~~aspect of business management; and~~

6 ~~(E) conducting pilot or demonstration projects~~
 7 ~~designed to overcome the special problems of minority~~
 8 ~~business enterprises or otherwise to further the purposes~~
 9 ~~of this title.~~

10 ~~(b) The Secretary is authorized to grant 100 per~~
 11 ~~centum of the total program or project cost of grants author-~~
 12 ~~ized pursuant to subsection (a) of this section. In addition,~~
 13 ~~advance payments may be made on all authorized grants~~
 14 ~~whenever the Secretary in his discretion so determines.~~

15 ~~PART B COMMUNITY ECONOMIC DEVELOPMENT~~

16 ~~CONGRESSIONAL STATEMENT OF PURPOSE~~

17 ~~SEC. 1021. The purpose of this title is to encourage the~~
 18 ~~development of special programs by which the residents of~~
 19 ~~urban and rural low-income areas may, through self-help~~
 20 ~~and mobilization of the community at large, with appro-~~
 21 ~~priate Federal assistance, improve the quality of their eco-~~
 22 ~~nomie and social participation in community life in such a~~
 23 ~~way as to contribute to the elimination of poverty and the~~
 24 ~~establishment of permanent economic and social benefits.~~

1 ~~STATEMENT OF PURPOSE~~

2 ~~SEC. 1022. The purpose of this part is to establish special~~
 3 ~~programs of assistance to private locally initiated commu-~~
 4 ~~nity corporations including cooperatives, or organizations~~
 5 ~~conducting activities which (1) are directed to the solution~~
 6 ~~of the critical problems existing in particular communities~~
 7 ~~or neighborhoods (defined without regard to political or~~
 8 ~~other subdivisions or boundaries) within those urban and~~
 9 ~~rural areas having concentrations or substantial numbers of~~
 10 ~~low-income persons; (2) are of sufficient size, scope, and~~
 11 ~~duration to have an appreciable impact in such communi-~~
 12 ~~ties, neighborhoods, and rural areas in arresting tendencies~~
 13 ~~toward dependency, chronic unemployment, and community~~
 14 ~~deterioration; and (3) hold forth the prospect of continu-~~
 15 ~~ing to have such impact after the termination of financial~~
 16 ~~assistance under this title.~~

17 ~~ESTABLISHMENT OF PROGRAMS FINANCIAL ASSISTANCE;~~

18 ~~NUMERICAL RESTRICTION OF PROGRAMS; SCOPE OF~~

19 ~~PROGRAMS~~

20 ~~SEC. 1023. (a) The Secretary is authorized to provide~~
 21 ~~financial assistance to community development corporations~~
 22 ~~and to cooperatives for the payment of all or part of the costs~~
 23 ~~of programs which are designed to carry out the purposes of~~
 24 ~~this part. Such programs shall be restricted in number so~~

1 ~~that each is of sufficient size, scope, and duration to have~~
 2 ~~an appreciable impact on the area served. Such programs~~
 3 ~~may include—~~

4 ~~(1) economic and business development programs,~~
 5 ~~including programs which provide financial and other~~
 6 ~~assistance (including equity capital) to start, expand,~~
 7 ~~or locate businesses in or near the area served so as to~~
 8 ~~provide employment and ownership opportunities for~~
 9 ~~residents of such areas, and programs including those~~
 10 ~~described in title IV of the Economic Opportunity Act~~
 11 ~~of 1964, as amended (42 U.S.C. 2901-2907), for small~~
 12 ~~businesses in or owned by residents of such areas;~~

13 ~~(2) community development and housing activities~~
 14 ~~which create new training, employment, and ownership~~
 15 ~~opportunities and which contribute to an improved living~~
 16 ~~environment; and~~

17 ~~(3) training and public service employment pro-~~
 18 ~~grams and related services for unemployed or low in-~~
 19 ~~come persons which support and complement community~~
 20 ~~development programs financed under this Act includ-~~
 21 ~~ing, without limitation, activities such as those described~~
 22 ~~in the Comprehensive Employment and Training Act of~~
 23 ~~1973 (Public Law 93-203).~~

24 ~~(b) The Secretary shall conduct programs assisted un-~~
 25 ~~der this part so as to contribute, on an equitable basis be-~~

1 ~~between urban and rural areas, to the elimination of poverty~~
 2 ~~and the establishment of permanent economic and social~~
 3 ~~benefits in such areas.~~

4 ~~FINANCIAL ASSISTANCE REQUIREMENTS REGULATIONS;~~
 5 ~~CONDITIONS~~

6 ~~SEC. 1024. (a) The Secretary, under such regulations~~
 7 ~~as he may establish, shall not provide financial assistance for~~
 8 ~~any program or component project under this part unless he~~
 9 ~~determines that—~~

10 ~~(1) such community development corporation is~~
 11 ~~responsible to residents of the area served (a) through~~
 12 ~~a governing body not less than 50 per centum of the~~
 13 ~~members of which are area residents and (b) in ac-~~
 14 ~~cordance with such other guidelines as may be estab-~~
 15 ~~lished by the Secretary: Provided, however, That~~
 16 ~~the composition of the governing bodies of organizations~~
 17 ~~owned or controlled by the community development cor-~~
 18 ~~poration need not be subject to such residency require-~~
 19 ~~ment;~~

20 ~~(2) all projects and related facilities will, to the~~
 21 ~~maximum feasible extent, be located in the areas~~
 22 ~~served;~~

23 ~~(3) projects will, where feasible, promote the de-~~
 24 ~~velopment of entrepreneurial and management skills and~~
 25 ~~the ownership or participation in ownership of assisted~~

~~businesses and housing, cooperatively or otherwise, by residents of the area served;~~

~~(4) projects will be planned and carried out with the participation of local businessmen and financial institutions and organizations by their inclusion on program boards of directors, advisory councils, or through other appropriate means;~~

~~(5) the program will be appropriately coordinated with local planning under this chapter, the Demonstration Cities Metropolitan Development Act of 1966, and with other relevant planning for physical and human resources of the areas served;~~

~~(6) no participant will be employed on projects involving political parties, or the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;~~

~~(7) the program will not result in the displacement of employed workers or impair existing contracts for services, or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;~~

~~(8) the rates of pay for time spent in work training and education, and other conditions of employment, will be appropriate and reasonable in the light of such fac-~~

~~tors as the type of work, geographical region, and proficiency of the participant;~~

~~(9) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;~~

~~(10) preference will be given to low income or economically disadvantaged residents of the areas served in filling jobs and training opportunities; and~~

~~(11) training programs carried out in connection with projects financed under this part shall be designed wherever feasible to provide those persons who successfully complete such training with skills which are also in demand in communities, neighborhoods, or rural areas other than those for which programs are established under this part.~~

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

~~Diminished assistance restriction~~

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

~~1 APPLICATIONS OF OTHER FEDERAL RESOURCES SMALL~~
~~2 BUSINESS ADMINISTRATION PROGRAMS~~

~~3 SEC. 1025. (a) (1) Funds granted under this part which~~
~~4 are invested, directly or indirectly, in a small business in-~~
~~5 vestment company or a local development company, shall~~
~~6 be included as "private paid-in capital and paid-in surplus,"~~
~~7 "combined paid-in capital and paid-in surplus," and "paid-in~~
~~8 capital" for purposes of sections 682, 683, and 696, respec-~~
~~9 tively.~~

~~10 (2) Within ninety days of the enactment of this Act,~~
~~11 the Administrator of the Small Business Administration,~~
~~12 after consultation with the Secretary, shall prescribe such~~
~~13 regulations as may be necessary and appropriate to insure the~~
~~14 availability to community development corporations of such~~
~~15 programs as shall further the purposes of this part.~~

~~16 Economic Development Administration Programs~~

~~17 (b) (1) Areas selected for assistance under this title~~
~~18 shall be deemed "redevelopment areas" within the meaning~~
~~19 of section 401 of the Public Works and Economic Develop-~~
~~20 ment Act of 1965, shall qualify for assistance under the~~
~~21 provisions of title I and title II of that Act, and shall be~~
~~22 deemed to have met the overall economic development pro-~~
~~23 gram requirements of section 1022 (b) (10) of such Act.~~

~~24 (2) Within ninety days of the enactment of this Act~~
~~25 the Secretary shall prescribe regulations which will insure~~

~~1 that community development corporations and cooperatives~~
~~2 shall qualify for assistance and shall be eligible to receive~~
~~3 such assistance under all such programs of the Economic~~
~~4 Development Administration as shall further the purposes of~~
~~5 this Act.~~

~~6 (c) The Secretary of Housing and Urban Development,~~
~~7 after consultation with the Secretary, shall take all necessary~~
~~8 steps (1) to assure that community development corpora-~~
~~9 tions assisted under this part or their subsidiaries shall~~
~~10 qualify as sponsors under section 106 of the Housing and~~
~~11 Urban Development Act of 1968, and sections 221, 235, and~~
~~12 236 of the National Housing Act of 1949 or any successor~~
~~13 legislation; (2) to assure that land for housing and business~~
~~14 location and expansion is made available under title I of the~~
~~15 Housing Act of 1949 or any successor legislation as may be~~
~~16 necessary to carry out the purposes of this part; and (3) to~~
~~17 assure that funds are available under section 701 (b) of the~~
~~18 Housing Act of 1954 or any successor legislation to com-~~
~~19 munity development corporations assisted under this title.~~

~~20 (d) The Secretary of the United States Department of~~
~~21 Agriculture or, where appropriate, the Administrator of the~~
~~22 Farmers Home Administration, after consultation with the~~
~~23 Secretary shall take all necessary steps to insure that com-~~
~~24 munity development corporations and local cooperative as-~~

1 ~~sociations shall qualify for (1) such assistance in connection~~
 2 ~~with housing development under the Housing Act of 1949.~~
 3 ~~or any superseding legislation, (2) such assistance in con-~~
 4 ~~nection with housing, business, industrial, and community~~
 5 ~~development under the Consolidated Farmers Home Ad-~~
 6 ~~ministration Act of 1961 and the Rural Development Act of~~
 7 ~~1972, or any superseding legislation, and (3) such further~~
 8 ~~assistance under all such programs of the United States~~
 9 ~~Department of Agriculture, as shall further the purposes of~~
 10 ~~this title.~~

11 ~~(e) Any funds approved as a grant to a community~~
 12 ~~development corporation or a local cooperative association~~
 13 ~~pursuant to the provisions of this title, and any assets or~~
 14 ~~services acquired with such funds, shall be deemed non-~~
 15 ~~Federal for the purpose of any programs referred to in~~
 16 ~~this title which may require a non-Federal contribution.~~

17 ~~Coordination and Cooperation~~

18 ~~(f) The Secretary shall take such steps as may be~~
 19 ~~necessary and appropriate, in coordination and cooperation~~
 20 ~~with the heads of other Federal departments and agencies,~~
 21 ~~so that contracts, subcontracts, and deposits made by the~~
 22 ~~Federal Government or in connection with programs aided~~
 23 ~~with Federal funds are placed in such a way as to further~~
 24 ~~the purposes of this part.~~

1 ~~Reporting on Other Federal Resources~~

2 ~~(g) On or before six months after the enactment of this~~
 3 ~~Act, and annually thereafter, the Secretary shall submit to~~
 4 ~~the Congress a detailed report setting forth a description of~~
 5 ~~all Federal agency programs which he finds relevant to~~
 6 ~~achieving the purposes of this part and the extent to which~~
 7 ~~such programs have been made available to community devel-~~
 8 ~~opment corporations receiving financial assistance under this~~
 9 ~~part including specifically the availability and effectiveness of~~
 10 ~~programs referred to in subsections (a), (b), and (c) of~~
 11 ~~this section. Where appropriate, the report required under~~
 12 ~~this subsection also shall contain recommendations for the~~
 13 ~~more effective utilization of Federal agency programs for~~
 14 ~~carrying out the purposes of this part.~~

15 ~~FEDERAL SHARE OF PROGRAMS COSTS~~

16 ~~SEC. 1026. Federal grants to any program carried out~~
 17 ~~pursuant to this part, including grants used by community~~
 18 ~~development corporations for capital investments, shall (1)~~
 19 ~~not exceed 90 per centum of the cost of such program includ-~~
 20 ~~ing costs of administration unless the Secretary determines~~
 21 ~~that assistance in excess of such percentage is required in~~
 22 ~~furtherance of the purposes of this part, and (2) be made~~
 23 ~~available for deposit to the grantee, under conditions which~~
 24 ~~the Secretary deems appropriate, within thirty days follow-~~
 25 ~~ing approval by the Secretary and the local community de-~~

~~1 development corporation of the grant agreement. Non Federal~~
~~2 contributions may be in cash or in kind, fairly evaluated,~~
~~3 including but not limited to plant, equipment, and services.~~
~~4 Capital investments made with funds granted as a result of~~
~~5 the Federal share of the costs of programs carried out under~~
~~6 this part, and the proceeds from such capital investments,~~
~~7 shall not be considered Federal property.~~

~~8 Subpart B Rural Programs~~

~~9 CONGRESSIONAL STATEMENT OF PURPOSE~~

~~10 SEC. 1027. It is the purpose of this part to meet the~~
~~11 special economic needs of rural communities or areas with~~
~~12 concentrations or substantial numbers of low income persons~~
~~13 by providing support to self-help programs which promote~~
~~14 economic development and independence, as a supplement~~
~~15 to existing similar programs conducted by other depart-~~
~~16 ments and agencies of the Federal Government. Such pro-~~
~~17 grams should encourage low income families to pool their~~
~~18 talents and resources so as to create and expand rural eco-~~
~~19 nomic enterprise.~~

~~20 FINANCIAL ASSISTANCE LOW INCOME RURAL FAMILIES;~~

~~21 AMOUNT~~

~~22 SEC. 1028. (a) The Secretary is authorized to provide~~
~~23 financial assistance, including loans having a maximum ma-~~
~~24 turity of fifteen years and in amounts not resulting in an~~
~~25 aggregate principal indebtedness of more than \$2,500 at~~

~~1 any one time, to any low income rural family where, in the~~
~~2 judgment of the Secretary, such financial assistance has a~~
~~3 reasonable possibility of effecting a permanent increase in~~
~~4 the income of such families, or will contribute to the im-~~
~~5 provement of their living or housing conditions, by assisting~~
~~6 or permitting them to—~~

~~7 (1) acquire or improve real estate or reduce en-~~
~~8 cumbrances or erect improvements thereon;~~

~~9 (2) operate or improve the operation of farms not~~
~~10 larger than family sized, including, but not limited to,~~
~~11 the purchase of feed, seed, fertilizer, livestock, poultry,~~
~~12 and equipment; or~~

~~13 (3) participate in cooperative associations, or to~~
~~14 finance nonagricultural enterprises which will enable~~
~~15 such families to supplement their income.—~~

~~16 (b) The Secretary is authorized to provide financial~~
~~17 assistance to local cooperative associations in rural areas~~
~~18 containing concentrations or substantial numbers of low-~~
~~19 income persons for the purpose of defraying all or part of the~~
~~20 costs of establishing and operating cooperative programs for~~
~~21 farming, purchasing, marketing, processing, and to improve~~
~~22 their income as producers and their purchasing power as~~
~~23 consumers, and to provide such essentials as credit and health~~
~~24 services. Costs which may be defrayed shall include but not~~
~~25 be limited to—~~

- ~~(1) administrative costs of staff and overhead;~~
- ~~(2) costs of planning and developing new enterprises;~~
- ~~(3) costs of acquiring technical assistance; and~~
- ~~(4) initial capital where it is determined by the Secretary that the poverty of the families participating in the program and the social conditions of the rural area require such assistance.~~

~~LIMITATIONS ON ASSISTANCE~~

~~SEC. 1029. (a) No financial assistance shall be provided under this part unless the Secretary determines that~~

- ~~(1) any cooperative association receiving assistance has a minimum of fifteen active members, a majority of which are low-income rural persons;~~
- ~~(2) adequate technical assistance is made available and committed to the programs being supported;~~
- ~~(3) such financial assistance will materially further the purposes of this part; and~~
- ~~(4) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met.~~

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

~~SUBPART C SUPPORT PROGRAMS~~

~~TRAINING AND TECHNICAL ASSISTANCE~~

~~SEC. 1030. (a) The Secretary shall provide directly or through grants, contracts, or other arrangements such technical assistance and training of personnel as may be required to effectively implement the purposes of this subchapter. No financial assistance shall be provided to any public or private organization under this section unless the Secretary provides the beneficiaries of these services with opportunity to participate in the selection of and to review the quality and utility of the services furnished them by such organization.~~

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

~~(c) Training for employees of community development corporations and for employees and members of urban and rural cooperatives shall include, but not be limited to, on-the-job training, classroom instruction, and scholarships to assist them in development, managerial, entrepreneurial, planning, and other technical and organizational skills which~~

1 ~~will contribute to the effectiveness of programs assisted under~~
2 ~~this subchapter.~~

3 ~~DEVELOPMENT LOAN FUND AUTHORIZATION OF LOANS,~~
4 ~~GUARANTEES, OR OTHER FINANCIAL ASSISTANCE; ELI-~~
5 ~~GIBLE PERSONS; CONDITIONS; INTEREST RATE; RE-~~
6 ~~PAYMENT PERIOD~~

7 ~~SEC. 1031. (a) The Secretary is authorized to make or~~
8 ~~guarantee loans (either directly or in cooperation with banks~~
9 ~~or other organizations through agreements to participate on~~
10 ~~an immediate or deferred basis) to community development~~
11 ~~corporations and to cooperatives eligible for financial assist-~~
12 ~~ance under section 203 of this title, to families under section~~
13 ~~208 (a) of this title, and to local cooperatives eligible for~~
14 ~~financial assistance under section 208 (b) of this title, for~~
15 ~~business, housing, and community development projects who~~
16 ~~the Secretary determines will carry out the purposes of this~~
17 ~~subchapter. No loans, guarantees, or other financial assist-~~
18 ~~ance shall be provided under this section unless the Secretary~~
19 ~~determines that~~

20 ~~(1) there is reasonable assurance of repayment of~~
21 ~~the loan;~~

22 ~~(2) a loan is not otherwise available on reason-~~
23 ~~able terms from private sources or other Federal, State,~~
24 ~~or local programs; and~~

25 ~~(3) the amount of the loan, together with other~~

1 ~~funds available, is adequate to assure completion of the~~
2 ~~project or achievement of the purposes for which the~~
3 ~~loan is made.~~

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

18 ~~(b) The Secretary is authorized to adjust interest rates,~~
19 ~~grant moratoriums on repayment of principal and interest,~~
20 ~~collect or compromise any obligations held by him, and to~~
21 ~~take such other actions in respect to such loans as he shall~~
22 ~~determine to be necessary or appropriate, consistent with the~~
23 ~~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 Secretary out of funds made available from appropriations~~
~~10 for the purposes of carrying out this subchapter.~~

~~11 (3) The Community Development Loan Fund shall~~
~~12 consist of such amounts as may be deposited in such fund by~~
~~13 the Secretary out of funds made available from appropriations~~
~~14 for the purpose of carrying out this subchapter. The Secretary~~
~~15 may make deposits in the Community Development Loan~~
~~16 Fund in any fiscal year in which he has made available for~~
~~17 grants to community development corporations under part A~~
~~18 of this title not less than \$60,000,000 out of funds made~~
~~19 available from appropriations for the purpose of carrying~~
~~20 out this title.~~

~~21 EVALUATION AND RESEARCH; REPORT TO CONGRESS~~

~~22 SEC. 1032. (a) Each program for which grants are~~
~~23 made under this title shall provide for a thorough evaluation~~
~~24 of the effectiveness of the program in achieving its purposes,~~

~~1 which evaluation shall be conducted by such public or private~~
~~2 organizations as the Secretary may designate, and all or part~~
~~3 of the costs of evaluation may be paid from funds appro-~~
~~4 priated to carry out this part. In evaluating the performance~~
~~5 of any community development corporation funded under~~
~~6 part A of this title, the criteria for evaluation shall be based~~
~~7 upon such program objectives, goals, and priorities as are~~
~~8 consistent with the purposes of this Act and as were set~~
~~9 forth by such community development corporation in its pro-~~
~~10 posal for funding as approved and agreed upon by the Sec-~~
~~11 retary or as subsequently modified from time to time by~~
~~12 mutual agreement between the Secretary and such com-~~
~~13 munity development corporation.~~

~~14 (b) The Secretary shall conduct, either directly or~~
~~15 through grants or other arrangements, research designed to~~
~~16 suggest new programs and policies to achieve the purposes of~~
~~17 this title in such ways as to provide opportunities for em-~~
~~18 ployment, ownership, and a better quality of life for low-~~
~~19 income residents. The Secretary shall particularly investigate~~
~~20 the feasibility and most appropriate manner of establishing~~
~~21 development banks and similar institutions and shall report~~
~~22 to the Congress on his research findings and recommendations~~
~~23 not later than ninety days after enactment of this Act.~~

~~PART C ADMINISTRATION~~

~~APPOINTMENT OF ASSISTANT SECRETARY OF COMMERCE~~

~~SEC. 1041. The Secretary shall administer this Act with the assistance of an Assistant Secretary of Commerce. The Assistant Secretary created by this section shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule. Such Assistant Secretary shall perform such functions under this Act as the Secretary shall prescribe.~~

~~TRANSFER OF PERSONNEL~~

~~SEC. 1042. Personnel engaged in administering title VII of the Economic Opportunity Act of 1964, as amended, and related economic development programs shall be transferred to the Department of Commerce in accordance with applicable laws and regulations.~~

~~REGULATIONS~~

~~SEC. 1043. The Secretary is authorized to issue such regulations to implement the purposes of this Act as he deems necessary and appropriate. Such regulations shall be promulgated in accordance with the notice and comment requirements of subsections (b), (c), (d), and (e) of section 553 of title 5 of the United States Code.~~

~~APPEALS, NOTICE AND HEARINGS~~

~~SEC. 1044. The Secretary shall prescribe procedures to assure that community development corporations or cooperatives have been afforded reasonable notice and opportunity for a full and fair hearing in the event that financial assistance to them under title II of this Act is suspended or terminated for failure to comply with applicable terms and conditions, or in the event that an application for refunding is denied.~~

~~RECORDS AND AUDIT~~

~~SEC. 1045. (a) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.~~

~~(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, upon reasonable notice to the recipient, have access for the purpose of audit and examination to any books, docu-~~

1 ~~ments, papers, and records of the recipient that are pertinent~~
2 ~~to assistance received under this Act.~~

3 ~~CONGRESSIONAL REVIEW~~

4 ~~SEC. 1046. (a) The Senate Committee on Labor and~~
5 ~~Public Welfare and the House Committee on Education and~~
6 ~~Labor shall conduct a joint study which shall include—~~

7 ~~(1) a consideration of an appropriate administra-~~
8 ~~tive agency for the conduct of programs after July 1,~~
9 ~~1975, under this title.~~

10 ~~(2) review the extent to which programs and ac-~~
11 ~~tivities conducted under this Act meet the overall need~~
12 ~~in the Nation for community economic development~~
13 ~~programs and the resources available from public and~~
14 ~~private funds in meeting those needs.~~

15 ~~(b) The Senate Committee on Labor and Public Wel-~~
16 ~~fare and the House Committee on Education and Labor~~
17 ~~shall report on their findings, together with any recom-~~
18 ~~mendations for further legislation, not later than one year~~
19 ~~after enactment of this Act.~~

20 ~~PART D MISCELLANEOUS~~

21 ~~AUTHORIZATION OF APPROPRIATIONS~~

22 ~~SEC. 1056. (a) For the purpose of carrying out title I~~
23 ~~of this Act, there are hereby authorized such sums as may be~~
24 ~~necessary for the fiscal years ending June 30, 1974, 1975,~~
25 ~~1976, and 1977.~~

1 ~~(b) For the purpose of carrying out title II of this Act,~~
2 ~~there are hereby authorized such sums as may be necessary~~
3 ~~for the fiscal years ending June 30, 1975, 1976, and 1977.~~

4 ~~AMENDMENTS TO OTHER ACTS~~

5 ~~SEC. 1056. (a) Title VII and section 741 of the Eco-~~
6 ~~nomie Opportunity Act are repealed.~~

7 ~~(b) Section 3(c)(1) of the Economic Opportunity~~
8 ~~Amendments of 1972 is amended by striking "VII,".~~
9 ~~That this Act may be cited as the "Community Services Act~~
10 ~~of 1974".~~

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STATEMENT OF PURPOSE

SEC. 2. (a) This Act provides for community service programs, together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this Act is, first of all, to establish within the Department of Health, Education, and Welfare the Community Action Administration (hereinafter referred to as the "Administration"). Second, the purpose is to eliminate the poverty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of these policies.

(b) It is the sense of the Congress that it is highly desirable to employ the resources of the private sector of the economy of the United States and of State and local governments in all such efforts to further the policy of this Act.

TITLE I—URBAN AND RURAL COMMUNITY

ACTION PROGRAMS

STATEMENT OF PURPOSE

SEC. 101. (a) This part provides for community action agencies and programs, prescribes the structure and describes the functions of community action agencies and authorizes financial assistance to community action programs and related projects and activities. Its basic purpose is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient. Its specific purposes are to promote, as methods of achieving a better focusing of resources on the goal of individual and family self-sufficiency—

(1) the strengthening of community capabilities for planning and coordinating Federal, State, and other assistance related to the elimination of poverty, so that this assistance, through the efforts of local officials, organizations, and interested and affected citizens, can be made more responsive to local needs and conditions;

(2) the better organization of a range of services

1 related to the needs of the poor, so that these services may
2 be made more effective and efficient in helping families
3 and individuals to overcome particular problems in a way
4 that takes account of, and supports their progress in over-
5 coming, related problems;

6 (3) the greater use, subject to adequate evaluation,
7 of new types of services and innovative approaches in
8 attacking causes of poverty, so as to develop increasingly
9 effective methods of employing available resources;

10 (4) the development and implementation of all
11 programs and projects designed to serve the poor or low-
12 income areas with the maximum feasible participation
13 of residents of the areas and members of the groups
14 served, so as to best stimulate and take full advantage
15 of capabilities for self-advancement and assure that those
16 programs and projects are otherwise meaningful to and
17 widely utilized by their intended beneficiaries; and

18 (5) the broadening of the resource base of programs
19 directed to the elimination of poverty, so as to secure, in
20 addition to the services and assistance of public officials,
21 private religious, charitable, and neighborhood organiza-
22 tions, and individual citizens, a more active role for busi-
23 ness, labor, and professional groups able to provide em-
24 ployment opportunities or otherwise influence the quan-
25 tity and quality of services of concern to the poor.

1 (b) It is further declared to be the purpose of this part
2 and the policy of the Administration to provide for basic
3 education, health care, vocational training, and employment
4 opportunities in rural America to enable the poor living in
5 rural areas to remain in such areas and become self-sufficient
6 therein. It shall not be the purpose of this title or the policy
7 of the Administration to encourage the rural poor to migrate
8 to urban areas, inasmuch as it is the finding of Congress that
9 continuation of such migration is frequently not in the best
10 interests of the poor and tends to further congest the already
11 overcrowded slums and ghettos of our Nation's cities.

12 PART A—COMMUNITY ACTION AGENCIES AND PROGRAMS

13 DESIGNATION OF COMMUNITY ACTION AGENCIES:

14 COMMUNITY ACTION PROGRAMS

15 SEC. 111. (a) A community action agency shall be a
16 State or political subdivision of a State (having elected or
17 duly appointed governing officials), or a combination of such
18 political subdivisions, or a public or private nonprofit agency
19 or organization which has been designated by a State or such
20 a political subdivision or combination of such subdivisions,
21 which—

22 (1) has the power and authority and will perform
23 the functions set forth in section 113, including the power
24 to enter into contracts with public and private nonprofit

1 agencies and organizations to assist in fulfilling the pur-
2 poses of this title, and

3 (2) is determined to be capable of planning, con-
4 ducting, administering, and evaluating a community
5 action program and is currently designated as a com-
6 munity action agency by the Director.

7 A community action program is a community based and
8 operated program—

9 (1) which includes or is designed to include a
10 sufficient number of projects or components to provide,
11 in sum, a range of services and activities having a meas-
12 urable and potentially major impact on causes of poverty
13 in the community or those areas of the community
14 where poverty is a particularly acute problem;

15 (2) which has been developed and which orga-
16 nizes and combines its component projects and activities,
17 in a manner appropriate to carry out all the purposes
18 of this part; and

19 (3) which conforms to such other supplementary
20 criteria as the Director may prescribe consistent with
21 the purposes and provisions of this title.

22 (b) Components of a community action program may
23 be administered by the community action agency, where
24 consistent with sound and efficient management and appli-

1 cable law, or by other agencies. They may be projects eligi-
2 ble for assistance under this part, or projects assisted from
3 other public or private sources; and they may be either
4 specially designed to meet local needs, or designed pursuant
5 to the eligibility standards of a State or Federal program
6 providing assistance to a particular kind of activity which
7 will help in meeting those needs.

8 (c) For the purpose of this title, a community may be
9 a city, county, multicity, or multicounty unit, an Indian
10 reservation, or a neighborhood or other area (irrespective
11 of boundaries or political subdivisions) which provides a
12 suitable organizational base and possesses the commonality
13 of interest needed for a community action program. The Di-
14 rector shall consult with the heads of other Federal agencies
15 responsible for programs relating to work and training pro-
16 grams, physical and economic development housing, educa-
17 tion, health, and other community services to encourage the
18 establishment of coterminous or complementary boundaries
19 for planning purposes among those programs and community
20 action programs assisted under this title.

21 (d) The Director may designate and provide financial
22 assistance to a public or private nonprofit agency as a com-
23 munity action agency in lieu of a community action agency
24 designated under subsection (a) for activities of the kind

1 described in this part where he determines (1) that the
 2 community action agency serving the community has failed,
 3 after having a reasonable opportunity to do so, to submit a
 4 satisfactory plan for a community action program which
 5 meets the criteria for approval set forth in this title, or to
 6 carry out such plan in a satisfactory manner, or (2) that
 7 neither the State nor any qualified political subdivision or
 8 combination of such subdivisions is willing to be designated
 9 as the community action agency for such community or to
 10 designate a public or private nonprofit agency or organiza-
 11 tion to be so designated by the Director.

12 (e) No political subdivision of a State shall be included
 13 in the community action program of a community action
 14 agency designated under subsection (a) if the elected or duly
 15 appointed governing officials of such political subdivision do
 16 not wish to be so included. Such political subdivision, and
 17 any public or private nonprofit organization or agency desig-
 18 nated by it, shall be eligible for designation as a community
 19 action agency on the same basis as other political subdivisions
 20 and their designees.

21 (f) For the purposes of this title, a tribal government of
 22 an Indian reservation shall be deemed to be a political sub-
 23 division of a State.

24 (g) In carrying out his responsibilities under this part
 25 the Director may delegate to a State, in accordance with

1 criteria and guidelines established by him, such functions as
 2 he deems appropriate, except that no such delegation shall
 3 take place unless all the community action agencies within
 4 such State formally indicate their approval of such proposed
 5 delegation.

6 COMMUNITY ACTION AGENCIES AND BOARDS

7 SEC. 112. (a) Each community action agency which is
 8 a State or a political subdivision of a State, or a combination
 9 of political subdivisions, shall administer its program through
 10 a community action board which shall meet the requirements
 11 of subsection (b). Each community action agency which is
 12 a public or private nonprofit agency or organization desig-
 13 nated by a State or political subdivision of a State, or combi-
 14 nation of political subdivisions, or is an agency designated by
 15 the Director under section 111(d), shall have a governing
 16 board which shall meet the requirements of subsection (b).

17 (b) Each board to which this subsection applies shall
 18 consist of not more than fifty-one members and shall be so
 19 constituted that (1) one-third of the members of the board are
 20 elected public officials, or their representatives, except that if
 21 the number of elected officials reasonably available and will-
 22 ing to serve is less than one-third of the membership of the
 23 board, membership on the board of appointive public officials
 24 may be counted in meeting such one-third requirement, (2) at
 25 least one-third of the members are persons chosen in accord-

1 *ance with democratic selection procedures adequate to assure*
 2 *that they are representative of the poor in the area served,*
 3 *and (3) the remainder of the members are officials or mem-*
 4 *bers of business, industry, labor, religious, welfare, education,*
 5 *or other major groups and interests in the community. Each*
 6 *member of the board selected to represented a specific geo-*
 7 *graphic area within a community must reside in the area he*
 8 *represents. No person selected under clause (2) or (3) of*
 9 *this subsection as a member of a board shall serve on such*
 10 *board for more than five consecutive years, or more than*
 11 *a total of ten years.*

12 *(c) Where a community action agency places re-*
 13 *sponsibility for major policy determinations with respect*
 14 *to the character, funding, extent, and administration of and*
 15 *budgeting for programs to be carried on in a particular geo-*
 16 *graphic area within the community in a subsidiary board,*
 17 *council, or similar agency, such board, council, or agency*
 18 *shall be broadly representative of such area, subject to regu-*
 19 *lations of the Director which assure adequate opportunity for*
 20 *membership of elected public officials on such board, coun-*
 21 *cil, or agency. Each community action agency shall be en-*
 22 *couraged to make use of neighborhood-based organizations*
 23 *composed of residents of the area or members of the groups*
 24 *served to assist such agency in the planning, conduct, and*
 25 *evaluation of components of the community action program.*

1 *(d)(1) The Director shall promulgate such standards*
 2 *or rules relating to the scheduling and notice of meetings,*
 3 *quorums (which shall be not less than 50 per centum of*
 4 *the total membership), procedures, establishment of commit-*
 5 *tees, and similar matters as he may deem necessary to assure*
 6 *that boards which are subject to subsection (b) provide a*
 7 *continuing and effective mechanism for securing broad,*
 8 *community involvement in programs assisted under this*
 9 *title and that all groups or elements represented on those*
 10 *boards have a full and fair opportunity to participate in deci-*
 11 *sions affecting those programs. Such standards or rules*
 12 *shall not preclude any such board from appointing an execu-*
 13 *tive committee or similar group, which fairly reflects the*
 14 *composition of the board, to transact the board's business*
 15 *between its meetings. The quorum requirements for any such*
 16 *committee or group, which shall not be less than 50 per-*
 17 *cent of the membership, shall be established by the board.*

18 *(2) The Director shall require community action agen-*
 19 *cies to establish procedures under which community agen-*
 20 *cies and representative groups of the poor which feel them-*
 21 *selves inadequately represented on the community action*
 22 *board or governing board may petition for adequate repre-*
 23 *sentation.*

24 *(e) The powers of every community action agency*
 25 *governing board shall include the power to appoint persons*

1 to senior staff positions, to determine major personnel, fiscal,
2 and program policies, to approve overall program plans
3 and priorities, and to assure compliance with conditions of
4 and approve proposals for financial assistance under this part.

5 (f) Each community action board referred to in the
6 first sentence of subsection (a) shall—

7 (1) have a full opportunity to participate in the de-
8 velopment and implementation of all programs and proj-
9 ects designed to serve the poor or low-income areas with
10 maximum feasible participation of residents of the areas
11 and members of the groups served, so as to best stimulate
12 and take full advantage of capabilities for self-advance-
13 ment and assure that those programs and projects are
14 otherwise meaningful to and widely utilized by their
15 intended beneficiaries;

16 (2) have at least one-third of its members chosen in
17 accordance with democratic selection procedures adequate
18 to assure that they are representative of the poor in the
19 area served;

20 (3) be so established and organized that the poor and
21 residents of the area concerned will be enabled to influence
22 the character of programs affecting their interests and
23 regularly participate in the planning and implementation
24 of those programs; and

25 (4) be a continuing and effective mechanism for

1 securing broad community involvement in the programs
2 assisted under this title.

3 (g) The Director shall insure that no election or other
4 democratic selection procedure conducted pursuant to clause
5 (2) of subsection (b), or pursuant to clause (2) of subsec-
6 tion (f), shall be held on a Sabbath Day which is observed as
7 a day of rest and worship by residents in the area served.

8 SPECIFIC POWERS AND FUNCTIONS OF COMMUNITY ACTION

9 AGENCIES

10 SEC. 113. (a) In order to carry out its overall respon-
11 sibility for planning, coordinating, evaluating, and adminis-
12 tering a community action program, a community action
13 agency must have authority under its charter or applicable
14 law to receive and administer funds under this part, funds
15 and contributions from private or local public sources which
16 may be used in support of a community action program, and
17 funds under any Federal or State assistance program pur-
18 suant to which a public or private nonprofit agency (as the
19 case may be) organized in accordance with this title could act
20 as grantee, contractor, or sponsor of projects appropriate for
21 inclusion in a community action program. A community
22 action agency must also be empowered to transfer funds so
23 received, and to delegate powers to other agencies, subject to
24 the powers of its governing board and its overall program re-
25 sponsibilities. This power to transfer funds and delegate

1 powers must include the power to make transfers and delega-
 2 tions covering component projects in all cases where this will
 3 contribute to efficiency and effectiveness or otherwise further
 4 program objectives.

5 (b) In exercising its powers and carrying out its overall
 6 responsibility for a community action program, a community
 7 action agency shall have, subject to the purposes of this title,
 8 at least the following functions:

9 (1) Planning systematically for and evaluating the
 10 program, including actions to develop information as to
 11 the problems and causes of poverty in the community,
 12 determine how much and how effectively assistance is
 13 being provided to deal with those problems and causes,
 14 and establish priorities among projects, activities and
 15 areas as needed for the best and most efficient use of
 16 resources.

17 (2) Encouraging agencies engaged in activities re-
 18 lated to the community action program to plan for, se-
 19 cure and administer assistance available under this part
 20 or from other sources on a common or cooperative basis;
 21 providing planning or technical assistance to those agen-
 22 cies; and generally, in cooperation with community
 23 agencies and officials, undertaking actions to improve
 24 existing efforts to attack poverty, such as improving day-
 25 to-day communication, closing service gaps, focusing re-

1 sources on the most needy, and providing additional
 2 opportunities to low-income individuals for regular em-
 3 ployment or participation in the programs or activities
 4 for which those community agencies and officials are
 5 responsible.

6 (3) Initiating and sponsoring projects responsive
 7 to needs of the poor which are not otherwise being met.
 8 with particular emphasis on providing central or com-
 9 mon services that can be drawn upon by a variety of
 10 related programs, developing new approaches or new
 11 types of services that can be incorporated into other
 12 programs, and filling gaps pending the expansion or
 13 modification of those programs.

14 (4) Establishing effective procedures by which the
 15 poor and area residents concerned will be enabled to
 16 influence the character of programs affecting their in-
 17 terests, providing for their regular participation in the
 18 implementation of those programs, and providing tech-
 19 nical and other support needed to enable the poor and
 20 neighborhood groups to secure on their own behalf avail-
 21 able assistance from public and private sources.

22 (5) Joining with and encouraging business, labor,
 23 and other private groups and organizations to undertake,
 24 together with public officials and agencies, activities in
 25 support of the community action program which will re-

1 sult in the additional use of private resources and capa-
 2 bilities, with a view to such things as developing new
 3 employment opportunities, stimulating investment that
 4 will have a measurable impact in reducing poverty
 5 among residents of areas of concentrated poverty, and
 6 providing methods by which residents of those areas can
 7 work with private groups, firms, and institutions in
 8 seeking solutions to problems of common concern.

9 ADMINISTRATIVE STANDARDS

10 SEC. 114. (a) Each community action agency shall
 11 observe, and shall (as appropriate) require or encourage
 12 other agencies participating in a community action program
 13 to observe, standards of organization, management and ad-
 14 ministration which will assure, so far as reasonably possible,
 15 that all program activities are conducted in a manner con-
 16 sistent with the purposes of this title and the objective of
 17 providing assistance effectively, efficiently, and free of any
 18 taint of partisan political bias or personal or family favorit-
 19 ism. Each community action agency shall establish or adopt
 20 rules to carry out this section, which shall include rules to
 21 assure full staff accountability in matters governed by law,
 22 regulations, or agency policy. Each community action agency
 23 shall also provide for reasonable public access to informa-
 24 tion, including but not limited to public hearings at the
 25 request of appropriate community groups and reasonable

1 public access to books and records of the agency or other
 2 agencies engaged in program activities or operations involv-
 3 ing the use of authority or funds for which it is responsible.
 4 And each community action agency shall adopt for itself
 5 and other agencies using funds or exercising authority for
 6 which it is responsible, rules designed to establish specific
 7 standards governing salaries, salary increases, travel and per
 8 diem allowances, and other employee benefits; to assure that
 9 only persons capable of discharging their duties with com-
 10 petence and integrity are employed and that employees are
 11 promoted or advanced under impartial procedures calculated
 12 to improve agency performance and effectiveness; to guard
 13 against personal or financial conflicts of interests; and to
 14 define employee duties of advocacy on behalf of the poor
 15 in an appropriate manner which will in any case preclude
 16 employees from participating, in connection with the per-
 17 formance of their duties, in any form of picketing, protest,
 18 or other direct action which is in violation of law.

19 (b) The Director shall prescribe rules or regulations to
 20 supplement subsection (a), which shall be binding on all
 21 agencies carrying on community action program activities
 22 with financial assistance under this title. He may, where ap-
 23 propriate, establish special or simplified requirements for
 24 smaller agencies or agencies operating in rural areas. These
 25 special requirements shall not, however, affect the applica-

1 bility of rules governing conflicts of interest, use of position
 2 or authority for partisan or nonpartisan political purposes or
 3 participation in direct action, regardless of customary prac-
 4 tices or rules among agencies in the community. The Director
 5 shall consult with the heads of other Federal agencies re-
 6 sponsible for programs providing assistance to activities
 7 which may be included in community action programs for
 8 the purpose of securing maximum consistency between rules
 9 or regulations prescribed or followed by those agencies and
 10 those prescribed under this section.

11 HOUSING DEVELOPMENT AND SERVICES ORGANIZATIONS

12 SEC. 115. Each community action agency shall en-
 13 courage the establishment of housing development and serv-
 14 ices organizations designed to focus on the housing needs of
 15 low-income families and individuals. Such organizations shall
 16 provide the technical, administrative, and financial assist-
 17 ance which is required to help low-income families and in-
 18 dividuals more effectively to utilize existing programs, and
 19 which is required to enable nonprofit, cooperative, and public
 20 sponsors more effectively to take advantage of existing Fed-
 21 eral, State, and local mortgage insurance and housing assist-
 22 ance programs. Where appropriate, such organizations may
 23 be nonprofit housing development corporations. Such cor-
 24 porations may themselves become sponsors of housing under
 25 existing programs of specialized housing agencies, but under

1 no circumstances shall such corporations insure mortgages
 2 or duplicate the long-term capital financing functions of pro-
 3 grams now administered by the specialized housing agencies.
 4 Housing development and service organizations shall co-
 5 ordinate their efforts with other community action agency
 6 efforts so that any programs undertaken under authority of
 7 this section shall be closely related to other community
 8 action programs.

9 PART B—FINANCIAL ASSISTANCE TO COMMUNITY AC- 10 TION PROGRAMS AND RELATED ACTIVITIES

11 GENERAL PROVISIONS FOR FINANCIAL ASSISTANCE

12 SEC. 121. (a) The Director may provide financial
 13 assistance to community action agencies for the planning
 14 conduct, administration, and evaluation of community action
 15 programs and components. Those components may involve,
 16 without limitation, other activities and supporting facilities
 17 designed to assist participants including the elderly poor—

18 (1) to secure and retain meaningful employment;

19 (2) to attain an adequate education;

20 (3) to make better use of available income;

21 (4) to provide and maintain adequate housing and
 22 a suitable living environment;

23 (5) to undertake family planning, consistent with
 24 personal and family goals, religious and moral convic-
 25 tions;

1 (6) to obtain services for the prevention of nar-
 2 cotics addiction, alcoholism, and the rehabilitation of
 3 narcotic addicts and alcoholics;

4 (7) to obtain emergency assistance through loans
 5 or grants to meet immediate and urgent individual and
 6 family needs, including the need for health services,
 7 nutritious food, housing, and employment-related assist-
 8 ance;

9 (8) to remove obstacles and solve personal and
 10 family problems which block the achievement of self-
 11 sufficiency;

12 (9) to achieve greater participation in the affairs
 13 of the community; and

14 (10) to make more frequent and effective use of
 15 other programs related to the purposes of this Act.

16 He may also provide financial assistance to other public or
 17 private nonprofit agencies to aid them in planning for the
 18 establishment of a community action agency.

19 (b) If the Director determines that a limited purpose
 20 project or program involving activities otherwise eligible
 21 under this section is needed to serve needs of low-income
 22 families and individuals in a community and no community
 23 action agency has been designated for that community pur-
 24 suant to section 111, or where a community action agency
 25 gives its approval for such a program to be funded directly

1 through a public or private nonprofit agency or organization,
 2 he may extend financial assistance for that project or pro-
 3 gram to a public or private nonprofit agency which he finds
 4 is capable of carrying out the project in an efficient and effec-
 5 tive manner consistent with the purpose of this title.

6 (c) The Director shall prescribe necessary rules or regu-
 7 lations governing applications for assistance under this sec-
 8 tion to assure that every reasonable effort is made by each
 9 applicant to secure the views of local public officials and agen-
 10 cies in the community having a direct or substantial interest
 11 in the application and to resolve all issues of cooperation and
 12 possible duplication prior to its submission.

13 (d) The Director shall require, as a condition of assist-
 14 ance, that each community action agency has adopted a
 15 systematic approach to the achievement of the purposes of
 16 this title and to the utilization of funds provided under this
 17 part. Such systematic approach shall encompass a planning
 18 and implementation process which seeks to identify the prob-
 19 lems and causes of poverty in the community, seeks to mobilize
 20 and coordinate relevant public and private resources, estab-
 21 lishes program priorities, links program components with one
 22 another and with other relevant programs, and provides for
 23 evaluation. The Director may, however, extend the time for
 24 such requirement to take into account the length of time a
 25 program has been in operation. He shall also take necessary

1 steps to assure the participation of other Federal agencies in
2 support of the development and implementation of plans un-
3 der this subsection.

4 (e) In order to promote local responsibility and initia-
5 tive, the Director shall not establish binding national prior-
6 ities on funds authorized by this section, but he shall review
7 each application for financial assistance on its merits. Before
8 extending financial assistance to a new community action
9 agency under this section, and in determining the amount of
10 and conditions on which such assistance shall be extended,
11 the Director shall consider the extent and nature of poverty
12 in the community and the probable capacity of the agency
13 to carry out an effective program. In reviewing or supple-
14 menting financial assistance to a previously existing com-
15 munity action agency, he shall consider the progress made in
16 carrying on programs by such agency.

17 SPECIAL PROGRAMS AND ASSISTANCE

18 SEC. 122. (a) In order to stimulate actions to meet or
19 deal with particularly critical needs or problems of the poor
20 which are common to a number of communities, the Director
21 may develop and carry on special programs under this sec-
22 tion. This authority shall be used only where the Director
23 determines that the objectives sought could not be effectively
24 achieved through the use of authorities under section 121,
25 including assistance to components or projects based on

1 models developed and promulgated by him. It shall also be
2 used only with respect to programs which (A) involve
3 activities which can be incorporated into or be closely co-
4 ordinated with community action programs, (B) involve
5 significant new combinations of resources or new and innova-
6 tive approaches, or (C) are structured in a way that will,
7 within the limits of the type of assistance or activities con-
8 templated, most fully and effectively promote the purposes
9 of this part. Subject to such conditions as may be appro-
10 priate to assure effective and efficient administration, the
11 Director may provide financial assistance to public or pri-
12 vate nonprofit agencies to carry on local projects initiated
13 under such special programs; but he shall do so in a manner
14 that will encourage, wherever feasible, the inclusion of the
15 assisted projects in community action programs, with a view
16 to minimizing possible duplication and promoting efficiencies
17 in the use of common facilities and services, better assisting
18 persons or families having a variety of needs, and otherwise
19 securing from the funds committed the greatest possible im-
20 pact in promoting family and individual self-sufficiency. Pro-
21 grams under this section shall include those described in the
22 following paragraphs:

23 (1) A "Legal Services" program to further the
24 cause of justice among persons living in poverty by
25 mobilizing the assistance of lawyers and legal institutions

1 and by providing legal advice, legal representation, legal
 2 counseling, education in legal matters, and other appro-
 3 priate legal services. Projects involving legal advice
 4 and representation shall be carried on in a way that
 5 assures maintenance of a lawyer-client relationship con-
 6 sistent with the best standards of the legal profession.
 7 The Director shall make arrangements under which the
 8 State bar association and the principal local bar associa-
 9 tions in the community to be served by any proposed
 10 project authorized by this paragraph shall be consulted
 11 and afforded an adequate opportunity to submit, to the
 12 Director, comments and recommendations on the pro-
 13 posed project before such project is approved or funded,
 14 and to submit, to the Director comments and recom-
 15 mendations on the operations to such project, if approved
 16 and funded. No funds or personnel made available for
 17 such program (whether conducted pursuant to this sec-
 18 tion or any other section in this part) shall be
 19 utilized for the defense of any person indicted (or pro-
 20 ceeded against by information) for the commission of
 21 a crime, except in extraordinary circumstances where,
 22 after consultation with the court having jurisdiction, the
 23 Director has determined that adequate legal assistance
 24 will not be available for an indigent defendant unless
 25 such services are made available. Members of the Armed

1 Forces, and members of their immediate families, shall
 2 be eligible to obtain legal services under such programs
 3 in cases of extreme hardship (determined in accordance
 4 with regulations of the Director issued after consultation
 5 with the Secretary of Defense: Provided, That nothing
 6 in this sentence shall be so construed as to require the
 7 Director to expand or enlarge existing programs or to
 8 initiate new programs in order to carry out the provi-
 9 sions of this sentence unless and until the Secretary of
 10 Defense assumes the cost of such services and has reached
 11 agreement with the Director on reimbursement for all
 12 such additional costs as may be incurred in carrying out
 13 the provisions of this sentence.

14 (2) A program to be known as "Community Food
 15 and Nutrition program" designed to provide on an emer-
 16 gency basis, directly or by delegation of authority pursu-
 17 ant to the provisions of title VI of this Act, financial
 18 assistance for the provision of such supplies and services,
 19 nutritional foodstuffs, and related services, as may be
 20 necessary to counteract conditions of starvation or mal-
 21 nutrition among the poor. Such assistance may be pro-
 22 vided by way of supplement to such other assistance as
 23 may be extended under the provisions of other Federal
 24 programs, and may be used to extend and broaden such
 25 programs to serve economically disadvantaged individ-

1 uals and families where such services are not now pro-
 2 vided and without regard to the requirements of such
 3 laws for local or State administration or financial par-
 4 ticipation. In extending such assistance, the Director may
 5 make grants to community action agencies or local pub-
 6 lic or private nonprofit organizations or agencies to carry
 7 out the purposes of this paragraph. The Director is au-
 8 thorized to carry out the functions under this paragraph
 9 through the Secretary of Agriculture in a manner that will
 10 insure the availability of such supplies and services, nutri-
 11 tional foodstuffs, and related services through a commu-
 12 nity action agency where feasible, or other agencies or
 13 organizations if no such agency exists or is able to admin-
 14 ister programs to provide such foodstuffs, services, and
 15 supplies to needy individuals and families.

16 (3) An "Environmental Action" program through
 17 which low-income persons will be paid for work (which
 18 would not otherwise be performed) on projects designed
 19 to combat pollution or to improve the environment.
 20 Projects may include, without limitation: cleanup and
 21 sanitation activities, including solid waste removal;
 22 reclamation and rehabilitation of eroded or ecologically
 23 damaged areas, including areas affected by strip mining;
 24 conservation and beautification activities, including tree
 25 planting and recreation area development; the restora-

1 tion and maintenance of environment; and the im-
 2 provement of the quality of life in urban and rural
 3 areas.

4 (4) A program to be known as "Rural Housing
 5 Development and Rehabilitation" designed to assist low-
 6 income families in rural areas to construct and acquire
 7 ownership of adequate housing, to rehabilitate or repair
 8 existing substandard units in such areas, and to other-
 9 wise assist families in obtaining standard housing. Fi-
 10 nancial assistance under this paragraph shall be provided
 11 to nonprofit rural housing development corporations and
 12 cooperatives serving areas which are defined by the
 13 Farmers Home Administration as rural areas, and shall
 14 be used for, but not limited to, such purposes as adminis-
 15 trative expenses; revolving development funds; nonre-
 16 volving land, land development and construction write-
 17 downs; rehabilitation or repair of substandard housing;
 18 and loans to low-income families. In the construction,
 19 rehabilitation, and repair of housing for low-income fam-
 20 ilies under this paragraph, the services of persons en-
 21 rolled in Mainstream programs may be utilized. Loans
 22 under this paragraph may be used for, but not limited to,
 23 such purposes as the purchase of new housing units, the
 24 repair, rehabilitation and purchase of existing units,

1 and to supplement existing Federal loan programs in
 2 order that low-income families may benefit from them.
 3 The repayment period of such loans shall not exceed
 4 thirty-three years. No loans under this paragraph shall
 5 bear an interest rate of less than 1 per centum per an-
 6 num, but if the Director, after having examined the
 7 family income of the applicant, the projected housing
 8 costs of the applicant, and such other factors as he deems
 9 appropriate, determines that the applicant would other-
 10 wise be unable to participate in this program, he may
 11 waive the interest in whole or in part and for such pe-
 12 riods of time as he may establish except that (1) no
 13 such waiver may be granted to an applicant whose ad-
 14 justed family income (as defined by the Farmers Home
 15 Administration) is in excess of \$3,700 per annum and
 16 (2) any applicant for whom such a waiver is provided
 17 shall be required to commit at least 20 per centum of
 18 his adjusted family income toward the mortgage debt
 19 service and other housing costs. Family incomes shall be
 20 recertified annually, and monthly payments for all loans
 21 under this paragraph adjusted accordingly.

22 (5) A program to be known as "Senior Opportuni-
 23 ties and Services" designed to identify and meet the
 24 needs of older, poor persons above the age of sixty in one
 25 or more of the following areas: development and provi-

1 sion of new employment and volunteer services; effective
 2 referral to existing health, welfare, employment, hous-
 3 ing, legal, consumer, transportation, education, and rec-
 4 reational and other services; stimulation and creation of
 5 additional services and programs to remedy gaps and
 6 deficiencies in presently existing services and programs;
 7 modification of existing procedures, eligibility require-
 8 ments and program structures to facilitate the greater
 9 use of, and participation in, public services by the older
 10 poor; development of all-season recreation and service
 11 centers controlled by older persons themselves, and such
 12 other activities and services as the Director may deter-
 13 mine are necessary or specially appropriate to meet the
 14 needs of the older poor and to assure them greater self-
 15 sufficiency. In administering this program the Director
 16 shall utilize to the maximum extent feasible the services
 17 of the Administration of Aging.

18 RESIDENT EMPLOYMENT

19 SEC. 123. In the conduct of all component programs
 20 under this title, residents of the area and members of the
 21 groups served shall be provided maximum employment oppor-
 22 tunity, including opportunity for further occupational train-
 23 ing and career advancement. The Director shall encourage
 24 the employment of persons fifty-five years and older as regu-
 25 lar, part-time and short-term staff in component programs.

NEIGHBORHOOD CENTERS

SEC. 124. The Director shall encourage the development of neighborhood centers, designed to promote the effectiveness of needed services in such fields as health, education, manpower, consumer protection, child and economic development, housing, legal, recreation, and social services, and so organized (through a corporate or other appropriate framework) as to promote maximum participation of neighborhood residents in center planning, policymaking, administration, and operation. In addition to providing such services as may not otherwise be conveniently or readily available, such centers shall be responsive to such neighborhood needs, such as counseling, referral, followthrough, and community development activities, as may be necessary or appropriate to best assure a system under which existing programs are extended to the most disadvantaged, are linked to one another, are responsive and relevant to the range of community, family, and individual problems and are fully adapted to neighborhood needs and conditions.

ALLOTMENT OF FUNDS: LIMITATIONS ON ASSISTANCE

SEC. 125. (a) Of the sums which are appropriated or allocated for assistance in the development and implementation of community action programs pursuant to section 121, and for special program projects referred to in section 122(a), and which are not subject to any other provision

governing allotment or distribution, the Director shall allot not more than 2 per centum among Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs. He shall also reserve not more than 20 per centum of those sums for allotment in accordance with such criteria and procedures as he may prescribe. The remainder shall be allotted among the States, in accordance with the latest available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the average number of unemployed persons in each State as compared to all States, and (3) the relative number of related children living with families below the poverty level in each State as compared with all other States. For the purposes of this section the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census except that the per centum figure used to determine the allotment under this clause for any State shall not be reduced by more than half a per centum of the per centum of the total allotments to all States under this clause, which equals the per centum of the total allotments to all States received by such State for the fiscal year ending June 30, 1974, under section 225(a) of the Economic Opportunity Act. Retention of such per centum for such State in any fiscal year in which



1 such per centum otherwise would be reduced by more than
 2 half a per centum shall be achieved by proportionately re-
 3 ducing the per centums of the remaining States, but with such
 4 adjustments as may be necessary to prevent the per centums of
 5 such remaining States from being thereby reduced by more
 6 than half a per centum of the per centums of such remaining
 7 States for the fiscal year ending June 30, 1974, under section
 8 225(a) of such Act. That part of any State's allotment which
 9 the Director determines will not be needed may be reallocated
 10 at such dates during the fiscal year as the Director may fix
 11 in proportion to the original allotments, but with appropriate
 12 adjustments to assure that any amount so made available to
 13 any State in excess of its needs is similarly reallocated among
 14 the other States.

15 (b) The Director may provide for the separate allotment
 16 of funds for any special program referred to in section
 17 122(a). This allotment may be made in accordance with
 18 the criteria prescribed in subsection (a), or it may be made
 19 in accordance with other criteria which he determines will
 20 assure an equitable distribution of funds reflecting the rela-
 21 tive incidence in each State of the needs or problems at which
 22 the program is directed, except that in no event may more
 23 than 12½ per centum of the funds for any one program be
 24 used in any one State.

25 (c) Unless otherwise provided in this title, financial

1 assistance extended to a community action agency or other
 2 agency pursuant to sections 121 and 122(a), for the period
 3 ending June 30, 1975, shall not exceed 80 per centum of the
 4 approved cost of the assisted programs or activities. For the
 5 succeeding period ending June 30, 1976, such financial as-
 6 sistance shall not exceed 70 per centum of such costs and
 7 thereafter shall not exceed 60 per centum of such costs.
 8 However, the Director may approve assistance in excess of
 9 such percentages if he determines, in accordance with regu-
 10 lations establishing objective criteria, that such action is
 11 required in furtherance of the purposes of this title. The Di-
 12 rector shall not require non-Federal contributions in excess
 13 of 20 per centum in fiscal year 1975, 30 per centum in fiscal
 14 year 1976, and 40 per centum in fiscal year 1977 of the
 15 approved cost of programs or activities assisted under this
 16 Act. In addition, for the periods ending June 30, 1976, and
 17 June 30, 1977, the Director may approve assistance in
 18 excess of such percentages upon evidence that the aggregate
 19 of all non-Federal contributions by agencies within a State
 20 for grants made pursuant to sections 121 and 122(a) as a
 21 percentage of the aggregate of all funds granted to such
 22 agencies in such State pursuant to such sections meets the
 23 percentage requirements of this subsection. Non-Federal con-
 24 tributions may be in cash or in kind, fairly evaluated, in-
 25 cluding but not limited to plant, equipment, or services.

1 (d) No program shall be approved for assistance under
 2 sections 121 and 122(a) unless the Director satisfies him-
 3 self (1) that the services to be provided under such program
 4 will be in addition to, and not in substitution for, services
 5 previously provided without Federal assistance, and (2) that
 6 funds or other resources devoted to programs designed to
 7 meet the needs of the poor within the community will not
 8 be diminished in order to provide any contributions required
 9 under subsection (c). The requirement imposed by the pre-
 10 ceding sentence shall be subject to such regulations as the
 11 Director may adopt and promulgate establishing objective
 12 criteria for determinations covering situations where a strict
 13 application of that requirement would result in unnecessary
 14 hardship or otherwise be inconsistent with the purposes
 15 sought to be achieved.

16 DESIGN AND PLANNING ASSISTANCE PROGRAMS

17 SEC. 126. (a) The Director shall make grants or enter
 18 into contracts to provide financial assistance for the operat-
 19 ing expenses of programs conducted by community-based
 20 design and planning organizations to provide technical assist-
 21 ance and professional architectural and related services re-
 22 lating to housing, neighborhood facilities, transportation and
 23 other aspects of community planning and development to
 24 persons and community organizations or groups not other-
 25 wise able to afford such assistance. Such programs shall be

1 conducted with maximum use of the voluntary services of
 2 professional and community personnel. In providing assist-
 3 ance under this section, the Director shall afford priority
 4 to persons in urban or rural poverty areas with substandard
 5 housing, substandard public service facilities, and generally
 6 blighted conditions. Design and planning services to be pro-
 7 vided by such organization shall include—

8 (1) comprehensive community or area planning and
 9 development;

10 (2) specific projects for the priority planning and
 11 development needs of the community; and

12 (3) educational programs directed to local residents
 13 emphasizing their role in the planning and development
 14 process in the community.

15 (b) No assistance may be provided under this section
 16 unless such design and planning organization—

17 (1) is a nonprofit organization located in the neigh-
 18 borhood or area to be served with a majority of the gov-
 19 erning body of such organization comprised of residents
 20 of that neighborhood or area;

21 (2) has as a primary function the goal of bringing
 22 about, through the involvement of the appropriate com-
 23 munity action agency or otherwise, maximum possible
 24 participation of local residents, especially low-income

1 residents, in the planning and decisionmaking regarding
2 the development of their community; and

3 (3) will carry out its design and planning services
4 principally through the voluntary participation of pro-
5 fessional and community personnel (including, where
6 available, VISTA volunteers).

7 (c) Design and planning organizations receiving assist-
8 ance under this section shall not subcontract with any profit-
9 making organization or pay fees for architectural profes-
10 sional services.

11 YOUTH RECREATION AND SPORTS PROGRAM

12 SEC. 127. (a) In order to provide to disadvantaged
13 youth recreation and physical fitness instruction and competi-
14 tion with high-quality facilities and supervision and related
15 educational and counseling services (including instruction
16 concerning study practices, career opportunities, job responsi-
17 bilities, health and nutrition, and drug abuse education)
18 through regular association with college instructors and
19 athletes and exposure to college and university campuses
20 and other recreational facilities, the Director shall make
21 grants or enter into contracts for the conduct of an annual
22 youth recreation and sports program concentrated in the
23 summer months and with continued activities throughout
24 the year, so as to offer disadvantaged youth living in areas of
25 rural and urban poverty an opportunity to receive such rec-

1 reation and educational instruction, information, and serv-
2 ices and to participate in such physical fitness programs and
3 sports competitions.

4 (b) No assistance may be provided under this section
5 unless satisfactory assurances are received that (1) not
6 less than 90 per centum of the youths participating in each
7 program to be assisted under this section are from families
8 with incomes below the poverty level as determined by
9 the Director, and that such participating youths and other
10 neighborhood residents, through the involvement of the ap-
11 propriate community action agency or otherwise, will have
12 maximum participation in program planning and operation
13 and (2) all significant segments of the low-income popula-
14 tion of the community to be served will be served on an
15 equitable basis in terms of participating youths and instruc-
16 tional and other support personnel.

17 (c) Programs under this section shall be administered
18 by the Director through grants or contracts with any quali-
19 fied organization of colleges and universities or such other
20 qualified nonprofit organizations active in the field with
21 access to appropriate recreational facilities as the Director
22 shall determine in accordance with regulations which he shall
23 prescribe. Each such grant or contract and subcontract with
24 participating institutions of higher education or other quali-
25 fied organizations active in the field shall contain provisions

1 to assure that the program to be assisted will provide a non-
 2 Federal contribution (in cash or in kind) of no less than 20
 3 per centum of the direct costs necessary to carry out the
 4 program. Each such grant, contract, or subcontract shall
 5 include provisions for—

6 (1) providing opportunities for disadvantaged youth
 7 to engage in competitive sports and receive sports skills
 8 and physical fitness instruction and education in good
 9 health and nutrition practices;

10 (2) providing such youth with instruction and
 11 information regarding study practices, career oppor-
 12 tunities, job responsibilities, and drug abuse;

13 (3) carrying out continuing related activities
 14 throughout the year;

15 (4) meeting the requirements of subsection (b)
 16 of this section;

17 (5) enabling the contractor and institutions of
 18 higher education or other qualified organizations active
 19 in the field located conveniently to such areas of poverty
 20 and the students and personnel of such institutions or
 21 organizations active in the field to participate more fully
 22 in the community life and in solutions of community
 23 problems; and

24 (6) serving metropolitan centers of the United
 25 States and rural areas, within the limits of program
 26 resources.

1 CONSUMER ACTION AND COOPERATIVE PROGRAMS

2 SEC. 128. (a) The Director shall make grants or enter
 3 into contracts to provide financial assistance for the devel-
 4 opment, technical assistance to and conduct of consumer
 5 action and advocacy and cooperative programs, credit re-
 6 sources development programs, and consumer protection and
 7 education programs designed to demonstrate various tech-
 8 niques and models and to carry out projects to assist and pro-
 9 vide technical assistance to low-income persons to try to im-
 10 prove the quality, improve the delivery, and lower the price
 11 of goods and services, to obtain, without undue delay or
 12 burden, financial credit at reasonable cost, and to develop
 13 means of enforcing consumer rights, developing consumer
 14 grievance procedures and presenting consumer grievances,
 15 submitting consumer views and concerns for protection
 16 against unfair, deceptive, or discriminatory trade and com-
 17 mercial practices and educating low-income persons with
 18 respect to such rights, procedures, grievances, views and
 19 concern.

20 (b) No assistance may be provided under this section
 21 unless the grantee or contracting organization or agency is a
 22 nonprofit organization and has as a primary function the goal
 23 of bringing about, through the involvement of the appro-
 24 priate community action agency or otherwise, maximum
 25 possible participation of low-income persons in the project.

1 *PART C—SUPPLEMENT PROGRAMS AND ACTIVITIES*

2 *TECHNICAL ASSISTANCE AND TRAINING*

3 *SEC. 131. The Director may provide, directly or*
 4 *through grants or other arrangements, (1) technical assist-*
 5 *ance to communities in developing, conducting, and admin-*
 6 *istering programs under this part, and (2) training for*
 7 *specialized or other personnel which is needed in connec-*
 8 *tion with those programs or which otherwise pertains to the*
 9 *purposes of this title. Upon request of an agency receiving*
 10 *financial assistance under this title, the Director may make*
 11 *special assignments of personnel to the agency to assist and*
 12 *advise it in the performance of functions related to the*
 13 *assisted activity; but no such special assignment shall be*
 14 *for a period of more than two years in the case of any agency.*

15 *STATE AGENCY ASSISTANCE*

16 *SEC. 132. (a) The Director may provide financial*
 17 *assistance to State agencies designated in accordance with*
 18 *State law, to enable those agencies—*

19 *(1) to provide technical assistance to communities*
 20 *and local agencies in developing and carrying out pro-*
 21 *grams under this title;*

22 *(2) to assist in coordinating State activities related*
 23 *to this title;*

24 *(3) to advise and assist the Director in developing*
 25 *procedures and programs to promote the participation*

1 *of States and State agencies in programs under this title;*
 2 *and*
 3 *(4) to advise and assist the Director and the heads*
 4 *of other Federal agencies, in identifying problems posed*
 5 *by Federal statutory or administrative requirements that*
 6 *operate to impede State level coordination of programs*
 7 *related to this title, and in developing methods or*
 8 *recommendations for overcoming those problems.*

9 *(b) In any grants or contracts with State agencies, the*
 10 *Director shall give preference to programs or activities which*
 11 *are administered or coordinated by the agencies designated*
 12 *pursuant to subsection (a), or which have been developed*
 13 *and will be carried on with the assistance of those agencies.*

14 *(c) In order to promote coordination in the use of funds*
 15 *under this Act and funds provided or granted by State agen-*
 16 *cies, the Director may enter into agreements with States*
 17 *or State agencies pursuant to which they will act as agents*
 18 *of the United States for purposes of providing financial as-*
 19 *sistance to community action agencies or other local agencies*
 20 *in connection with specific projects or programs involving*
 21 *the common or joint use of State funds and funds under*
 22 *this title.*

23 *(d) If any member of a board to which section 112*
 24 *(b) is applicable files an allegation with the Director that*

1 an agency receiving assistance under this section is not ob-
 2 serving any requirement of this Act, or any regulation, rule,
 3 or guideline promulgated by the Director under this Act,
 4 the Director shall promptly investigate such allegation and
 5 shall consider it; and, if after such investigation and con-
 6 sideration he finds reasonable cause to believe that the
 7 allegations are true, he shall hold a hearing, upon the conclu-
 8 sion of which he shall notify all interested persons of his
 9 findings. If he finds that the allegations are true, and that,
 10 after being afforded a reasonable opportunity to do so, the
 11 agency has failed to make appropriate corrections, he shall
 12 forthwith terminate further assistance under this part to
 13 such agency until he has received assurances satisfactory to
 14 him that further violations will not occur.

15 SPECIAL ASSISTANCE

16 SEC. 133. The Director may provide financial assist-
 17 ance for projects conducted by public or private nonprofit
 18 agencies which are designed to serve groups of low-income
 19 individuals who are not being effectively served by other
 20 programs under this title. In administering this section, the
 21 Director shall give special consideration to programs designed
 22 to assist older persons and other low-income individuals who
 23 do not reside in low-income areas and who are not being
 24 effectively served by other programs under this title.

1 PART D—GENERAL AND TECHNICAL PROVISIONS

2 RURAL AREAS

3 SEC. 141. (a) In exercising authority under this title,
 4 the Director shall take necessary steps to further the exten-
 5 sion of benefits to residents of rural areas, consistent with
 6 the extent and severity of poverty among rural residents, and
 7 to encourage high levels of managerial and technical compe-
 8 tence in programs undertaken in rural areas. These steps
 9 shall include, to the maximum extent practicable, (1) the
 10 development under section 122(a) of programs particularly
 11 responsive to special needs of rural areas; (2) the establish-
 12 ment, pursuant to section 521, of a program of research and
 13 pilot project activities specifically focused upon the problems
 14 of rural poverty; (3) the provision of technical assistance so
 15 as to afford a priority to agencies in rural communities and
 16 to aid those agencies, through such arrangements as may be
 17 appropriate, in securing assistance under Federal programs
 18 which are related to this title but which are not generally
 19 utilized in rural areas; and (4) the development of special
 20 or simplified procedures, forms, guidelines, model compo-
 21 nents, and model programs for use in rural areas.

22 (b) The Director shall establish criteria designed to
 23 achieve an equitable distribution of assistance under this Act
 24 within the States between urban and rural areas. In de-

1 veloping such criteria, he shall consider the relative number
 2 in the States or areas therein of: (1) low-income families,
 3 particularly those with children; (2) unemployed persons;
 4 (3) persons receiving cash or other assistance on a needs
 5 basis from public agencies or private organizations; (4)
 6 school dropouts; (5) adults with less than an eighth-
 7 grade education; (6) persons rejected for military service;
 8 and (7) poor persons living in urban places compared to
 9 the number living in rural places as determined by the latest
 10 reports of the Bureau of the Census.

11 (c) Notwithstanding any other provision of this title,
 12 the Director is authorized to provide financial assistance in
 13 rural areas to public or private nonprofit agencies for any
 14 project for which assistance to community action agencies
 15 is authorized, if he determines that it is not feasible to estab-
 16 lish a community action agency within a reasonable period
 17 of time. The assistance so granted shall be subject to such
 18 conditions as the Director deems appropriate to promote
 19 adherence to the purposes of this Act and the early establish-
 20 ment of a community action agency in the area.

21 (d) The Director shall encourage the development of
 22 programs for the interchange of personnel, for the under-
 23 taking of common or related projects, and other methods of
 24 cooperation between urban and rural communities, with
 25 particular emphasis on fostering cooperation in situations

1 where it may contribute to new employment opportunities,
 2 and between larger urban communities with concentrations
 3 of low-income persons and families and rural areas in which
 4 substantial numbers of those persons and families have re-
 5 cently resided.

6 SUBMISSION OF PLANS TO GOVERNORS

7 SEC. 142. In carrying out the provisions of this title,
 8 no contract, agreement, grant, loan, or other assistance shall
 9 be made with, or provided to, any State or local public
 10 agency or any private institution or organization for the
 11 purpose of carrying out any program, project, or other
 12 activity within a State unless a plan setting forth such
 13 proposed contract, agreement, grant, loan, or other assistance
 14 has been submitted to the Governor of the State, and such
 15 plan has not been disapproved by the Governor within
 16 thirty days of such submission, or, if so disapproved,
 17 has been reconsidered by the Director and found by him to be
 18 fully consistent with the provisions and in furtherance of the
 19 purposes of this title. Funds to cover the costs of the proposed
 20 contract, agreement, grant, loan, or other assistance shall
 21 be obligated from the appropriation which is current at the
 22 time the plan is submitted to the Governor. This section shall
 23 not, however, apply to contracts, agreements, grants, loans,
 24 or other assistance to any institution of higher education in
 25 existence on the date of the approval of this Act.

FISCAL RESPONSIBILITY AND AUDIT

SEC. 143. (a) No funds shall be released to any agency receiving financial assistance under this title until it has submitted to the Director a statement certifying that the assisted agency and its delegate agencies (or subcontractors for performance of any major portion of the assisted program) have established an accounting system with internal controls adequate to safeguard their assets, check the accuracy and reliability of the accounting data, promote operating efficiency and encourage compliance with prescribed management policies and such additional fiscal responsibility and accounting requirements as the Director may establish. The statement may be furnished by a certified public accountant, a duly licensed public accountant or, in the case of a public agency, the appropriate public financial officer who accepts responsibility for providing required financial services to that agency.

(b) Within three months after the effective date of a grant to or contract of assistance with an organization or agency, the Director shall make or cause to be made a preliminary audit survey to review and evaluate the adequacy of the accounting system and internal controls established thereunder to meet the standards set forth in the statement referred to in subsection (a). Promptly after the completion of the survey, the Director shall determine on the basis of

findings and conclusions resulting from the survey whether the accounting systems and internal controls meet those standards and, if not, whether to suspend the grant or contract. In the event of suspension, the assisted agency shall be given not more than six months within which to establish the necessary system and controls, and, in the event of failure to do so within such time period, the assistance shall be terminated by the Director.

(c) At least once annually the Director shall make or cause to be made an audit of each grant or contract of assistance under this title. Promptly after the completion of such audit, he shall determine on the basis of resulting findings and conclusions whether any of the costs of expenditures incurred shall be disallowed. In the event of disallowance, the Director may seek recovery of the sums involved by appropriate means, including court action or a commensurate increase in the required non-Federal share of the costs of any grant or contract with the same agency or organization which is then in effect or which is entered into within twelve months after the date of disallowance.

(d) The Director shall establish such other requirements and take such actions as he may deem necessary and appropriate to carry out the provisions of this section and to insure fiscal responsibility and accountability, and the effective and efficient handling of funds in connection with programs

1 assisted under this title. These requirements and actions shall
 2 include (1) necessary action to assure that the rate of ex-
 3 penditure of any agency receiving financial assistance does
 4 not exceed the rate contemplated under its approved pro-
 5 gram; and (2) appropriate requirements to promote the
 6 continuity and coordination of all projects or components of
 7 programs receiving financial assistance under this title, in-
 8 cluding provision for the periodic reprogramming and supple-
 9 mentation of assistance previously provided.

10 SPECIAL LIMITATIONS

11 SEC. 144. The following special limitations shall apply,
 12 as indicated, to programs under this title.

13 (1) Financial assistance under this title may in-
 14 clude funds to provide a reasonable allowance for at-
 15 tendance at meetings of any community action agency
 16 governing board, neighborhood council or committee, as
 17 appropriate to assure and encourage the maximum
 18 feasible participation of members of groups and residents
 19 of areas served in accordance with the purposes of this
 20 title, and to provide reimbursement of actual expenses
 21 connected with those meetings; but those funds (or
 22 matching non-Federal funds) may not be used to pay
 23 allowances in the case of any individual who is a Fed-
 24 eral, State, or local government employee, or an em-
 25 ployee of a community action agency, or for payment

1 of an allowance to any individual for attendance at more
 2 than two meetings a month.

3 (2) The Director shall issue necessary rules or reg-
 4 ulations to assure that no employee engaged in carry-
 5 ing out community action program activities receiving
 6 financial assistance under this title is compensated from
 7 funds so provided at a rate in excess of \$15,000 per
 8 annum, and that any amount paid to such an employee
 9 at a rate in excess of \$15,000 per annum shall not be
 10 considered in determining whether the non-Federal con-
 11 tributions requirements of section 125(c) have been com-
 12 plied with; the Director may, however, provide in those
 13 rules or regulations for exceptions covering cases (par-
 14 ticularly in large metropolitan areas) where, because of
 15 the need for specialized or professional skills or prevail-
 16 ing local salary levels, application of the foregoing re-
 17 striction would greatly impair program effectiveness or
 18 otherwise be inconsistent with the purposes sought to be
 19 achieved.

20 (3) No officer or employee of the Agency shall serve
 21 as member of a board, council, or committee of any
 22 agency serving as grantee, contractor, or delegate agency
 23 in connection with a program receiving financial assist-
 24 ance under this title; but this shall not prohibit an officer
 25 or employee from serving on a board, council, or com-

1 mittee which does not have any authority or powers in
2 connection with a program assisted under this title.

3 (4) In granting financial assistance for projects or
4 activities in the field of family planning, the Director
5 shall assure that family planning services, including the
6 dissemination of family planning information and medi-
7 cal assistance and supplies, are made available to all low-
8 income individuals who meet the criteria for eligibility
9 for assistance under this title which have been established
10 by the assisted agency and who desire such information,
11 assistance, or supplies. The Director shall require, in con-
12 nection with any such financial assistance, that—

13 (A) no individual will be provided with any
14 information, medical supervision, or supplies which
15 that individual indicates are inconsistent with his or
16 her moral, philosophical, or religious beliefs; and

17 (B) no individual will be provided with any
18 medical supervision or supplies unless he or she has
19 voluntarily requested such medical supervision or
20 supplies.

21 The use of family planning services assisted under this
22 title shall not be a prerequisite to the receipts of services
23 from or participation in any other programs under this
24 Act.

25 (5) No financial assistance shall be extended under

1 this title to provide general aid to elementary or second-
2 ary education in any school or school system; but this
3 shall not prohibit the provision of special, remedial, and
4 other noncurricular educational assistance.

5 (6) In extending assistance under this title the
6 Director shall give special consideration to programs
7 which make maximum use of existing schools, commu-
8 nity centers, settlement houses, and other facilities dur-
9 ing times they are not in use for their primary purpose.

10 (7) No financial assistance shall be extended under
11 this title in any case in which the Director determines
12 that the costs of developing and administering all of the
13 programs assisted under this Act carried on by or under
14 the supervision of any community action agency exceed
15 15 per centum of the total costs, including non-Federal
16 contributions to such costs, of such programs. The Di-
17 rector, after consultation with the Director of the Bu-
18 reau of the Budget, shall establish by regulation, criteria
19 for determining (i) the costs of developing and admin-
20 istering such programs, and (ii) the total costs of such
21 programs. In any case in which the Director determines
22 that the cost of administering such programs does not
23 exceed 15 per centum of such total costs but is, in his
24 judgment, excessive, he shall forthwith require such
25 community action agency to take such steps prescribed

1 by him as will eliminate such excessive administrative
 2 cost, including the sharing by one or more such com-
 3 munity action agencies of a common director and other
 4 administrative personnel. The Director may waive the
 5 limitation prescribed by this paragraph for specific peri-
 6 ods of time not to exceed six months whenever he de-
 7 termines that such a waiver is necessary in order to carry
 8 out the purposes of this title.

9 (8) Consistent with the provisions of this Act, the
 10 Director shall assure that financial assistance under this
 11 title will be distributed on an equitable basis in any
 12 community and within any State so that all significant
 13 segments of the low-income population are being served.

14 INCENTIVE GRANTS

15 SEC. 145. (a) The Director may provide financial as-
 16 sistance from funds appropriated to carry out this section
 17 to community action agencies or public or private nonprofit
 18 agencies designated under section 111 for programs au-
 19 thorized under this title, and to State economic opportunity
 20 offices for programs and activities authorized under section
 21 132(a). Financial assistance extended to a community ac-
 22 tion agency or other agency pursuant to this section may
 23 be used for new programs or to supplement existing programs
 24 and shall not exceed 50 per centum of the cost of such new
 25 or supplemental programs.

26 (b) Matching local and State funds supplied under this

1 section shall be in cash and shall represent State and local
 2 initiatives newly obligated within the previous year to the
 3 purposes of the grant-supported activity; and no program
 4 shall be approved for assistance under this section unless
 5 the Director satisfies himself (1) that the activities to be
 6 carried out under such program will be in addition to, and
 7 not in substitution for, activities previously carried on with-
 8 out Federal assistance, (2) that funds or other resources
 9 devoted to programs designed to meet the needs of the poor
 10 within the community, area, or State will not be diminished
 11 in order to provide the contributions required under this sec-
 12 tion. The requirement imposed by the preceding sentence
 13 shall be subject to such regulations as the Secretary may
 14 adopt and promulgate establishing objective criteria for
 15 determinations covering situations where a strict application
 16 of that requirement would result in unnecessary hardship or
 17 otherwise be inconsistent with the purposes sought to be
 18 achieved.

19 TITLE II—SPECIAL PROGRAMS TO COMBAT

20 POVERTY IN RURAL AREAS

21 PART A—RURAL LOAN PROGRAMS

22 STATEMENT OF PURPOSE

23 SEC. 211. It is the purpose of this part to meet some
 24 of the special needs of low-income rural families by establish-
 25 ing a program of loans to assist in raising and maintaining
 26 their income living standards.

LOANS TO FAMILIES

1 *SEC. 212. (a) The Director is authorized to make loans*
 2 *having a maximum maturity of fifteen years and in amounts*
 3 *not resulting in an aggregate principal indebtedness of more*
 4 *than \$3,500 at any one time to any low-income rural family*
 5 *where, in the judgment of the Director, such loans have a*
 6 *reasonable possibility of effecting a permanent increase in*
 7 *the income of such families, or, in the case of the elderly,*
 8 *will contribute to the improvement of their living or housing*
 9 *conditions by assisting or permitting them to—*

11 *(A) acquire or improve real estate or reduce encum-*
 12 *brances or erect improvements thereon,*

13 *(B) operate or improve the operation of farms not*
 14 *larger than family sized, including but not limited to the*
 15 *purchase of feed, seed, fertilizer, livestock, poultry, and*
 16 *equipment, or*

17 *(C) participate in cooperative associations; and/or*
 18 *to finance nonagricultural enterprises which will enable*
 19 *such families to supplement their income.*

20 *(b) Loans under this section shall be made only if the*
 21 *family is not qualified to obtain such funds by loan under*
 22 *other Federal programs.*

COOPERATIVE ASSOCIATIONS

24 *SEC. 213. The Director is authorized to make loans to*
 25 *local cooperative associations furnishing essential processing,*

1 *purchasing, or marketing services, supplies, or facilities pre-*
 2 *dominantly to low-income rural families.*

LIMITATIONS ON ASSISTANCE

4 *SEC. 214. No financial or other assistance shall be pro-*
 5 *vided under this title unless the Director determines that—*

6 *(a) the providing of such assistance will materially*
 7 *further the purposes of this title, and*

8 *(b) in the case of assistance provided pursuant to*
 9 *section 213, the applicant is fulfilling or will fulfill a*
 10 *need for services, facilities, or activities which is not*
 11 *otherwise being met.*

LOAN TERMS AND CONDITIONS

13 *SEC. 215. Loans pursuant to sections 212 and 213*
 14 *shall have such terms and conditions as the Director shall*
 15 *determine, subject to the following limitations:*

16 *(a) there is reasonable assurance of repayment of*
 17 *the loan;*

18 *(b) the credit is not otherwise available on reason-*
 19 *able terms from private sources or other Federal, State,*
 20 *or local programs;*

21 *(c) the amount of the loan, together with other*
 22 *funds available, is adequate to assure completion of the*
 23 *project or achievement of the purposes for which the loan*
 24 *is made;*

25 *(d) the loan bears interest at a rate not less than*

(1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

(e) with respect to loans made pursuant to section 213, the loan is repayable within not more than thirty years, and

(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes: Provided, That (1) packing, canning, cooking, freezing, or other processing used in preparing or marketing edible farm products, including, dairy products, shall not be regarded as manufacturing merely by reason of the fact that it results in the creation of a new or different substance; and (2) a cooperative organization formed by and consisting of members of an Indian tribe (including any tribe with whom the special Federal relationship with Indians has been terminated) engaged in the production of agricultural commodities, or in manufacturing products, on an Indian reservation (or former reservation in the case of tribes with whom the

special Federal relationship with Indians has been terminated) shall not be regarded as a cooperative organization within the purview of this clause.

REVOLVING FUND

SEC. 216. (a) To carry out the lending and guaranty functions authorized under this subpart there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to this Act and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under title III car-

ried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under this part.

PART B—ASSISTANCE FOR MIGRANT, AND OTHER SEASONALLY EMPLOYED, FARMWORKERS AND THEIR FAMILIES

STATEMENT OF PURPOSE

SEC. 221. The purpose of this part is to assist migrant and seasonal farmworkers and their families to improve their living conditions and develop skills necessary for a productive and self-sufficient life in an increasingly complex and technological society.

FINANCIAL ASSISTANCE

SEC. 222. (a) The Secretary of Labor may provide financial assistance to assist State and local agencies, private nonprofit institutions and cooperatives in developing and carrying out programs to fulfill the purpose of this part.

(b) Programs assisted under this part may include projects or activities—

(1) to meet the immediate needs of migrant and seasonal farmworkers and their families, such as day care for children, education, health services, improved housing and sanitation (including the provision and maintenance of emergency and temporary housing and sanitation fa-

cilities), legal advice and representation, and consumer training and counseling;

(2) to promote increased community acceptance of migrant and seasonal farmworkers and their families; and

(3) to equip unskilled migrant and seasonal farmworkers and members of their families as appropriate through education and training to meet the changing demands in agricultural employment brought about by technological advancement and to take advantage of opportunities available to improve their well-being and self-sufficiency by gaining regular or permanent employment or by participating in available Government employment or training programs.

LIMITATIONS ON ASSISTANCE

SEC. 223. (a) Assistance shall not be extended under this part unless the Secretary determines that the applicant will maintain its prior level of effort in similar activities.

(b) The Secretary shall establish necessary procedures or requirements to assure that programs under this part are carried on in coordination with other programs or activities providing assistance to the persons and groups served.

TECHNICAL ASSISTANCE, TRAINING, AND EVALUATION

SEC. 224. The Secretary may provide directly or through grants, contracts, or other arrangements, such technical assist-

1 *ance or training of personnel as may be required to implement*
 2 *effectively the purposes of this title.*

3 *TITLE III—EMPLOYMENT AND INVESTMENT* 4 *INCENTIVES*

5 *STATEMENT OF PURPOSE*

6 *SEC. 301. It is the purpose of this title to assist in the*
 7 *establishment, preservation, and strengthening of small busi-*
 8 *ness concerns and improve the managerial skills employed in*
 9 *such enterprises, with special attention to small business con-*
 10 *cerns (1) located in urban or rural areas with high propor-*
 11 *tions of unemployed or low-income individuals, or (2) owned*
 12 *by low-income individuals; and to mobilize for these objectives*
 13 *private as well as public managerial skills and resources.*

14 *LOANS, PARTICIPATIONS, AND GUARANTIES*

15 *SEC. 302. (a) The Administrator of the Small Busi-*
 16 *ness Administration is authorized to make, participate (on*
 17 *an immediate basis) in, or guarantee loans, repayable in not*
 18 *more than fifteen years, to any small business concern (as*
 19 *defined in section 3 of the Small Business Act (15 U.S.C.*
 20 *632) and regulations issued thereunder), or to any qualified*
 21 *person seeking to establish such a concern, when he deter-*
 22 *mines that such loans will assist in carrying out the purposes*
 23 *of this part, with particular emphasis on the preservation or*
 24 *establishment of small business concerns located in urban or*
 25 *rural areas with high proportions of unemployed or low-*

1 *income individuals or owned by low-income individuals:*
 2 *Provided, however, That no such loans shall be made, par-*
 3 *ticipated in, or guaranteed if the total of such Federal*
 4 *assistance to a single borrower outstanding at any one time*
 5 *would exceed \$50,000. The Administrator of the Small*
 6 *Business Administration may defer payments on the prin-*
 7 *cipal of such loans for a grace period and use such other*
 8 *methods as he deems necessary and appropriate to assure*
 9 *the successful establishment and operation of such concern.*
 10 *The Administrator of the Small Business Administration*
 11 *may, in his discretion, as a condition of such financial assist-*
 12 *ance, require that the borrower take steps to improve his*
 13 *management skills by participating in a management train-*
 14 *ing program approved by the Administrator of the Small*
 15 *Business Administration: Provided, however, That any man-*
 16 *agement training program so approved must be of sufficient*
 17 *scope and duration to provide reasonable opportunity for the*
 18 *individuals served to develop entrepreneurial and mana-*
 19 *gerial self-sufficiency. The Administrator of the Small Busi-*
 20 *ness Administration shall encourage, as far as possible, the*
 21 *participation of the private business community in the pro-*
 22 *gram of assistance to such concerns, and shall seek to stimu-*
 23 *late new private lending activities to such concerns through*
 24 *the use of the loan guaranties, participations in loans, and*
 25 *pooling arrangements authorized by this section.*

1 (b) To the extent necessary or appropriate to carry
 2 out the programs provided for in this title the Administrator
 3 of the Small Business Administration shall have the same
 4 powers as are conferred upon the Director by section 602
 5 of this Act. To insure an equitable distribution between
 6 urban and rural areas for loans between \$3,500 and \$25,000
 7 made under this part, the Administrator is authorized to
 8 use the agencies and agreements and delegations developed
 9 under title II of this Act as he shall determine necessary.

10 (c) The Administrator shall provide for the continuing
 11 evaluation of programs under this section, including full
 12 information on the location, income characteristics, and
 13 types of businesses and individuals assisted, and on new
 14 private lending activity stimulated, and the results of such
 15 evaluation together with recommendations shall be included
 16 in the report by section 609.

17 LOAN TERMS AND CONDITIONS

18 SEC. 303. Loans made pursuant to section 302 (in-
 19 cluding immediate participation in and guaranties of such
 20 loans) shall have such terms and conditions as the Admin-
 21 istrator of the Small Business Administration shall determine,
 22 subject to the following limitations—

23 (a) there is reasonable assurance of repayment of
 24 the loan;

25 (b) the financial assistance is not otherwise avail-

1 able on reasonable terms from private sources or other
 2 Federal, State, or local programs;

3 (c) the amount of the loan, together with other
 4 funds available, is adequate to assure completion of the
 5 project or achievement of the purposes for which the
 6 loan is made;

7 (d) the loan bears interest at a rate not less than
 8 (1) a rate determined by the Secretary of the Treasury,
 9 taking into consideration the average market yield on
 10 outstanding Treasury obligations of comparable ma-
 11 turity, plus (2) such additional charge, if any, toward
 12 covering other costs of the program as the Administrator
 13 of the Small Business Administration may determine to
 14 be consistent with its purposes: Provided, however, That
 15 the rate of interest charged on loans made in redevelop-
 16 ment areas designated under the Area Redevelopment
 17 Act (42 U.S.C. 2501 et seq.) shall not exceed the rate
 18 currently applicable to new loans made under section
 19 6 of that Act (42 U.S.C. 2505); and

20 (e) fees not in excess of amounts necessary to cover
 21 administrative expenses and probable losses may be
 22 required on loan guaranties.

23 DISTRIBUTION OF FINANCIAL ASSISTANCE

24 SEC. 304. The Administrator of the Small Business
 25 Administration shall take such steps as may be necessary to

1 insure that, in any fiscal year, at least 50 per centum of the
 2 amounts loaned or guaranteed pursuant to this title are al-
 3 lotted to small business concerns located in urban areas
 4 identified by the Director, after consideration of any recom-
 5 mendations of the Administrator of the Small Business Ad-
 6 ministration, as having high concentrations of unemployed
 7 or low-income individuals or to small business concerns
 8 owned by low-income individuals. The Administrator of the
 9 Small Business Administration, after consideration of any
 10 recommendations of the Director, shall define the meaning
 11 of low income as it applies to owners of small business
 12 concerns eligible to be assisted under this title, and such
 13 definition need not correspond to the definition of low income
 14 as used elsewhere in this Act.

15 LIMITATION ON FINANCIAL ASSISTANCE

16 SEC. 305. No financial assistance shall be extended
 17 pursuant to this title where the Administrator of the Small
 18 Business Administration determines that the assistance will
 19 be used in relocating establishments from one area to an-
 20 other if such relocation would result in an increase in unem-
 21 ployment in the area of original location.

22 TECHNICAL ASSISTANCE AND MANAGEMENT TRAINING

23 SEC. 306. (a) The Administrator of the Small Busi-
 24 ness Administration is authorized to provide financial assist-
 25 ance to public or private organizations to pay all or part of

1 the costs of projects designed to provide technical and man-
 2 agement assistance to individuals or enterprises eligible for
 3 assistance under section 302, with special attention to small
 4 business concerns located in urban areas of high concentra-
 5 tion of unemployed or low-income individuals or owned by
 6 low-income individuals.

7 (b) Financial assistance under this section may be pro-
 8 vided for projects, including without limitation—

9 (1) planning and research, including feasibility
 10 studies and market research;

11 (2) the identification and development of new busi-
 12 ness opportunities;

13 (3) the furnishing of centralized services with regard
 14 to public services and government programs, including
 15 programs authorized under section 302;

16 (4) the establishment and strengthening of business
 17 service agencies, including trade associations and co-
 18 operatives;

19 (5) the encouragement of the placement of subcon-
 20 tracts by major business with small business concerns
 21 located in urban areas of high concentration of un-
 22 employed or low-income individuals or owned by low-
 23 income individuals, including the provision of incentives
 24 and assistance to such major businesses so that they will

1 aid in the training and upgrading of potential subcon-
2 tractors or other small business concerns; and

3 (6) the furnishing of business counseling, manage-
4 ment training, and legal and other related services, with
5 special emphasis on the development of management
6 training programs using the resources of the business
7 community, including the development of management
8 training opportunities in existing businesses, and with
9 emphasis in all cases upon providing management train-
10 ing of sufficient scope and duration to develop entre-
11 preneurial and managerial self-sufficiency on the part of
12 the individuals served.

13 (c) The Administrator of the Small Business Admin-
14 istration shall give preference to projects which promote
15 the ownership, participation in ownership, or management
16 of small business concerns by residents of urban areas of high
17 concentration of unemployed or low-income individuals, and
18 to projects which are planned and carried out with the par-
19 ticipation of local businessmen.

20 (d) To the extent feasible, services under this section
21 shall be provided in a location which is easily accessible to
22 the individuals and small business concerns served.

23 (e) The Administrator of the Small Business Admin-
24 istration shall, in carrying out programs under this section,
25 consult with and take into consideration the views of the

1 Secretary of Commerce, with a view to coordinating activi-
2 ties and avoiding duplication of effort.

3 (f) The President may, if he determines that it is nec-
4 essary to carry out the purposes of this title, transfer any of
5 the functions under this section to the Secretary of
6 Commerce.

7 (g) The Administrator of the Small Business Adminis-
8 tration shall provide for an independent and continuing eval-
9 uation of programs under this section, including full
10 information on and analysis of the character and impact of
11 managerial assistance provided, the location, income char-
12 acteristics and types of businesses and individuals assisted,
13 and the extent to which private resources and skills have
14 been involved in these programs. Such evaluation together
15 with any recommendations as he deems advisable shall be
16 included in the report required by section 609.

17 GOVERNMENT CONTRACTS

18 SEC. 307. (a) The Administrator of the Small Busi-
19 ness Administration shall take such steps as may be
20 necessary and appropriate, in coordination and cooperation
21 with the heads of other Federal departments and agencies,
22 so that contracts, subcontracts, and deposits made by the
23 Federal Government or in connection with programs aided
24 with Federal funds are placed in such a way as to further
25 the purposes of this title.

1 (b) The Administrator of the Small Business Adminis-
 2 tration shall provide for the continuing evaluation of pro-
 3 grams under this section and the results of such evaluation
 4 together with recommendations shall be included in the
 5 report required by section 609.

6 TITLE IV—WORK EXPERIENCE, TRAINING, 7 AND DAY CARE PROGRAMS

8 PART A—WORK EXPERIENCE AND TRAINING PROGRAMS

9 STATEMENT OF PURPOSE

10 SEC. 411. It is the purpose of this part to expand
 11 the opportunities for constructive work experience and other
 12 needed training available to persons (including workers in
 13 farm families with less than \$1,200 net family income, un-
 14 employed heads of families and other needy persons) who
 15 are unable to support themselves or their families.

16 TRANSFER OF FUNDS

17 SEC. 412. In order to permit the carrying out of work
 18 experience and training programs meeting the criteria set
 19 forth in the Comprehensive Employment and Training Act
 20 of 1973, the Director is authorized to transfer funds (1)
 21 to make payments under section 1115 of the Social Secu-
 22 rity Act for experimental, pilot, or demonstration proj-
 23 ects which provide pretraining services and basic mainte-
 24 nance, health, family, basic education, day care, counseling,
 25 and similar supportive services required for such programs,

1 and (2) to reimburse the Secretary of Labor for carrying
 2 out the activities described in the Comprehensive Employ-
 3 ment and Training Act of 1973. Costs of such projects and
 4 activities shall, notwithstanding the provisions of the Social
 5 Security Act and the Comprehensive Employment and
 6 training Act of 1973, be met entirely from funds appro-
 7 priated to carry out this part: Provided, That such funds
 8 may not be used to assist families and individuals inso-
 9 far as they are otherwise receiving or eligible to receive
 10 assistance or social services through a State plan approved
 11 under title I, IV, X, XIV, XVI, or XIX of the Social
 12 Security Act.

13 LIMITATIONS ON WORK EXPERIENCE AND 14 TRAINING PROGRAMS

15 SEC. 413. (a) The provisions of paragraphs (1) to
 16 (6), inclusive, of section 409 of the Social Security Act,
 17 unless otherwise inconsistent with the provisions of this
 18 part, shall be applicable with respect to work experience
 19 and training programs assisted with funds under this
 20 part. The costs of such programs to the United States shall,
 21 notwithstanding the provisions of such Act, be met entirely
 22 from funds appropriated or allocated to carry out the pur-
 23 pose of this part.

24 (b) Work experience and training programs shall be
 25 so designed that participation of individuals in such pro-

grams will not ordinarily exceed 36 months, except that nothing in this subsection shall prevent the provision of necessary and appropriate follow-up services for a reasonable period after an individual has completed work experience and training.

(c) Not more than $12\frac{1}{2}$ per centum of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part shall be used within any one State. In the case of any work experience and training program approved on or after July 1, 1968, not more than 80 per centum of the costs of projects or activities referred to in section 412 may be paid from funds appropriated or allocated to carry out this part, unless the Director determines, pursuant to regulations prescribed by him establishing objective criteria for such determinations, that assistance in excess of such percentage is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant equipment and services.

TRANSITION

SEC. 414. The Secretary of Labor is authorized to provide work experience and training programs authorized by the Comprehensive Employment and Training Act of 1973. The Secretary of Health, Education, and Welfare pur-

suant to agreement with the Secretary of Labor which shall include provisions for joint evaluation and approval of the training and work experience aspect of each project or program may—

- (1) with the concurrence of the Secretary of Labor, renew existing projects and programs, or develop and provide new projects or programs, to accomplish the purposes of this part and of the Comprehensive Employment and Training Act of 1973; and
- (2) with the concurrence of the Secretary of Labor, develop and provide other work experience and training programs pursuant to such Act, with respect to such projects or parts of projects which the Secretary of Labor is unable to provide after being given notice and a reasonable opportunity to do so.

PART B—DAY CARE PROJECTS

STATEMENT OF PURPOSE

SEC. 421. The purpose of this part is to provide day care for children from families which need such assistance to become or remain self-sufficient or otherwise to obtain objectives related to the purposes of this Act, with particular emphasis upon enabling the parents or relatives of such children to choose to undertake or to continue basic education, vocational training, or gainful employment.

1 *FINANCIAL ASSISTANCE FOR DAY CARE PROJECTS*

2 *SEC. 422. (a) The Director is authorized to provide*
 3 *financial assistance to appropriate public agencies and private*
 4 *organizations to pay not to exceed 90 per centum of the*
 5 *cost of planning, conducting, administering, and evaluating*
 6 *projects under which children from low-income families or*
 7 *from urban and rural areas with large concentrations or pro-*
 8 *portions of low-income persons may receive day care. Non-*
 9 *Federal contributions may be in cash or in kind, fairly evalu-*
 10 *ated, including but not limited to plant, equipment and serv-*
 11 *ices. Such day care projects shall provide health, education,*
 12 *social, and such other supportive services as may be needed.*
 13 *Financial assistance under this section may be provided to*
 14 *employers, labor unions, or to joint employer-union orga-*
 15 *nizations, for day care projects established at or in associa-*
 16 *tion with a place of employment or training where such*
 17 *projects are financed in major part through private funds.*
 18 *Project costs payable under this title may include costs of*
 19 *renovation and alteration of physical facilities. Financial*
 20 *assistance under this section may be provided in conjunction*
 21 *with or to supplement day care projects under the Social*
 22 *Security Act or other relevant statutes.*

23 *(b) The Director may require a family which is not a*
 24 *low-income family to make payment, in whole or in part,*
 25 *for the day care services provided under this program where*

1 *the family's financial condition is, or becomes through em-*
 2 *ployment or otherwise, such as to make such payment*
 3 *appropriate.*

4 *(c) The Director may provide, directly or through*
 5 *contracts or other arrangements, technical assistance and*
 6 *training necessary for the initiation or effective operation of*
 7 *programs under this subpart.*

8 *(d) The Director shall take all necessary steps to coordi-*
 9 *nate programs under his jurisdiction which provide day care,*
 10 *with a view to establishing, insofar as possible, a common set*
 11 *of program standards and regulations, and mechanisms for*
 12 *coordination at the State and local levels. Such standards*
 13 *shall be no less comprehensive than the Federal interagency*
 14 *day care requirements as approved by the Department of*
 15 *Health, Education, and Welfare, the Office of Economic*
 16 *Opportunity, and the Department of Labor on Sep-*
 17 *tember 23, 1968. In approving applications for assistance*
 18 *under this part, the Director shall take into consideration*
 19 *(1) the extent to which applicants show evidence of coordi-*
 20 *nation and cooperation between their projects and other day*
 21 *care programs in the areas which they will serve, and (2)*
 22 *the extent to which unemployment or low-income individuals*
 23 *are to be employed, including individuals receiving or eligible*
 24 *to receive assistance under the Social Security Act.*

25 *(e) Each project to which payments are made here-*

1 under shall provide for a thorough evaluation. This evalua-
 2 tion shall be conducted by such agency or independent pub-
 3 lic or private organization as the Director shall designate,
 4 with a view to determining, among other things, the extent
 5 to which the day care provided may have increased the em-
 6 ployment of parents and relatives of the children served, the
 7 extent to which such day care may have reduced the costs
 8 of aid and services to such children, the extent to which such
 9 children have received health and educational benefits, and
 10 the extent to which the project has been coordinated with
 11 other day care activities in the area served. Up to 100 per
 12 centum of the costs of evaluation may be paid by the Direc-
 13 tor from funds appropriated for the purposes of carrying
 14 out this title, except that where such evaluation is carried
 15 on by the assisted agency itself, he may pay only 90 per
 16 centum of such costs. Such evaluations, together with a re-
 17 port on the program described in this subpart, shall be in-
 18 cluded in the report required by section 609.

19 TITLE V—EVALUATION, RESEARCH, AND

20 DEMONSTRATION

21 PART A—EVALUATION

22 COMPREHENSIVE EVALUATION OF PROGRAMS

23 SEC. 511. (a) The Director shall provide for the con-
 24 tinuing evaluation of programs under this Act and of pro-
 25 grams authorized under related Acts, including evaluations
 26 that describe and measure, with appropriate means and to

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

10 (b) The Director shall to the extent feasible develop
 11 and publish standards for evaluation of program effectiveness
 12 in achieving the objectives of this Act. He shall consider
 13 the extent to which such standards have been met in deciding
 14 whether to renew or supplement financial assistance author-
 15 ized under any section of this Act.

16 (c) In carrying out this part, the Director may re-
 17 quire community action agencies to provide independent
 18 evaluations.

19 COOPERATION OF OTHER AGENCIES

20 SEC. 512. Federal agencies administering programs
 21 related to this Act shall—

22 (1) cooperate with the Director in the discharge of
 23 his responsibility to plan and conduct evaluations of such
 24 poverty-related programs as he deems appropriate, to
 25 the fullest extent permitted by other applicable law; and

1 (2) provide the Director on a cooperative basis
2 with such agency, with such statistical data, program
3 reports, and other materials, as they collect and compile
4 on program operations, beneficiaries, and effectiveness.

5 CONSULTATION

6 SEC. 513. (a) In carrying out evaluations under this
7 part, the Director shall, whenever possible, arrange to obtain
8 the opinions of program participants about the strengths
9 and weaknesses of programs.

10 (b) The Director shall consult, when appropriate, with
11 State agencies, in order to provide for jointly sponsored ob-
12 jective evaluation studies of programs on a State basis.

13 PUBLICATION OF EVALUATION RESULTS

14 SEC. 514. (a) The Director shall publish summaries
15 (prepared by the evaluator) of the results of evaluative re-
16 search and evaluations of program impact and effectiveness
17 no later than sixty days after its completion.

18 (b) The Director shall take necessary action to assure
19 that all studies, evaluations, proposals, and data produced
20 or developed with Federal funds shall become the property
21 of the United States.

22 (c) The Director shall publish summaries of the results
23 of activities carried out pursuant to this title in the report
24 required by section 609 of this Act.

1 EVALUATION BY OTHER ADMINISTERING AGENCIES

2 SEC. 515. The head of any agency administering a
3 program authorized under this Act may, with respect to such
4 program, conduct evaluations and take other actions
5 authorized under this title to the same extent and in the same
6 manner as the Director under this part. Nothing in this
7 section shall preclude the Director from conducting such
8 evaluations or taking such actions otherwise authorized
9 under this title with respect to such programs.

10 PART B—RESEARCH AND DEMONSTRATION PROGRAMS

11 ASSISTANCE FOR PROJECTS

12 SEC. 521. (a) The Director may contract or provide
13 financial assistance for demonstration projects conducted by
14 public or private agencies which are designed to test or
15 assist in the development of new approaches or methods that
16 will aid in overcoming special problems or otherwise in
17 furthering the purposes of this Act. He may also contract
18 or provide financial assistance for research pertaining to the
19 purposes of this Act.

20 (b) The Director shall establish an overall plan to
21 govern the approval of demonstration projects and the use
22 of all research authority under this Act. The plan shall set
23 forth specific objectives to be achieved and priorities among
24 such objectives. In formulating the plan, the Director shall

1 consult with other Federal agencies for the purpose of
 2 minimizing duplication among similar activities or projects
 3 and determining whether the findings resulting from any
 4 research or demonstration projects may be incorporated into
 5 one or more programs for which those agencies are responsi-
 6 ble. As part of the annual report required by section 609,
 7 or in a separate annual report, the Director shall submit
 8 a description for each fiscal year of the current plan required
 9 by this section, of activities subject to the plan, and of the
 10 findings derived from those activities, together with a state-
 11 ment indicating the time and, to the extent feasible, the man-
 12 ner in which the benefits of those activities and findings
 13 are expected to be realized.

14 (c) Not more than 15 per centum of the sums appro-
 15 priated or allocated in any fiscal year for this title shall be
 16 used for the purposes of this section. One-third of the sums
 17 so appropriated or allocated shall be available only for proj-
 18 ects authorized under subsection (f) of this section.

19 (d) No demonstration project under this section shall be
 20 commenced in any city, county, or other major political sub-
 21 division, unless a plan setting forth such proposed demonstra-
 22 tion project has been submitted to the appropriate community
 23 action agency, or, if there is no such agency, to the local gov-
 24 erning officials of the political subdivision, and such plan has

1 not been disapproved by the community action agency or gov-
 2 erning body, as the case may be, within thirty days of such
 3 submission, or, if so disapproved, has been reconsidered by the
 4 Director and found by him to be fully consistent with the pro-
 5 visions and in furtherance of the purposes of this title.

6 (e) The Director shall develop and carry out demon-
 7 stration projects which (1) aid elderly persons to achieve
 8 greater self-sufficiency, (2) focus upon the problems of rural
 9 poverty, (3) are designed to develop new techniques and
 10 community-based efforts to prevent narcotics addiction or to
 11 rehabilitate narcotic addicts, or (4) are designed to encour-
 12 age the participation of private organizations, other than non-
 13 profit organizations, in programs under this title.

14 (f) The Director shall conduct, either directly or through
 15 grants or other arrangements, research and demonstration
 16 projects designed to assure a more effective use of human
 17 and natural resources of rural America and to slow the migra-
 18 tion from rural areas due to lack of economic opportunity,
 19 thereby reducing population pressures in urban centers. Such
 20 projects may be operated jointly or in cooperation with
 21 other federally assisted programs, particularly programs au-
 22 thorized under the Public Works and Economic Develop-
 23 ment Act of 1965, in the area to be served by the project.

TITLE VI—ADMINISTRATION AND

COORDINATION

PART A—ADMINISTRATION

ESTABLISHMENT OF THE ADMINISTRATION FOR

COMMUNITY SERVICES

SEC. 601. (a) There is established in the Department of Health, Education, and Welfare a Community Action Administration (hereinafter in this Act referred to as the "Administration") which shall be headed by a Director (hereinafter in this Act referred to as the "Director"). The Administration shall be the principal agency for carrying out this Act. In the performance of his functions, the Director shall be directly responsible to the Secretary. The Secretary shall not approve any delegation of the functions of the Director to any other officer not directly responsible to the Director.

(b) The Director shall be appointed by the President by and with the advice and consent of the Senate.

AUTHORITY OF THE DIRECTOR

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized to—

(1) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Administration to carry out its functions, and, except as otherwise provided herein, fix the compensation of such

personnel in accordance with chapter 51 of title 5, United States Code: Provided, That all Federal personnel, employed on the effective date of this Act under authorization and appropriation of the Economic Opportunity Act of 1964, as amended, shall be transferred to, and to the extent feasible, assigned to related functions and organizational units in the Administration without loss of salary, rank, or other benefits, including the right to representation and to existing collective bargaining agreements;

(2) (A) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; (B) compensate individuals so employed at rates not in excess of the daily equivalent of the rate payable to a GS-18 employee under section 5332 of such title, including traveltime; (c) allow such individuals, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently, while so employed; and (D) annually renew contracts for such employment under this clause;

1 (3) appoint, without regard to the civil service
 2 laws, one or more advisory committees composed of such
 3 private citizens and officials of the Federal, State, and
 4 local governments as he deems desirable to advise him
 5 with respect to his functions under this Act; and mem-
 6 bers of such committees (including the National Ad-
 7 visory Council established in section 606), other than
 8 those regularly employed by the Federal Government,
 9 while attending meetings of such committees or other-
 10 wise serving at the request of the Director, shall be
 11 entitled to receive compensation and travel expenses
 12 as provided in subsection (b) with respect to experts
 13 and consultants;

14 (4) with the approval of the President, arrange with
 15 and reimburse the heads of other Federal agencies for the
 16 performance of any of the provisions of this Act;

17 (5) with their consent, utilize the services and
 18 facilities of Federal agencies without reimbursement, and,
 19 with the consent of any State or a political subdivision
 20 of a State, accept and utilize the services and facilities
 21 of the agencies of such State or subdivision without
 22 reimbursement;

23 (6) accept in the name of the Administration, and
 24 employ or dispose of in furtherance of the purposes of
 25 this Act, or of any title thereof, any money or property,

1 real, personal, or mixed, tangible or intangible, received
 2 by gift, devise, bequest, or otherwise;

3 (7) accept voluntary and uncompensated services;

4 (8) allocate and expend funds made available
 5 under this Act as he deems necessary to carry out the
 6 provisions hereof, including (without regard to the
 7 provisions of section 4774(d) of title 10, United States
 8 Code), expenditure for construction, repairs, and capital
 9 improvements;

10 (9) disseminate, without regard to the provisions
 11 of section 3204 of title 39, United States Code, data
 12 and information, in such form as he shall deem appro-
 13 priate to public agencies, private organizations, and the
 14 general public;

15 (10) adopt an official seal, which shall be judicially
 16 noticed;

17 (11) collect or compromise all obligations to or
 18 held by him and all legal or equitable rights accruing
 19 to him in connection with the payment of obligations
 20 in accordance with Federal Claims Collection Act of
 21 1966 (31 U.S.C 951-53);

22 (12) notwithstanding any other provision of law
 23 relating to the acquisition, handling, or disposal of real
 24 or personal property by the United States, deal with,
 25 complete, rent, renovate, modernize, or sell for cash

1 or credit at his discretion any properties acquired by
 2 him in connection with loans, participations, and guar-
 3 anties made by him pursuant to title II and title III
 4 of this Act;

5 (13) expend funds made available for purposes of
 6 this Act as follows: (A) for printing and binding, in
 7 accordance with applicable law and regulations; and
 8 (B) without regard to any other law or regulation, for
 9 rent of buildings and space in buildings and for repair,
 10 alteration, and improvement of buildings and space in
 11 buildings rented by him; but the Director shall not
 12 utilize the authority contained in this subclause (B)—

13 (i) except when necessary to obtain an item,
 14 service, or facility, which is required in the proper
 15 administration of this Act, and which otherwise
 16 could not be obtained, or could not be obtained in the
 17 quantity or quality needed, or at the time, in the
 18 form, or under the conditions in which, it is needed,
 19 and

20 (ii) prior to having given written notification
 21 to the Administrator of General Services (if the
 22 exercise of such authority would affect an activity
 23 which otherwise would be under the jurisdiction of
 24 the General Services Administration) of his inten-
 25 tion to exercise such authority, the item, service, or

1 facility with respect to which such authority is pro-
 2 posed to be exercised, and the reasons and justifica-
 3 tions for the exercise of such authority;

4 (14) establish such policies, standards, criteria, and
 5 procedures, prescribe such rules and regulations, enter
 6 into such contracts and agreements with public agencies
 7 and private organizations and persons, and make such
 8 payments (in lump sum or installments, and in advance
 9 or by way of reimbursement, and in the case of grants
 10 otherwise authorized under this Act, with necessary ad-
 11 justments on account of overpayments and underpay-
 12 ments) as are necessary or appropriate to carry out the
 13 provisions of this Act; and

14 (15) generally perform such functions and take
 15 such steps, consistent with the purposes and provisions
 16 of this Act, as he deems necessary or appropriate to carry
 17 out the provisions of this Act.

18 POLITICAL ACTIVITIES

19 SEC. 603. (a) No part of any funds appropriated to
 20 carry out this Act, or any program administered by the Ad-
 21 ministration, shall be used to finance, directly or indirectly,
 22 any activity designed to influence the outcome of any election
 23 to Federal office, or any voter registration activity, or to pay
 24 the salary of any officer or employee of the Administration
 25 who, in his official capacity as such an officer or employee,

1 engages in any such activity. As used in this section, the term
 2 "election" has the same meaning given such term by section
 3 301(a) of the Federal Election Campaign Act of 1971
 4 (Public Law 92-225), and the term "Federal office" has
 5 the same meaning given such term by section 301(c) of such
 6 Act.

7 (b) Programs assisted under this Act shall not be car-
 8 ried on in a manner involving the use of funds, the provision
 9 of services, or the employment or assignment of personnel in
 10 a manner supporting or resulting in the identification of such
 11 programs with (1) any partisan or nonpartisan political
 12 activity or any other political activity associated with a
 13 candidate, or contending faction or group, in an election for
 14 public or party office, (2) any activity to provide voters or
 15 prospective voters with transportation to the polls or similar
 16 assistance in connection with any such election, or (3) any
 17 voter registration activity. The Director, after consultation
 18 with the Civil Service Commission, shall issue rules and
 19 regulations to provide for the enforcement of this section,
 20 which shall include provisions for summary suspension of
 21 assistance for no more than thirty days until notice and an
 22 opportunity to be heard can be provided or other action
 23 necessary to permit enforcement on an emergency basis.

24 (c) For purposes of chapter 15 of title 5 of the United
 25 States Code any overall community action agency which

1 assumes responsibility for planning, developing, and coordi-
 2 nating community-wide antipoverty programs and receives
 3 assistance under this Act shall be deemed to be a State or
 4 local agency; and for purposes of clauses (1) and (2) of
 5 section 1502(a) of such title any agency receiving assist-
 6 ance under this Act shall be deemed to be a State or local
 7 agency.

8 APPEALS, NOTICE, AND HEARING

9 SEC. 604. The Director shall prescribe procedures to
 10 assure that—

11 (1) special notice of and an opportunity for a
 12 timely and expeditious appeal to the Director is provided
 13 for an agency or organization which would like to serve
 14 as a delegate agency under title I and whose applica-
 15 tion to the prime sponsor or community action agency
 16 has been wholly or substantially rejected or has not
 17 been acted upon within a period of time deemed rea-
 18 sonable by the Director;

19 (2) financial assistance under title I and part B
 20 of title II shall not be suspended for failure to comply
 21 with applicable terms and conditions, except in emer-
 22 gency situations, nor shall an application for refunding
 23 under section 121, 122, or 222, be denied, unless the
 24 recipient agency has been given reasonable notice and

1 opportunity to show cause why such action should not
2 be taken; and

3 (3) financial assistance under title I and part B
4 of title II shall not be terminated for failure to comply
5 with applicable terms and conditions unless the recipi-
6 ent agency has been afforded reasonable notice and op-
7 portunity for a full and fair hearing.

8 ADVISORY COUNCILS

9 SEC. 605. (a) There is hereby established in the Ad-
10 ministration a National Advisory Council on Community
11 Services (hereinafter referred to as the Advisory Council),
12 to be composed of twenty-one members appointed, for stag-
13 gered terms and without regard to the civil service laws, by
14 the President. Such members shall be representative of the
15 public in general and appropriate fields of endeavor related
16 to the purposes of this Act. The President shall designate the
17 chairman from among such members. The Advisory
18 Council shall meet at the call of the chairman but not less
19 often than four times a year. The Director shall be an ex
20 officio member of the Advisory Council.

21 (b) The Advisory Council shall—

22 (1) advise the Director with respect to policy mat-
23 ters arising in the administration of this Act; and

24 (2) review the effectiveness and the operation of
25 programs under this Act and make recommendations

1 concerning (A) the improvement of such programs,
2 (B) the elimination of duplication of effort, and (C) the
3 coordination of such programs with other Federal pro-
4 grams designed to assist low-income individuals and
5 families.

6 Such recommendations shall include such proposals for
7 changes in this Act as the Advisory Council deems appro-
8 priate.

9 (c) The Advisory Council shall make an annual report
10 of its findings and recommendations to the President not
11 later than March 31 of each calendar year beginning with
12 the calendar year 1975. The President shall transmit each
13 such report to the Congress together with his comments
14 and recommendations.

15 ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION

16 CONTRACTS

17 SEC. 606. (a) The Director or the head of any Fed-
18 eral agency administering a program under this Act shall
19 make a public 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 or research project;
24 and

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

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

(c) It shall be the duty of the Comptroller General to assure that the requirements of this section are met, and he shall at once report to the Congress concerning any failure to comply with these requirements.

LABOR STANDARDS

SEC. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and in section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, ch. 492, as amended; 40 U.S.C. 276c).

AUDIT

SEC. 608. (a) Each recipient of Federal grants, subgrants, contracts, subcontracts, or loans entered into under this Act other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Director shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Director or the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, or loans referred to in subsection (a).

REPORTS

SEC. 609. Not later than one hundred and twenty days after the end of each fiscal year, the Director shall prepare

1 and submit to the President for transmittal by the President
 2 to the Congress a full and complete report on the activities of
 3 the Administration during such year. Each such report shall
 4 contain a detailed statement with respect to programs estab-
 5 lished by this Act which are administered by other Federal
 6 agencies, together with an opinion of the Director with respect
 7 to the extent to which the operation of such programs fulfill
 8 the purposes of this Act.

9 PROGRAMS FOR THE ELDERLY POOR

10 SEC. 610. It is the intention of Congress that whenever
 11 feasible the special problems of the elderly poor shall be con-
 12 sidered in the development, conduct, and administration of
 13 programs under this Act. The Director shall (1) carry out
 14 such investigations and studies, including consultations with
 15 appropriate agencies and organizations, as may be necessary
 16 to develop and carry out a plan for the participation of the
 17 elderly poor in programs under this Act, including programs
 18 providing employment opportunities, public service oppor-
 19 tunities, education and other services and activities which
 20 assist the elderly poor to achieve self-sufficiency; (2) main-
 21 tain a constant review of all programs under this Act to as-
 22 sure that the needs of the elderly poor are given adequate
 23 consideration; (3) initiate and maintain interagency liaison
 24 with all other appropriate Federal agencies to achieve a
 25 coordinated national approach to the needs of the elderly

1 poor; and (4) determine and recommend to the President
 2 and the Congress such programs requiring additional author-
 3 ity and the necessary legislation to provide such authority.
 4 In exercising his responsibilities under this section, the Di-
 5 rector shall cooperate with the Commissioner on Aging. The
 6 Director shall describe the ways in which this section has
 7 been implemented in the annual report required by section
 8 609.

9 COMPARABILITY OF WAGES

10 SEC. 611. (a) The Director shall take such action as
 11 may be necessary to assure that persons employed in carry-
 12 ing out programs financed under title I (except a person
 13 compensated as provided in section 602) shall not re-
 14 ceive compensation at a rate which is (1) in excess of the
 15 average rate of compensation paid in the area where the
 16 program is carried out to a substantial number of the persons
 17 providing substantially comparable services, or in excess of
 18 the average rate of compensation paid to a substantial num-
 19 ber of the persons providing substantially comparable serv-
 20 ices in the area of the person's immediately preceding em-
 21 ployment, whichever is higher or (2) less than the minimum
 22 wage rate prescribed in section 6(a)(1) of the Fair Labor
 23 Standards Act of 1938.

24 (b) Not later than sixty days after the close of the fiscal
 25 year 1975 and each fiscal year thereafter the Director shall

1 prepare and submit to the President for submission to the
 2 Congress a list of the names of all officers or employees whose
 3 compensation is subject to the limitations set forth in sub-
 4 section (a) of this section and who were receiving at the
 5 end of such fiscal year a salary of \$10,000 or more per year,
 6 together with the amount of compensation paid to each per-
 7 son and the amount of such compensation paid from funds
 8 advanced or granted pursuant to this Act. No grant, con-
 9 tract or agreement shall be made under any of the provisions
 10 of this Act referred to in subsection (a) of this section which
 11 does not contain adequate provisions to assure the furnish-
 12 ing of information required by the preceding sentence.

13 (c) No person whose compensation exceeds \$6,000
 14 per annum and is paid pursuant to any grant, contract, or
 15 agreement authorized under part A of title I (except a person
 16 compensated as provided in section 602) shall be employed at
 17 a rate of compensation which exceeds by more than 20 per
 18 centum the salary which he was receiving in his immediately
 19 preceding employment, but the Director may grant exceptions
 20 for specific cases. In determining salary in preceding employ-
 21 ment for one regularly employed for a period of less than
 22 twelve months per year, the salary shall be adjusted to an
 23 annual basis.

1 LIMITATION ON BENEFITS FOR THOSE VOLUNTARILY

2 POOR

3 SEC. 612. The Director shall take such action as may
 4 be necessary to assure that, in determining a person's eligi-
 5 bility for benefits under this Act on account of his poverty,
 6 such person will not be deemed to meet the poverty criteria if
 7 his lack of income results from his refusal, without good cause,
 8 to seek or accept employment commensurate with his health,
 9 age, education, and ability.

10 JOINT FUNDING

11 SEC. 613. Pursuant to regulations prescribed by the
 12 President, where funds are advanced for a single project
 13 by more than one Federal agency to a community action
 14 agency or other agency assisted under this Act, any one
 15 Federal agency may be designated to act for all in adminis-
 16 tering the funds advanced. In such cases, a single local share
 17 requirement may be established according to the proportion
 18 of funds advanced by each agency, and any such agency
 19 may waive any technical grant or contract requirement (as
 20 defined by such regulations) which is inconsistent with the
 21 similar requirements of the administering agency or which
 22 the administering agency does not impose.

PROHIBITION OF FEDERAL CONTROL

SEC. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any education institution or school system.

LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL

ACTIVITIES

SEC. 615. No individual employed or assigned by any community action agency or other agency assisted under this Act shall, pursuant to or during the performance of services rendered in connection with any program or activity conducted or assisted under this Act by such community action agency or such other agency, plan, initiate, participate in, or otherwise aid or assist in the conduct of any unlawful demonstration, rioting, or civil disturbance.

TRANSFER OF FUNDS

SEC. 616. Notwithstanding any limitation on appropriations for any program or activity under this Act or any Act authorizing appropriations for such program or activity, not to exceed 20 per centum for each fiscal year of the amount appropriated or allocated from any appropriation for the purpose of enabling the Director to carry out any such program or activity under the Act may be transferred

and used by the Director for the purpose of carrying out any other such program or activity under the Act.

LIMITATIONS ON FEDERAL ADMINISTRATIVE EXPENSES

SEC. 617. The total administrative expenses, including the compensation of Federal employees, incurred by Federal agencies under the authority of this Act for any fiscal year shall not exceed 10 per centum of the amount authorized to be appropriated by this Act for that year: Provided, however, That grants, subsidies, and contributions, and payments to individuals, other than Federal employees shall not be counted as an administrative expense.

PRIVATE ENTERPRISE PARTICIPATION

SEC. 618. The Director and the heads of any Federal departments or agencies to which the conduct of programs described in this Act have been delegated shall take such steps as may be desirable and appropriate to insure that the resources of private enterprise are employed to the maximum feasible extent in the programs described in this Act. The Director and such other agency heads shall submit at least annually to the Congress a joint or combined report describing the actions taken and the progress made under this section.

ADVANCE FUNDING

SEC. 619. For the purpose of affording adequate notice of funding available under this Act, appropriations for

1 grants, contracts, or other payments under this Act are
2 authorized to be included in the appropriation Act for the
3 fiscal year preceding the fiscal year for which they are avail-
4 able for obligation.

5 POVERTY LINE

6 SEC. 620. (a) Every agency administering programs
7 authorized by this Act in which the poverty line is a crite-
8 rion of eligibility shall revise the poverty line at annual in-
9 tervals, or at any shorter interval it deems feasible and
10 desirable.

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

17 (c) Revisions required by subsection (a) of this sec-
18 tion shall be made and issued not more than thirty days after
19 the date on which the necessary Consumer Price Index data
20 becomes available.

21 NOTICE AND HEARING PROCEDURES FOR SUSPENSION AND

22 TERMINATION OF FINANCIAL ASSISTANCE

23 SEC. 621. The Director is authorized, in accordance
24 with the provisions of this section, to suspend further pay-
25 ments or to terminate payments under any contract or grant
26 providing assistance under this Act, whenever he determines

1 there is a material failure to comply with the applicable terms
2 and conditions of any such grant or contract. The Director
3 shall prescribe procedures to insure that—

4 (1) assistance under this Act shall not be suspended
5 for failure to comply with applicable terms and condi-
6 tions, except in emergency situations for thirty days,
7 nor shall an application for refunding under this Act be
8 denied, unless the recipient has been given reasonable
9 notice and opportunity to show cause why such action
10 should not be taken; and

11 (2) assistance under this Act shall not be terminated
12 for failure to comply with applicable terms and condi-
13 tions unless the recipient has been afforded reasonable
14 notice and opportunity for a full and fair hearing.

15 DURATION OF PROGRAM

16 SEC. 622. The Director shall carry out the programs
17 provided for in this Act during the fiscal year ending June
18 30, 1975, and the three succeeding fiscal years. For each
19 such fiscal year, only such sums may be appropriated as the
20 Congress may authorize by law.

21 DISTRIBUTION OF BENEFITS BETWEEN RURAL AND URBAN

22 AREAS

23 SEC. 623. The Director shall adopt appropriate admin-
24 istrative measures to assure that the benefits of and services
25 under this Act will be distributed equitably between resi-
26 dents of rural and urban areas.

PART B—COORDINATION

RESPONSIBILITIES OF THE DIRECTOR

SEC. 631. In addition to his other powers under this Act, and to assist the President in coordinating the anti-poverty efforts of all Federal agencies, the Director shall—

(1) undertake special studies of specific coordination problems at the request of the President or the Council, or on his own initiative;

(2) consult with interested agencies and groups, including State agencies described in section 132 of this Act and the National Advisory Council, with a view to identifying coordination problems that may warrant consideration by the Council or the President and, to the extent feasible or appropriate, initiate action for overcoming those problems, either through the Administration or in conjunction with other Federal, State, or local agencies; and

(3) prepare a five-year national poverty action plan showing estimates of Federal and other governmental expenditures, and, where feasible, the contributions of the private sector, needed to eliminate poverty in this country within alternative periods of time. Such plan shall include estimates of the funds necessary to finance all relevant programs authorized by this and

other Acts, and any new programs which may be necessary to eliminate poverty in this country, and it shall include recommendations for such new programs. The plan shall be presented to the Congress and updated on an annual basis.

COOPERATION OF FEDERAL AGENCIES

SEC. 632. (a) Federal agencies administering programs related to this Act shall—

(1) cooperate with the Director and with the Council in carrying out their duties and responsibilities; and

(2) carry out their programs and exercise their functions so as to assist in carrying out the provisions and purposes of this Act, to the fullest extent permitted by other applicable law.

(b) The Council and the Director may call upon Federal agencies to supply statistical data, program reports, and other materials as they deem necessary to discharge their responsibilities under this Act.

(c) The President may direct that particular programs and functions, including the expenditure of funds, of Federal agencies shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

COMBINATIONS AMONG PROJECTS AND PROGRAMS

SEC. 633. In order to encourage efficiencies, close unnecessary service gaps, and generally promote more effective administration, the Director shall require, to the fullest extent feasible, that projects or programs assisted under this Act be carried on so as to supplement one another, or where appropriate other related programs or projects, and be included within or otherwise carried on in combination with community action programs. In the case of other programs related to this Act, the heads of the Federal agencies responsible for those programs shall, to the extent permitted by law, similarly provide assistance for projects and activities in a manner which encourages combinations with other related projects and activities where appropriate, and with community action programs. The Director shall, in carrying out his responsibilities under this part, make a continuing review of the operation of this section with a view to (1) determining particular groups of programs which, because of their objectives, or similarities in target groups or areas, are especially appropriate for combined or closely coordinated operation at the State or local level, and making recommendations accordingly to the President or appropriate Federal officials; (2) evaluating Federal agency procedures for carrying out this section, and developing or recommending additional or common procedures, as appropriate; and (3) determining

whether, and to what extent, consolidations of Federal programs may be justified and making recommendations respecting such consolidations to the President.

INFORMATION CENTER

SEC. 634. (a) The Director shall establish and operate an information center for the purpose of insuring that maximum use is made of Federal programs related to this Act and that information concerning those programs and other relevant information is readily available to public officials and other interested persons. The Director shall collect, prepare, analyze, correlate, and distribute information as described above, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset of that cost), and may make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulations. In connection with operation of the center, the Director may carry on research or studies concerning the improvement of information systems in support of the purposes of this Act, the adequacy of existing data, ways in which data generated on the State and local level may be incorporated into Federal information systems, and methods by which data may be made more readily available to State and local officials or used to further coordination objectives.

(b) The Director shall publish and maintain on a cur-

1 rent basis, a catalog of Federal programs relating to indi-
 2 vidual and community improvement. He may also make
 3 grants, from funds appropriated to carry out title I of this
 4 Act, to States and communities to establish information service
 5 centers on the collection, correlation, and distribution of infor-
 6 mation required to further the purposes of this Act.

7 (c) In order to assure that all appropriate officials are
 8 kept fully informed of programs related to this Act, and that
 9 maximum use is made of those programs, the Director shall
 10 establish procedures to assure prompt distribution to State and
 11 local agencies of all current information, including admin-
 12 istrative rules, regulations, and guidelines, required by those
 13 agencies for the effective performance of their responsibilities.

14 SPECIAL RESPONSIBILITIES: TRAINING PROGRAMS

15 SEC. 635. (a) It shall be the responsibility of the Di-
 16 rector, the Secretary of Labor, and the heads of all other
 17 departments and agencies concerned, acting through such
 18 procedures or mechanisms as the President may prescribe, to
 19 provide for, and take such steps as may be necessary and
 20 appropriate to implement, the effective coordination of all
 21 programs and activities within the executive branch of the
 22 Government relating to the training of individuals for the
 23 purpose of improving or restoring employability.

1 (b) The Secretary of Labor, pursuant to such agree-
 2 ments as may be necessary or appropriate (which may
 3 include arrangements for reimbursement) shall—

4 (1) be responsible for assuring that the Federal-
 5 State employment service provides and develops its
 6 capacity for providing maximum support for the pro-
 7 grams described in subsection (a); and

8 (2) obtain from the Secretary of Commerce, and
 9 the head of any other Federal agency administering
 10 a training program, such employment information as
 11 will facilitate the placement of individuals being trained.

12 TITLE VII—HEADSTART-FOLLOW THROUGH

13 SHORT TITLE

14 SEC. 701. This title may be cited as the "Headstart-
 15 Follow Through Act" (hereinafter in this title referred to as
 16 the "Act").

17 STATEMENT OF PURPOSE

18 SEC. 702. In recognition of the role while Project Head-
 19 start has played in the effective delivery of comprehensive
 20 health, educational, nutritional, social, and other services to
 21 economically disadvantaged children and their families, the
 22 Act extends the authority for appropriation of funds for that
 23 program.

1 *PART A—PROGRAM AUTHORITY AND REQUIREMENTS*2 *AUTHORIZATION OF HEADSTART PROGRAM*

3 *SEC. 711. The Secretary may, upon application by an*
 4 *agency which is eligible for designation as a Headstart*
 5 *agency, pursuant to section 714, provide financial assist-*
 6 *ance to such agency for the planning, conduct, administra-*
 7 *tion, and evaluation of a program to be known as Project*
 8 *Headstart focused upon children from low-income families*
 9 *who have not reached the age of compulsory school attend-*
 10 *ance which (A) will provide such comprehensive health,*
 11 *nutritional, educational, social, and other services as the Sec-*
 12 *retary finds will aid the children to attain their full potential,*
 13 *and (B) will provide for direct participation of the parents*
 14 *of such children in the development, conduct, and overall*
 15 *program direction at the local level. Pursuant to such regula-*
 16 *tions as the Secretary may prescribe, persons who are not*
 17 *members of low-income families may be permitted to receive*
 18 *services in projects assisted under the Act.*

19 *AUTHORIZATION OF APPROPRIATIONS*

20 *SEC. 712. There are authorized to be appropriated for*
 21 *carrying out the purposes of this part \$500,000,000 for*
 22 *the fiscal year ending June 30, 1975, \$525,000,000 for the*
 23 *fiscal year ending June 30, 1976, and \$550,000,000 for the*
 24 *fiscal year ending June 30, 1977.*

1 *ALLOTMENT OF FUNDS: LIMITATIONS ON ASSISTANCE*

2 *SEC. 713. (a) Of the sums which are appropriated or*
 3 *allocated pursuant to section 712, the Secretary shall allot*
 4 *not more than 2 per centum among Guam, American Samoa,*
 5 *the Trust Territory of the Pacific Islands, and the Virgin*
 6 *Islands, according to their respective needs. He shall also*
 7 *reserve not more than 20 per centum of those sums for allot-*
 8 *ment in accordance with such criteria and procedures as he*
 9 *may prescribe. The remainder shall be allotted among the*
 10 *States, in accordance with the latest available data, so that*
 11 *equal proportions are distributed on the basis of the num-*
 12 *ber of children age 0-5 living in poverty in each State*
 13 *as compared to all States: Provided, That no State shall*
 14 *receive less than obligated in fiscal 1974.*

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

3 (c) No program shall be approved for assistance under
4 the Act unless the Secretary satisfies himself that the
5 services to be provided under such program will be in addi-
6 tion 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 establish policies and pro-
11 cedures designed to assure that no less than 10 per centum
12 of the total number of enrollment opportunities in Headstart
13 programs in each State shall be available for handicapped
14 children (as defined in paragraph (1) of section 602 of the
15 Education of the Handicapped Act) and that services shall
16 be provided to meet their special needs. The Secretary shall
17 report to the Congress at least annually on the status of
18 handicapped children in Headstart programs, including the
19 number of children being served, their handicapping condi-
20 tions, and the services being provided such children.

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

DESIGNATION OF GRANTEES

1
2 SEC. 714. (a) A public or private nonprofit agency
3 which (1) has the power and authority to carry out the pur-
4 poses of the Act and perform the functions set forth in sec-
5 tion 715 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 means, a Headstart program, may be designated as a Head-
9 start agency.

10 (b) For the purposes of the Act, a community may be
11 a city, county, multicounty, or multicounty unit, an Indian
12 reservation, or a neighborhood or other area (irrespective of
13 boundaries or political subdivisions) which provides a suit-
14 able organization base and possesses the commonality of
15 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 section, 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.

1 *REQUIRED POWERS AND FUNCTIONS OF HEADSTART*2 *AGENCIES*

3 *SEC. 715. (a) In order to be designated as a Head-*
 4 *start agency under the Act; an agency must have authority*
 5 *under its charter or applicable law to receive and adminis-*
 6 *ter funds under the Act, funds and contributions from pri-*
 7 *vate or local public sources which may be used in support*
 8 *of a Headstart program, and funds under any Federal or*
 9 *State assistance program pursuant to which a public or pri-*
 10 *vate nonprofit agency (as the case may be) organized in*
 11 *accordance with the Act could act as grantee, contractor,*
 12 *or sponsor of projects appropriate for inclusion in a Head-*
 13 *start program. Such an agency must also be empowered to*
 14 *transfer funds so received, and to delegate powers to other*
 15 *agencies, subject to the powers of its governing board and its*
 16 *overall program responsibilities. This power to transfer funds*
 17 *and delegate powers must include the power to make trans-*
 18 *fers and delegations covering component projects in all*
 19 *cases where this will contribute to efficiency and effective-*
 20 *ness or otherwise further program objectives.*

21 *(b) In order to be so designated, a Headstart agency*
 22 *must also (1) establish effective procedures by which*
 23 *parents and area residents concerned will be enabled to in-*
 24 *fluence the character of programs affecting their interests,*
 25 *(2) provide for their regular participation in the implemen-*

1 *tation of those programs, and (3) provide technical and*
 2 *other support needed to enable parents and area residents*
 3 *to secure on their own behalf available assistance from public*
 4 *and private sources.*

5 *SUBMISSION OF PLANS TO GOVERNORS*

6 *SEC. 716. In carrying out the provisions of the Act,*
 7 *no contract, agreement, grant, or other assistance shall be*
 8 *made for the purpose of carrying out a Headstart program*
 9 *within a State unless a plan setting forth such proposed*
 10 *contract, agreement, grant, or other assistance has been*
 11 *submitted to the Governor of the State, and such plan has*
 12 *not been disapproved by the Governor within thirty days of*
 13 *such submission, or, if so disapproved, has been reconsidered*
 14 *by the Secretary and found by him to be fully consistent*
 15 *with the provisions and in furtherance of the purposes of*
 16 *the Act. Funds to cover the costs of the proposed contract,*
 17 *agreement, grant, or other assistance shall be obligated from*
 18 *the appropriation which is current at the time the plan is*
 19 *submitted to the Governor. This section shall not, however,*
 20 *apply to contracts, agreements, grants, loans, or other assist-*
 21 *ance to any institution of higher education in existence on*
 22 *the date of enactment of this Act.*

23 *ADMINISTRATION REQUIREMENTS AND STANDARDS*

24 *SEC. 717. (a) Each Headstart agency shall observe*
 25 *standards of organization, management, and administration*

1 which will assure, so far as reasonably possible, that all pro-
 2 gram activities are conducted in a manner consistent with
 3 the purposes of the Act and the objective of providing
 4 assistance effectively, efficiently, and free of any taint of
 5 partisan political bias or personal or family favoritism. Each
 6 such agency shall establish or adopt rules to carry out this
 7 section, which shall include rules to assure full staff ac-
 8 countability in matters governed by law, regulations, or
 9 agency policy. Each agency shall also provide for reason-
 10 able public access to information, including but not limited
 11 to public hearings at the request of appropriate community
 12 groups and reasonable public access to books and records of
 13 the agency or other agencies engaged in program activities
 14 or operations involving the use of authority or funds for
 15 which it is responsible. Each such agency shall adopt for
 16 itself and other agencies using funds or exercising authority
 17 for which it is responsible, rules designed to establish
 18 specific standards governing salaries, salary increases, travel
 19 and per diem allowances, and other employee benefits; to
 20 assure that only persons capable of discharging their duties
 21 with competence and integrity are employed and that em-
 22 ployees are promoted or advanced under impartial proce-
 23 dures calculated to improve agency performance and effec-
 24 tiveness; to guard against personal or financial conflicts of
 25 interests; and to define employee duties in an appropriate

1 manner which will in any case preclude employees from
 2 participating, in connection with the performance of their
 3 duties, in any form of picketing, protest, or other direct
 4 action which is in violation of law.

5 (b) No financial assistance shall be extended under
 6 the Act in any case in which the Secretary determines that
 7 the costs of developing and administering a program assisted
 8 under the Act exceed 15 per centum of the total costs, in-
 9 cluding non-Federal contributions to such costs, of such
 10 program. The Secretary, after consultation with the Director
 11 of the Office of Management and Budget, shall establish by
 12 regulation, criteria for determining (i) the costs of develop-
 13 ing and administering such program and (ii) the total
 14 costs of such program. In any case in which the Secre-
 15 tary determines that the cost of administering such program
 16 does not exceed 15 per centum and such total costs but is, in
 17 his judgment, excessive, he shall forthwith require the re-
 18 cipient of such financial assistance to take such steps pre-
 19 scribed by him as will eliminate such excessive administra-
 20 tive cost, including the sharing by one or more Headstart
 21 agencies of a common director and other administrative per-
 22 sonnel. The Secretary may waive the limitation prescribed
 23 by this paragraph for specific periods of time not to exceed
 24 six months whenever he determines that such a waiver is
 25 necessary in order to carry out the purposes of the Act.

1 (c) The Secretary shall prescribe rules or regulations
2 to supplement subsection (a), which shall be binding on all
3 agencies carrying on Headstart program activities with
4 financial assistance under the Act. He may, where appro-
5 priate, establish special or simplified requirements for smaller
6 agencies or agencies operating in rural areas.

7 (d) All rules, regulations, guidelines, instructions, and
8 application forms published or promulgated by the Secretary
9 pursuant to the Act shall be published in the Federal Regis-
10 ter at least thirty days prior to their effective date.

11 POVERTY LINE

12 SEC. 718. (a) The Secretary shall revise annually
13 (or at any shorter interval he deems feasible and desirable)
14 a poverty line which, except as provided in section 711,
15 shall be used as a criterion of eligibility for participation in
16 Headstart programs.

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

23 (c) Revisions required by subsection (a) of this sec-
24 tion shall be made and issued not more than thirty days after

1 the date on which the necessary Consumer Price Index data
2 becomes available.

3 APPEALS, NOTICE AND HEARING

4 SEC. 719. The Secretary shall prescribe procedures
5 to assure that—

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

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

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

RECORDS AND AUDIT

SEC. 720. (a) Each recipient of financial assistance under the Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

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

TECHNICAL ASSISTANCE AND TRAINING

SEC. 721. The Secretary may provide, directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering programs under the Act and (2) training for specialized or other personnel which is needed in connection with Headstart programs.

RESEARCH AND DEMONSTRATION PROGRAMS

SEC. 722. (a) The Secretary may contract or provide financial assistance for pilot or demonstration projects con-

ducted 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 the Act. He may also contract or provide financial assistance for research pertaining to the purposes of the Act.

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

ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION

CONTRACTS

SEC. 723. (a) The Secretary shall make a public announcement concerning—

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

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

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

EVALUATION

1
2 SEC. 724. (a) The Secretary shall provide for the
3 continuing evaluation of programs under the Act, includ-
4 ing evaluations that describe and measure, with appropriate
5 means and to the extent feasible, the impact of such programs,
6 their effectiveness in achieving stated goals, their impact on
7 related programs, and their structure and mechanisms for
8 delivery of services, and including, where appropriate, com-
9 parisons with appropriate control groups composed of persons
10 who have not participated in such programs. The Secre-
11 tary may, for such purposes, contract or make other arrange-
12 ments for independent evaluations of those programs or
13 individual projects.

14 (b) The Secretary shall to the extent feasible develop
15 and publish standards for evaluation of program effective-
16 ness in achieving the objectives of the Act. He shall con-
17 sider the extent to which such standards have been met in
18 deciding whether to renew or supplement financial assist-
19 ance authorized under the Act.

20 (c) In carrying out evaluations under the Act, the
21 Secretary may require Headstart agencies to provide inde-
22 pendent evaluations.

GENERAL PROVISIONS; DEFINITIONS

23
24 SEC. 725. As used in the Act—

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

3 (2) the term "State" means a State, the Common-
4 wealth of Puerto Rico, the District of Columbia, Guam,
5 American Samoa, the Virgin Islands, and the Trust
6 Territory of the Pacific Islands; except that when used
7 in section 713(a) of the Act this term means only a
8 State, the Commonwealth of Puerto Rico, or the District
9 of Columbia; and

10 (3) the term "financial assistance" includes as-
11 sistance advanced by grant, agreement, or contract, and
12 payments may be made in installments and in advance or
13 by way of reimbursement, with necessary adjustments
14 on account of overpayments or underpayments.

LABOR STANDARDS

15
16 SEC. 726. All laborers and mechanics employed by
17 contractors or subcontractors in the construction, alteration,
18 or repair, including painting and decorating of projects,
19 buildings, and works which are federally assisted under the
20 Act shall be paid wages at rates not less than those prevail-
21 ing on similar construction in the locality as determined by
22 the Secretary of Labor in accordance with the Davis-Bacon
23 Act, as amended (40 U.S.C. 276a—276a-5). The Secretary
24 of Labor shall have, with respect to such labor standards, the



1 authority and functions set forth in Reorganization Plan
2 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5
3 U.S.C. 133—133z-15), and section 2 of the Act of June 1,
4 1934, as amended (48 Stat. 948, as amended; 40 U.S.C.
5 276(C)).

6 COMPARABILITY OF WAGES

7 SEC. 727. (a) The Secretary shall take such action
8 as may be necessary to assure that persons employed in
9 carrying out programs financed under the Act shall not
10 receive compensation at a rate which is (1) in excess of
11 the average rate of compensation paid in the area where the
12 program is carried out to a substantial number of the persons
13 providing substantially comparable services, or in excess
14 of the average rate of compensation paid to a substantial
15 number of the persons providing substantially comparable
16 services in the area of the person's immediately preceding
17 employment, whichever is higher or (2) less than the
18 minimum wage rate prescribed in section 6(a)(1) of the
19 Fair Labor Standards Act of 1938.

20 NONDISCRIMINATION PROVISIONS

21 SEC. 728. (a) No person in the United States shall
22 on the ground of race, creed, color, national origin, sex, or
23 political affiliation be excluded from participation in, be
24 denied the benefits of, or be subjected to discrimination under

1 any program or activity funded in whole or in part with
2 funds made available under the Act.

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

9 LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL

10 ACTIVITIES

11 SEC. 729. No individual employed or assigned by any
12 Headstart agency or other agency assisted under the Act
13 shall, pursuant to or during the performance of services
14 rendered in connection with any program or activity con-
15 ducted or assisted under the Act by such Headstart agency
16 or such other agency, plan, initiate, participate in, or other-
17 wise aid or assist in the conduct of any unlawful demonstra-
18 tion, rioting, or civil disturbance.

19 POLITICAL ACTIVITIES

20 SEC. 730. (a) For purposes of chapter 15 of title 5 of
21 the United States Code any agency which assumes respon-
22 sibility for planning, developing, and coordinating Head-
23 start programs and receives assistance under the Act shall
24 be deemed to be a State or local agency; and for purposes of

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

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

20 ADVANCE FUNDING

21 SEC. 731. For the purpose of affording adequate notice
22 of funding available under the Act, appropriations for
23 grants, contracts, or other payments under the Act are au-
24 thorized to be included in the appropriation Act for the fiscal

1 year preceding the fiscal year for which they are available
2 for obligation.

3 PART B—FOLLOW THROUGH PROJECTS

4 GRANTEES; NATURE OF PROJECTS

5 SEC. 751. (a)(1) The Secretary is authorized to
6 provide financial assistance in the form of grants to local
7 educational agencies, combinations of such agencies, and, as
8 provided in paragraph (2) of this subsection, any other
9 public or appropriate nonprofit private agencies, organiza-
10 tions, and institutions for the purpose of carrying out a pro-
11 gram to be known as Follow Through focused primarily on
12 children from low-income families (as defined by the Secre-
13 tary) in kindergarten and primary grades, including such
14 children enrolled in private nonprofit elementary schools,
15 who were previously enrolled in Headstart or similar pro-
16 grams.

17 (2) Whenever the Secretary determines (A) that
18 a local educational agency receiving assistance under para-
19 graph (1) is unable or unwilling to include in a Follow
20 Through project children enrolled in nonprofit private schools
21 who would otherwise be eligible to participate therein, or
22 (B) that it is otherwise necessary in order to accomplish
23 the purposes of this section, he may provide financial assist-
24 ance for the purpose of carrying out a Follow Through proj-

1 ect to any other public or appropriate nonprofit private
2 agency, organization, or institution.

3 (3) Projects to be assisted under this section must
4 provide comprehensive services which the Secretary finds
5 will aid in the continued development of children described
6 in paragraph (1) to their full potential. Such projects must
7 provide for the direct participation of the parents of such
8 children in the development, conduct, and overall direction
9 of the program at the local level. If the Secretary determines
10 that participation in the project of children who are not
11 from low-income families will enhance the development of
12 children from low-income families or will otherwise serve to
13 carry out the purposes of this section, he may require or
14 permit the inclusion of such children from non-low-income
15 families, but only to the extent that their participation will
16 not dilute the effectiveness of the services designed for chil-
17 dren described in paragraph (1).

18 AUTHORIZATION OF APPROPRIATIONS

19 SEC. 752. (a) There are authorized to be appropriated
20 for carrying out the purposes of this part \$60,000,000
21 for the fiscal year ending June 30, 1975, and for each of
22 the two succeeding fiscal years.

23 Funds so appropriated shall remain available for obli-
24 gation and expenditure during the fiscal year succeeding the
25 fiscal year for which they are appropriated, except that so

1 much of the funds appropriated which the Secretary deter-
2 mines to be necessary to carry out the activities authorized
3 by subsection (c)(2) shall remain available until expended.

4 (b) Financial assistance extended pursuant to subsec-
5 tion (a) for a Follow Through project shall be equal to 80
6 per centum of the approved costs of the assisted program or
7 activities, except that the Secretary may approve assistance
8 in excess of such percentage if he determines, in accordance
9 with regulations establishing objective criteria, that such
10 action is required in furtherance of the purposes of this
11 section. Non-Federal contributions may be in cash or in
12 kind, fairly evaluated, including but not limited to plant,
13 equipment, or services.

14 (c) No project shall be approved for assistance under
15 this section unless the Secretary satisfies himself that the
16 services to be provided under such project will be in addition
17 to, and not in substitution for, services previously provided
18 without Federal assistance. The requirement proposed by
19 the preceding sentence shall be subject to such regulations
20 as the Secretary may adopt.

21 RESEARCH AND DEMONSTRATION, EVALUATION, AND

22 TECHNICAL ASSISTANCE ACTIVITIES

23 SEC. 753. (a) In conjunction with the activities au-
24 thorized by subsection (a), the Secretary may—

25 (1) contract or provide financial assistance for

1 pilot or demonstration projects conducted by public or
2 private agencies which are designed to test or assist in
3 the development of new approaches or methods that will
4 aid in overcoming special problems or otherwise in
5 furthering the purposes of this section;

6 (2) provide, by contract or other arrangement, on
7 a nationwide basis, for the continuing evaluation of
8 projects assisted under this section, including evaluations
9 that describe and measure, with appropriate means and
10 to the extent feasible, the impact of such projects, their
11 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,
14 comparisons with appropriate control groups composed
15 of persons who have not participated in such projects;
16 and

17 (3) provide, directly or through grants or other
18 appropriate arrangements (A) technical assistance to
19 Follow Through projects in developing, conducting, and
20 administering programs under this section and (B)
21 training for specialized or other personnel which is
22 needed in connection with Follow Through projects.

23 ADVANCE FUNDING

24 SEC. 754. For the purpose of affording adequate no-
25 tice of funding available under this part, appropriations

1 for grants, contracts, or other payments under the Act are
2 authorized to be included in the appropriation Act for the
3 fiscal year preceding the fiscal year for which they are avail-
4 able for obligation.

5 GENERAL PROVISIONS

6 SEC. 755. (a) Recipients of financial assistance under
7 this section shall provide maximum employment opportu-
8 nities for residents of the area to be served, and to parents
9 of children who are participating in projects assisted under
10 this section.

11 (b) Financial assistance under this section shall not be
12 suspended for failure to comply with applicable terms and
13 conditions, except in emergency situations, nor shall an ap-
14 plication for refunding be denied, unless the recipient agency
15 has been given reasonable notice and opportunity to show
16 cause why such action should not be taken.

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

21 TITLE VIII—NATIVE AMERICANS

22 SHORT TITLE

23 SEC. 801. This part may be cited as the "Native Ameri-
24 can Program Extension Act of 1974" (hereinafter in this
25 part referred to as the "Act").

STATEMENT OF PURPOSE

1 *SEC. 802. The purpose of the Act is to promote the*
 2 *goal of economic and social self-sufficiency for American*
 3 *Indians and Alaskan natives.*

FINANCIAL ASSISTANCE FOR NATIVE AMERICAN PROJECTS

6 *SEC. 811. (a) The Secretary is authorized to provide*
 7 *financial assistance to public and nonprofit private agencies,*
 8 *including but not limited to, governing bodies of Indian*
 9 *tribes, Alaskan Native villages and regional corporations*
 10 *established by the Alaska Native Claims Settlement Act,*
 11 *for projects pertaining to the purposes of the Act. In deter-*
 12 *mining the projects to be assisted under this section, the*
 13 *Secretary shall consult with other Federal agencies for the*
 14 *purpose of eliminating duplication or conflict among similar*
 15 *activities or projects and for the purpose of determining*
 16 *whether the findings resulting from those projects may be*
 17 *incorporated into one or more programs for which those*
 18 *agencies are responsible.*

19 *(b) Financial assistance extended to an agency pursuant*
 20 *to subsection (a) shall be equal to 80 per centum of the*
 21 *approved costs of the assisted project, except that the Secre-*
 22 *tary may approve assistance in excess of such percentage if*
 23 *he determines, in accordance with regulations establishing*
 24 *objective criteria, that such action is required in furtherance*
 25 *of the purposes of the Act. Non-Federal contributions may*

1 *be in cash or in kind, fairly evaluated, including but not*
 2 *limited to plant, equipment, and services.*

3 *(c) No project shall be approved for assistance under*
 4 *this section unless the Secretary satisfies himself that the*
 5 *activities to be carried out under such project will be in addi-*
 6 *tion to, and not in substitution for, comparable activities*
 7 *previously carried out without Federal assistance, except that*
 8 *the Secretary may waive this requirement in any case in*
 9 *which he determines, in accordance with regulations estab-*
 10 *lishing objective criteria, that application of the requirement*
 11 *would result in unnecessary hardship or otherwise be incon-*
 12 *sistent with the purposes of the Act.*

TECHNICAL ASSISTANCE AND TRAINING

14 *SEC. 812. The Secretary may provide, directly or*
 15 *through other arrangements (1) technical assistance to pub-*
 16 *lic and private agencies in developing, conducting, and ad-*
 17 *ministering projects under the Act, and (2) short-term*
 18 *in-service training for specialized or other personnel which is*
 19 *needed in connection with projects receiving financial assist-*
 20 *ance under section 811 of the Act.*

RESEARCH AND DEMONSTRATION PROJECTS

22 *SEC. 813. (a) The Secretary may provide financial*
 23 *assistance for pilot or demonstration projects conducted by*
 24 *public or private agencies which are designed to test or*
 25 *assist in the development of new approaches or methods that*

1 will aid in furthering the purposes of the Act. He may also
2 provide financial assistance for research pertaining to the
3 purposes of the Act.

4 (b) The Secretary shall establish an overall plan to
5 govern the approval of pilot or demonstration projects and
6 the use of all research authority under the Act. The plan
7 shall set forth specific objectives to be achieved and priorities
8 among such objectives.

9 ANNOUNCEMENT OF RESEARCH OR DEMONSTRATION

10 CONTRACTS

11 SEC. 814. (a) The Secretary shall make a public an-
12 nouncement concerning—

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

17 (2) except in cases in which the Secretary de-
18 termines that it would not be consistent with the
19 purposes of the Act, the results, findings, data, or
20 recommendations made or reported as a result of such
21 activities.

22 (b) The public announcements required by subsection
23 (a) shall be made within thirty days of entering into such
24 contracts and thereafter within thirty days of the receipt of
25 such results.

1 SUBMISSION OF PLANS TO STATE AND LOCAL OFFICIALS

2 SEC. 815. (a) No financial assistance may be pro-
3 vided to any project under section 811 of the Act or any
4 pilot or demonstration project under section 813 of the
5 Act, which is to be carried out on or in an Indian reserva-
6 tion or Alaskan Native village, unless a plan setting forth
7 the project has been submitted to the governing body of that
8 reservation or village and the plan has not been disapproved
9 by the governing body within thirty days of its submission.

10 (b) No financial assistance may be provided to any
11 project under section 811 of the Act or any pilot or dem-
12 onstration project under section 813 of the Act, which
13 is to be carried out in a State other than on or in an Indian
14 reservation or Alaskan Native village, unless the Secretary
15 has notified the chief executive officer of the State of his
16 decision to provide that assistance.

17 (c) No financial assistance may be provided to any
18 project under section 811 of the Act or any pilot or demon-
19 stration project under section 813 of the Act, which is to be
20 carried out in a city, county, or other major political sub-
21 division of a State, other than on or in an Indian reservation
22 or Alaskan Native village, unless the Secretary has notified
23 the local governing officials of the political subdivision of his
24 decision to provide that assistance.

RECORDS AND AUDIT

1 *SEC. 816. (a) Each agency which receives financial*
 2 *assistance under the Act shall keep such records as the Secre-*
 3 *tary may prescribe, including records which fully disclose the*
 4 *amount and disposition by that agency of such financial assist-*
 5 *ance, the total cost of the project in connection with which such*
 6 *financial assistance is given or used, the amount of that por-*
 7 *tion of the cost of the project supplied by other sources, and*
 8 *such other records as will facilitate an effective audit.*

9 *(b) The Secretary and the Comptroller General of the*
 10 *United States, or any of their duly authorized representatives,*
 11 *shall have access for the purpose of audit and examination to*
 12 *any books, documents, papers, and records of any agency*
 13 *which receives financial assistance under the Act that are*
 14 *pertinent to the financial assistance received under the Act.*

APPEALS, NOTICE, AND HEARING

15 *SEC. 817. The Secretary shall prescribe procedures to*
 16 *assure that—*

17 *(1) financial assistance under section 811 of the*
 18 *Act will not be suspended for failure to comply with*
 19 *any applicable terms and conditions, except in emer-*
 20 *gency situations, nor an application for refunding under*
 21 *that section denied, unless the assisted agency has been*
 22 *given reasonable notice and opportunity to show cause*
 23 *why such action should not be taken; and*
 24
 25

1 *(2) financial assistance under section 811 of the*
 2 *Act will not be terminated for failure to comply with any*
 3 *applicable terms and conditions unless the assisted agen-*
 4 *cy has been afforded reasonable notice and opportunity*
 5 *for a full and fair hearing.*

EVALUATION

6 *SEC. 818. (a) The Secretary shall provide for the*
 7 *evaluation of projects assisted under the Act, including*
 8 *evaluations that describe and measure, with appropriate*
 9 *means and to the extent feasible, the impact of such projects,*
 10 *their effectiveness in achieving stated goals, their impact on*
 11 *related programs, and their structure and mechanisms for*
 12 *delivery of services, and including, where appropriate, com-*
 13 *parisons with appropriate control groups composed of per-*
 14 *sons who have not participated in such projects. The Sec-*
 15 *retary may, for such purpose, contract or make other*
 16 *arrangements for independent evaluations of projects.*

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

23 *(c) In carrying out evaluations under the Act, the*
 24
 25

1 Secretary may require agencies which receive assistance
2 under the Act to provide independent evaluations.

3 LABOR STANDARDS

4 SEC. 819. All laborers and mechanics employed by
5 contractors or subcontractors in the construction, alteration,
6 or repair, including painting or decorating, of buildings or
7 other facilities in connection with projects assisted under
8 the Act, shall be paid wages at rates not less than those
9 prevailing on similar construction in the locality, as deter-
10 mined by the Secretary of Labor in accordance with the
11 Davis-Bacon Act. The Secretary of Labor shall have, with
12 respect to such labor standards, the authority and functions
13 set forth in Reorganization Plan Numbered 14 of 1950,
14 and section 2 of the Act of June 1, 1934.

15 CRIMINAL PROVISIONS

16 SEC. 820. (a) Whoever, being an officer, director, agent,
17 or employee of, or connected in any capacity with, any
18 agency receiving financial assistance under the Act embezzles,
19 willfully misapplies, steals, or obtains by fraud any of the
20 moneys, funds, assets, or property which are the subject of
21 a grant or contract of assistance pursuant to the Act, shall
22 be fined not more than \$10,000 or imprisoned for not more
23 than two years, or both, but if the amount so embezzled,
24 misapplied, stolen, or obtained by fraud does not exceed

1 \$100, he shall be fined not more than \$1,000 or imprisoned
2 not more than one year, or both.

3 (b) Whoever, by threat of procuring dismissal of any
4 person from employment or of refusal to employ or refusal
5 to renew a contract of employment in connection with as-
6 sistance under the Act, induces any person to give up any
7 money or thing of any value to any person (including an
8 assisted agency), shall be fined not more than \$1,000 or
9 imprisoned not more than one year, or both.

10 DELEGATION OF AUTHORITY

11 SEC. 821. (a) The Secretary is authorized to delegate
12 to the heads of other departments and agencies of the Fed-
13 eral Government any of the Secretary's functions, powers,
14 and duties under the Act, as he may deem appropriate, and
15 to authorize the redelegation of such functions, powers, and
16 duties by the heads of such departments and agencies.

17 (d) Departments and agencies of the Federal Govern-
18 ment shall exercise their powers, duties, and functions in
19 such manner as will assist in carrying out the objectives of
20 the Act.

21 (c) Funds appropriated for the purpose of carrying out
22 the Act may be transferred between departments and agen-
23 cies of the Government, if such funds are used for the pur-
24 poses for which they are authorized and appropriated.

DEFINITIONS

SEC. 822. As used in the Act—

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

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

(3) the term "State" includes the District of Columbia; and

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

AUTHORIZATION OF APPROPRIATIONS

SEC. 823. There are authorized to be appropriated for the purpose of carrying out the provisions of the Act, such

sums as may be necessary for the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

TITLE IX—COMPREHENSIVE HEALTH SERVICES

COMPREHENSIVE HEALTH SERVICES

SEC. 901. The Secretary of Health, Education, and Welfare shall establish within the Department of Health, Education, and Welfare a "Comprehensive Health Services" program which shall include—

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

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

1 simpler, less comprehensive services to be estab-
 2 lished first; and

3 (2) to assure that these services are made
 4 readily accessible to low-income residents of such
 5 areas, are furnished in a manner most responsive to
 6 their needs and with their participation and wher-
 7 ever possible are combined with, or included within,
 8 arrangements for providing employment, education,
 9 social, or other assistance needed by the families and
 10 individuals served: Provided, however, That pursu-
 11 ant to such regulations as the Secretary of Health,
 12 Education, and Welfare may prescribe, persons pro-
 13 vided assistance through programs assisted under
 14 this paragraph who are not members of low-income
 15 families may be required to make payment, or have
 16 payment made in their behalf, in whole or in part
 17 for such assistance.

18 Funds for financial assistance under this paragraph
 19 shall be allotted according to need, and capacity of appli-
 20 cants to make rapid and effective use of that assistance,
 21 and may be used as necessary, to pay the full costs of
 22 projects. Before approving any project, the Secretary
 23 shall solicit and consider the comments and recommenda-
 24 tions of the local medical associations in the area and

1 shall consult with appropriate Federal, State, and local
 2 health agencies and take such steps as may be required
 3 to assure that the program will be carried on under com-
 4 petent professional supervision and that existing agencies
 5 providing related services are furnished all assistance
 6 needed to permit them to plan for participation in the
 7 program and for the necessary continuation of those
 8 related services; and

9 (b) programs to provide financial assistance to
 10 public or private agencies to projects designed to develop
 11 knowledge or enhance skills in the field of health services
 12 for the poor. Such projects shall encourage both pro-
 13 spective and practicing health professionals to direct their
 14 talents and energies toward providing health services
 15 for the poor. In carrying out the provisions of this para-
 16 graph, the Secretary is authorized to provide or arrange
 17 for training and study in the field of health services for
 18 the poor. Pursuant to regulations prescribed by him, the
 19 Secretary may arrange for the payment of stipends and
 20 allowances (including travel and subsistence expenses)
 21 for persons undergoing such training and study and for
 22 their dependents. The Secretary shall achieve effective
 23 coordination of programs and projects authorized under
 24 this section with other related activities.

TITLE X—HUMAN SERVICES POLICY

RESEARCH

SHORT TITLE

SEC. 1001. This title may be cited as the "Human Services Policy Research Act of 1974".

STATEMENT OF PURPOSE

SEC. 1002. The purpose of the title is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient.

RESEARCH AND PILOT PROGRAMS

SEC. 1011. (a) The Secretary of Health, Education, and Welfare (hereinafter in this title referred to as the "Secretary") may 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. He may also contract or provide financial assistance for research and evaluation pertaining to the purposes of this part.

(b) The Secretary shall establish an overall plan to govern the approval of pilot or demonstration projects and

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

(c) No pilot or demonstration project under this section shall be commenced in any city, county, or other major political subdivision, unless a plan setting forth such proposed pilot or demonstration project has been submitted to the chief executive officer of the State, and to the local governing officials of the city, county, or major political subdivision, in which the project is to be located, and such plan has not been disapproved by them within thirty days of such submission, or, if so disapproved, has been reconsidered by the Secretary and found by him to be fully consistent with the provisions and in furtherance of the purposes of this part.

CONSULTATION

SEC. 1012. (a) In carrying out evaluations under this title, the Secretary shall, whenever possible, arrange to obtain the opinions of program participants about the strengths and weaknesses of programs.

1 (b) The Secretary shall consult, when appropriate,
2 with State agencies, in order to provide for jointly spon-
3 sored objective evaluation studies of programs on a State
4 basis.

5 (c) In carrying out evaluations under this title, the
6 Secretary shall consult with the heads of other Federal
7 agencies carrying out activities related to the subject matter
8 of those evaluations.

9 ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND
10 EVALUATION CONTRACTS

11 SEC. 1013. (a) The Secretary shall make a public
12 announcement concerning—

13 (1) the title, purpose, intended completion date,
14 identity of the contractor, and proposed cost of any con-
15 tract with a private or non-Federal public agency or
16 organization for any demonstration, research project, or
17 evaluation under this part; and

18 (2) the results, findings, data, or recommendations
19 made or reported as a result of such demonstration, re-
20 search project, or evaluation.

21 (b) The public announcements required by subsection
22 (a) shall be made within thirty days of entering into any
23 such contract and thereafter within thirty days of the receipt
24 of such results, findings, data, or recommendations.

25 (c) The Secretary shall take necessary action to assure

1 that all studies, evaluations, proposals, and data produced
2 or developed with Federal funds employed under the Act
3 shall become the property of the United States.

4 (d) The Secretary shall publish summaries of the re-
5 sults of activities carried out pursuant to this title.

6 NONDISCRIMINATION PROVISIONS

7 SEC. 1014. (a) The Secretary shall not provide finan-
8 cial assistance for any program, project, or activity under
9 this part unless the grant, contract, or agreement with
10 respect thereto specifically provides that no person with re-
11 sponsibilities in the operation thereof will discriminate with
12 respect to any such program, project, or activity because of
13 race, creed, color, national origin, sex, political affiliation,
14 or beliefs.

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

6 SEC. 1015. Nothing contained in this title shall be con-
7 strued to authorize any department, agency, officer, or em-
8 ployee of the United States to exercise any direction, super-
9 vision, or control over the curriculum, program of instruction,
10 administration, or personnel or any educational institution or
11 school system.

12 DEFINITIONS

13 SEC. 1016. As used in this title—

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

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

22 AUTHORIZATION OF APPROPRIATIONS

23 SEC. 1017. There are authorized to be appropriated for
24 purposes of this title such sums as may be necessary for the
25 fiscal year ending June 30, 1975, and each of the next two
26 fiscal years.

1 TITLE XI—COMMUNITY ECONOMIC

2 DEVELOPMENT

3 SHORT TITLE

4 SEC. 1100. This title may be cited as the "Community
5 Economic Development Act of 1974."

6 CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE

7 SEC. 1101. In spite of the fact that a large majority of
8 Americans are enjoying the highest standard of living in
9 the world, many of our great cities and numerous rural
10 communities are characterized by: A contracting or mori-
11 bund economic base; substantial and persistent unemploy-
12 ment and underemployment; deteriorated housing; insuffi-
13 cient or outmoded physical facilities to promote industrial
14 and commercial development; and a general lack of the re-
15 sources necessary to promote vigorous business planning
16 and development by and for the benefit of residents of such
17 urban and rural low-income areas. For too long, substantial
18 numbers of minority group members and low-income whites
19 for a variety of reasons have been denied access to the
20 economic and social mainstream of American life. In order
21 to overcome these problems, the Federal Government must
22 establish a more expansive program of direct and indirect
23 financial assistance which will: (1) Enable communities
24 to develop and redevelop the total economic and social
25 well-being of their communities, (2) provide technical and

1 managerial assistance to members of minority groups and
 2 low-income whites, so as to facilitate their entry into new
 3 businesses and to strengthen and expand existing businesses
 4 owned by such individuals, and (3) provide direct financial
 5 assistance to community development corporations and co-
 6 operatives comprised of residents of urban and rural low-
 7 income areas to enable them to plan for and develop busi-
 8 nesses, housing, facilities for commercial and industrial devel-
 9 opment, and other social programs. Such programs should
 10 be operated and directed in such a manner so as to promote
 11 the achievement of permanent economic and social benefits—
 12 jobs, housing, ownership, and income—through the creation
 13 of employment and business ownership opportunities for those
 14 members of minority groups, including low-income whites,
 15 who reside in economically depressed urban and rural areas.

16 PART A—MINORITY BUSINESS ASSISTANCE

17 DEFINITIONS

18 SEC. 1111. As used in this title:

19 (a) "Secretary" means the Secretary of Commerce.

20 (b) "Minority business enterprise" means a business
 21 enterprise that is owned or controlled by one or more so-
 22 cially or economically disadvantaged persons. Such disad-
 23 vantage may arise from cultural, racial, chronic economic
 24 circumstances or background or other similar cause. Such
 25 persons include, but are not limited to, Negroes, Puerto

1 Ricans, Spanish-speaking Americans, American Indians,
 2 Eskimos, and Aleuts.

3 (c) "State" means the States of the United States, the
 4 District of Columbia, the Commonwealth of Puerto Rico, and
 5 the territories and possessions of the United States.

6 TECHNICAL AND MANAGEMENT ASSISTANCE

7 SEC. 1112. (a) The Secretary may provide financial
 8 assistance, under such terms and conditions as he deems
 9 necessary or appropriate, in the form of grants or grants-in-
 10 aid to individuals, partnerships, corporations, and other
 11 entities, and to States and their subdivisions and agencies
 12 thereof:

13 (1) To assist them in developing and carrying out pro-
 14 grams and projects designed to make available management
 15 and technical assistance to minority business enterprise, in-
 16 cluding, but not limited to—

17 (A) planning and research, including feasibility
 18 studies and market research;

19 (B) identification and development of new business
 20 opportunities;

21 (C) furnishing of centralized services with regard to
 22 public services and Government programs; and

23 (D) furnishing of business counseling, management
 24 training, legal and other related services, with special
 25 emphasis on the development of management training

1 programs using the resources of the business and aca-
 2 demic communities, including the development of man-
 3 agement training opportunities in existing businesses,
 4 and with emphasis in all cases upon providing manage-
 5 ment training of sufficient scope and duration to develop
 6 entrepreneurial and managerial self-sufficiency on the
 7 part of the individuals served.

8 (2) To assist in developing community support for mi-
 9 nority business enterprise by—

10 (A) establishing and strengthening business service
 11 agencies, including trade or professional associations and
 12 cooperatives;

13 (B) encouraging the placement of contracts and
 14 subcontracts by businesses and other organizations with
 15 minority business enterprises (including the provision of
 16 incentive and assistance to businesses and other orga-
 17 nizations so that they will aid in the training and up-
 18 grading of potential and existing minority business entre-
 19 preneurs);

20 (C) furnishing economic feasibility information, and
 21 other services to financial organizations in connection
 22 with applications for financial assistance to a particular
 23 proposed minority business enterprise and in connection
 24 with the planning and initiation of such enterprises;

1 (D) paying all or part of the costs, including but
 2 not limited to tuition, of the participation of socially or
 3 economically disadvantaged persons in courses and train-
 4 ing programs for the development of skills relating to
 5 any aspect of business management; and

6 (E) conducting pilot or demonstration projects
 7 designed to overcome the special problems of minority
 8 business enterprises or otherwise to further the purposes
 9 of this part.

10 (b) The Secretary is authorized to grant 100 per
 11 centum of the total program or project cost of grants author-
 12 ized pursuant to subsection (a) of this section. In addition,
 13 advance payments may be made on all authorized grants
 14 whenever the Secretary in his discretion so determines.

15 PART B—COMMUNITY ECONOMIC DEVELOPMENT

16 CONGRESSIONAL STATEMENT OF PURPOSE

17 SEC. 1121. The purpose of this part is to encourage the
 18 development of special programs by which the residents of
 19 urban and rural low-income areas may, through self-help
 20 and mobilization of the community at large, with appro-
 21 priate Federal assistance, improve the quality of their eco-
 22 nomic and social participation in community life in such a
 23 way as to contribute to the elimination of poverty and the
 24 establishment of permanent economic and social benefits.

STATEMENT OF PURPOSE

SEC. 1122. The purpose of this part is to establish special programs of assistance to private locally initiated community corporations including cooperatives, or organizations conducting activities which (1) are directed to the solution of the critical problems existing in particular communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) within those urban and rural areas having concentrations or substantial numbers of low-income persons; (2) are of sufficient size, scope, and duration to have an appreciable impact in such communities, neighborhoods, and rural areas in arresting tendencies toward dependency, chronic unemployment, and community deterioration; and (3) hold forth the prospect of continuing to have such impact after the termination of financial assistance under this part.

ESTABLISHMENT OF PROGRAMS—FINANCIAL ASSISTANCE;

NUMERICAL RESTRICTION OF PROGRAMS; SCOPE OF PROGRAMS

SEC. 1123. (a) The Secretary is authorized to provide financial assistance to community development corporations and to cooperatives for the payment of all or part of the costs of programs which are designed to carry out the purposes of this part. Such programs shall be restricted in number so that each is of sufficient size, scope, and duration to have

an appreciable impact on the area served. Such programs may include—

(1) economic and business development programs, including programs which provide financial and other assistance (including equity capital) to start, expand, or locate businesses in or near the area served so as to provide employment and ownership opportunities for residents of such areas, and programs including those described in title IV of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2901–2907), for small businesses in or owned by residents of such areas;

(2) community development and housing activities which create new training, employment, and ownership opportunities and which contribute to an improved living environment; and

(3) training and public service employment programs and related services for unemployed or low-income persons which support and complement community development programs financed under this title including, without limitation, activities such as those described in the Comprehensive Employment and Training Act of 1973 (Public Law 93–203).

(b) The Secretary shall conduct programs assisted under this part so as to contribute, on an equitable basis between urban and rural areas, to the elimination of poverty

1 and the establishment of permanent economic and social
2 benefits in such areas.

3 *FINANCIAL ASSISTANCE REQUIREMENTS—REGULATIONS;*
4 *CONDITIONS*

5 *SEC. 1124. (a) The Secretary, under such regulations*
6 *as he may establish, shall not provide financial assistance for*
7 *any program or component project under this part unless he*
8 *determines that—*

9 (1) *such community development corporation is*
10 *responsible to residents of the area served (a) through*
11 *a governing body not less than 50 per centum of the*
12 *members of which are area residents and (b) in ac-*
13 *cordance with such other guidelines as may be estab-*
14 *lished by the Secretary: Provided, however, That*
15 *the composition of the governing bodies of organizations*
16 *owned or controlled by the community development cor-*
17 *poration need not be subject to such residency require-*
18 *ment;*

19 (2) *all projects and related facilities will, to the*
20 *maximum feasible extent, be located in the areas served;*

21 (3) *projects will, where feasible, promote the de-*
22 *velopment of entrepreneurial and management skills and*
23 *the ownership or participation in ownership of assisted*
24 *businesses and housing, cooperatively or otherwise, by*
25 *residents of the area served;*

1 (4) *projects will be planned and carried out with*
2 *the participation of local businessmen and financial in-*
3 *stitutions and organizations by their inclusion on program*
4 *boards of directors, advisory councils, or through other*
5 *appropriate means;*

6 (5) *the program will be appropriately coordinated*
7 *with local planning under this chapter, the Demonstration*
8 *Cities Metropolitan Development Act of 1966, and with*
9 *other relevant planning for physical and human re-*
10 *sources of the areas served;*

11 (6) *no participant will be employed on projects*
12 *involving political parties, or the construction, opera-*
13 *tion, or maintenance of so much of any facility as is used*
14 *or to be used for sectarian instruction or as a place for*
15 *religious worship;*

16 (7) *the program will not result in the displacement*
17 *of employed workers or impair existing contracts for*
18 *services, or result in the substitution of Federal for*
19 *other funds in connection with work that would other-*
20 *wise be performed;*

21 (8) *the rates of pay for time spent in work-training*
22 *and education, and other conditions of employment, will*
23 *be appropriate and reasonable in the light of such fac-*
24 *tors as the type of work, geographical region, and pro-*
25 *iciency of the participant;*

1 (9) the program will, to the maximum extent feasi-
2 ble, contribute to the occupational development or up-
3 ward mobility of individual participants;

4 (10) preference will be given to low-income or eco-
5 nomically disadvantaged residents of the areas served in
6 filling jobs and training opportunities; and

7 (11) training programs carried out in connection
8 with projects financed under this part shall be designed
9 wherever feasible to provide those persons who success-
10 fully complete such training with skills which are also
11 in demand in communities, neighborhoods, or rural areas
12 other than those for which programs are established un-
13 der this part.

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

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

23 APPLICATIONS OF OTHER FEDERAL RESOURCES—SMALL

24 BUSINESS ADMINISTRATION PROGRAMS

25 SEC. 1125. (a) (1) Funds granted under this part which

1 are invested, directly or indirectly, in a small business invest-
2 ment company or a local development company, shall be in-
3 cluded as "private paid-in capital and paid-in surplus,"
4 "combined paid-in capital and paid-in surplus," and "paid-
5 in capital" for purposes of sections 302, 303, and 502, re-
6 spectively, of the Small Business Investment Act of 1958.

7 (2) Within ninety days of the enactment of this Act, the
8 Administrator of the Small Business Administration, after
9 consultation with the Secretary, shall prescribe such regula-
10 tions as may be necessary and appropriate to insure the avail-
11 ability to community development corporations of such pro-
12 grams as shall further the purposes of this part.

13 (b) (1) Areas selected for assistance under this title shall
14 be deemed "redevelopment areas" within the meaning of sec-
15 tion 401 of the Public Works and Economic Development Act
16 of 1965, shall qualify for assistance under the provisions of
17 title I and title II of that Act, and shall be deemed to have met
18 the overall economic development program requirements of
19 section 1022(b) (10) of such Act.

20 (2) Within ninety days of the enactment of this title
21 the Secretary shall prescribe regulations which will insure
22 that community development corporations and cooperatives
23 shall qualify for assistance and shall be eligible to receive
24 such assistance under all such programs of the Economic

1 Development Administration as shall further the purposes of
2 this title.

3 (c) The Secretary of Housing and Urban Development,
4 after consultation with the Secretary, shall take all necessary
5 steps (1) to assure that community development corpora-
6 tions assisted under this part or their subsidiaries shall qualify
7 as sponsors under section 106 of the Housing and Urban
8 Development Act of 1968, and sections 221, 235, and 236
9 of the National Housing Act of 1949 or any successor legis-
10 lation; (2) to assure that land for housing and business
11 location and expansion is made available under title I of the
12 Housing Act of 1949 or any successor legislation as may be
13 necessary to carry out the purposes of this part; and (3) to
14 assure that funds are available under section 701(b) of the
15 Housing Act of 1954 or any successor legislation to com-
16 munity development corporations assisted under this part.

17 (d) The Secretary of the United States Department of
18 Agriculture or, where appropriate, the Administrator of the
19 Farmers Home Administration, after consultation with the
20 Secretary shall take all necessary steps to insure that com-
21 munity development corporations and local cooperative as-
22 sociations shall qualify for (1) such assistance in connection
23 with housing development under the Housing Act of 1949,
24 or any superseding legislation, (2) such assistance in con-
25 nection with housing, business, industrial, and community

1 development under the Consolidated Farmers Home Ad-
2 ministration Act of 1961 and the Rural Development Act of
3 1972, or any superseding legislation, and (3) such further
4 assistance under all such programs of the United States
5 Department of Agriculture, as shall further the purposes of
6 this part.

7 (e) Any funds approved as a grant to a community
8 development corporation or a local cooperative association
9 pursuant to the provisions of this title, and any assets or
10 services acquired with such funds, shall be deemed non-
11 Federal for the purpose of any programs referred to in
12 this title which may require a non-Federal contribution.

13 (f) The Secretary shall take such steps as may be
14 necessary and appropriate, in coordination and cooperation
15 with the heads of other Federal departments and agencies,
16 so that contracts, subcontracts, and deposits made by the
17 Federal Government or in connection with programs aided
18 with Federal funds are placed in such a way as to further
19 the purposes of this part.

20 (g) On or before six months after the enactment of this
21 Act, and annually thereafter, the Secretary shall submit to
22 the Congress a detailed report setting forth a description of
23 all Federal agency programs which he finds relevant to
24 achieving the purposes of this part and the extent to which
25 such programs have been made available to community devel-

1 opment corporations receiving financial assistance under this
 2 part including specifically the availability and effectiveness of
 3 programs referred to in subsections (a), (b), and (c) of
 4 this section. Where appropriate, the report required under
 5 this subsection also shall contain recommendations for the
 6 more effective utilization of Federal agency programs for
 7 carrying out the purposes of this part.

8 FEDERAL SHARE OF PROGRAMS COSTS

9 SEC. 1126. Federal grants to any program carried out
 10 pursuant to this part, including grants used by community
 11 development corporations for capital investments, shall (1)
 12 not exceed 90 per centum of the cost of such program includ-
 13 ing costs of administration unless the Secretary determines
 14 that assistance in excess of such percentage is required in
 15 furtherance of the purposes of this part, and (2) be made
 16 available for deposit to the grantee, under conditions which
 17 the Secretary deems appropriate, within thirty days follow-
 18 ing approval by the Secretary and the local community de-
 19 velopment corporation of the grant agreement. Non-Federal
 20 contributions may be in cash or in kind, fairly evaluated,
 21 including but not limited to plant, equipment, and services.
 22 Capital investments made with funds granted as a result of
 23 the Federal share of the costs of programs carried out under
 24 this part, and the proceeds from such capital investments,
 25 shall not be considered Federal property.

1 Subpart I—Rural Programs

2 CONGRESSIONAL STATEMENT OF PURPOSE

3 SEC. 1127. It is the purpose of this part to meet the
 4 special economic needs of rural communities or areas with
 5 concentrations or substantial numbers of low-income persons
 6 by providing support to self-help programs which promote
 7 economic development and independence, as a supplement
 8 to existing similar programs conducted by other departments
 9 and agencies of the Federal Government. Such programs
 10 should encourage low-income families to pool their talents
 11 and resources so as to create and expand rural economic
 12 enterprise.

13 FINANCIAL ASSISTANCE—LOW-INCOME RURAL FAMILIES; 14 AMOUNT

15 SEC. 1128. (a) The Secretary is authorized to provide
 16 financial assistance, including loans having a maximum ma-
 17 turity of fifteen years and in amounts not resulting in an
 18 aggregate principal indebtedness of more than \$3,500 at
 19 any one time, to any low-income rural family where, in the
 20 judgment of the Secretary, such financial assistance has a
 21 reasonable possibility of effecting a permanent increase in
 22 the income of such families, or will contribute to the im-
 23 provement of their living or housing conditions, by assisting
 24 or permitting them to—

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

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

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

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

20 (1) administrative costs of staff and overhead;

21 (2) costs of planning and developing new enter-
22 prises;

23 (3) costs of acquiring technical assistance; and

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

5 LIMITATIONS ON ASSISTANCE

6 SEC. 1129. (a) No financial assistance shall be provided
7 under this part unless the Secretary determines that—

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

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

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

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

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

Subpart II—Support Programs

TRAINING AND TECHNICAL ASSISTANCE

SEC. 1130. (a) The Secretary shall provide directly or through grants, contracts, or other arrangements such technical assistance and training of personnel as may be required to effectively implement the purposes of this subchapter. No financial assistance shall be provided to any public or private organization under this section unless the Secretary provides the beneficiaries of these services with opportunity to participate in the selection of and to review the quality and utility of the services furnished them by such organization.

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

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

will contribute to the effectiveness of programs assisted under this subchapter.

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

SEC. 1131. (a) The Secretary is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations and to cooperatives eligible for financial assistance under section 1123 of this title, to families under section 1128(a) of this title, and to local cooperatives eligible for financial assistance under section 1128(b) of this title, for business, housing, and community development projects who the Secretary determines will carry out the purposes of this subchapter. No loans, guarantees, or other financial assistance shall be provided under this section unless the Secretary determines that—

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

(2) a loan is not otherwise available on reasonable terms from private sources or other Federal, State, 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 Secretary pursuant to this section
6 shall bear interest at a rate not less than a rate determined
7 by the Secretary of the Treasury taking into consideration
8 the average market yield on outstanding Treasury obliga-
9 tions of comparable maturity, plus such additional charge,
10 if any, toward covering other costs of the program as the
11 Secretary may determine to be consistent with its purposes,
12 except that, for the five years following the date on which
13 funds are initially available to the borrower, the rate of
14 interest shall be set at a rate considered appropriate by the
15 Secretary in light of the particular needs of the borrower
16 which rate shall not be lower than 1 per centum. All such
17 loans shall be repayable within a period of not more than
18 thirty years.

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

25 (c)(1) To carry out the lending and guaranty func-

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

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

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

22 EVALUATION AND RESEARCH; REPORT TO CONGRESS

23 SEC. 1132. (a) Each program for which grants are
24 made under this title shall provide for a thorough evaluation

1 of the effectiveness of the program in achieving its purposes,
 2 which evaluation shall be conducted by such public or private
 3 organizations as the Secretary may designate, and all or part
 4 of the costs of evaluation may be paid from funds appro-
 5 priated to carry out this subpart. In evaluating the perform-
 6 ance of any community development corporation funded
 7 under part B of this title, the criteria for evaluation shall be
 8 based upon such program objectives, goals, and priorities as
 9 are consistent with the purposes of this Act and as were set
 10 forth by such community development corporation in its pro-
 11 posal for funding as approved and agreed upon by the Sec-
 12 retary or as subsequently modified from time to time by
 13 mutual agreement between the Secretary and such com-
 14 munity development corporation.

15 (b) The Secretary shall conduct, either directly or
 16 through grants or other arrangements, research designed to
 17 suggest new programs and policies to achieve the purposes of
 18 this title in such ways as to provide opportunities for em-
 19 ployment, ownership, and a better quality of life for low-
 20 income residents. The Secretary shall particularly investigate
 21 the feasibility and most appropriate manner of establishing
 22 development banks and similar institutions and shall report
 23 to the Congress on his research findings and recommendations
 24 not later than ninety days after enactment of this Act.

1 PART C—ADMINISTRATION

2 APPOINTMENT OF ASSISTANT SECRETARY OF COMMERCE

3 SEC. 1141. The Secretary shall administer this title with
 4 the assistance of an Assistant Secretary of Commerce. The
 5 Assistant Secretary created by this section shall be appointed
 6 by the President by and with the advice and consent of the
 7 Senate and shall be compensated at the rate provided for level
 8 IV of the Federal Executive Salary Schedule. Such Assist-
 9 ant Secretary shall perform such functions under this Act
 10 as the Secretary shall prescribe.

11 TRANSFER OF PERSONNEL

12 SEC. 1142. Personnel engaged in administering title VII
 13 of the Economic Opportunity Act of 1964, as amended, and
 14 related economic development programs shall be transferred
 15 to the Department of Commerce in accordance with applica-
 16 ble laws and regulations.

17 REGULATIONS

18 SEC. 1143. The Secretary is authorized to issue such
 19 regulations to implement the purposes of this Act as he deems
 20 necessary and appropriate. Such regulations shall be pro-
 21 mulgated in accordance with the notice and comment require-
 22 ments of subsections (b), (c), (d), and (e) of section 553
 23 of title 5 of the United States Code.

APPEALS, NOTICES AND HEARINGS

1 *SEC. 1144. The Secretary shall prescribe procedures to*
 2 *assure that community development corporations or coopera-*
 3 *tives have been afforded reasonable notice and opportunity*
 4 *for a full and fair hearing in the event that financial assist-*
 5 *ance to them under part B of this title is suspended or termi-*
 6 *nated for failure to comply with applicable terms and condi-*
 7 *tions, or in the event that an application for refunding is*
 8 *denied.*

RECORDS AND AUDIT

10 *SEC. 1145. (a) Each recipient of assistance under this*
 11 *Act shall keep such records as the Secretary shall prescribe,*
 12 *including records which fully disclose the amount and the*
 13 *disposition by such recipient of the proceeds of such assist-*
 14 *ance, the total cost of the project or undertaking in connec-*
 15 *tion with which such assistance is given or used, and the*
 16 *amount and nature of that portion of the cost of the project*
 17 *or undertaking supplied by other sources, and such other*
 18 *records as will facilitate an effective audit.*

20 *(b) The Secretary and the Comptroller General of the*
 21 *United States, or any of their duly authorized representatives,*
 22 *shall, upon reasonable notice to the recipient, have access for*
 23 *the purpose of audit and examination to any books, docu-*
 24 *ments, papers, and records of the recipient that are pertinent*
 25 *to assistance received under this title.*

CONGRESSIONAL REVIEW

1 *SEC. 1146. (a) The Senate Committee on Labor and*
 2 *Public Welfare and the House Committee on Education and*
 3 *Labor shall conduct a joint study which shall include—*
 4 *(1) a consideration of an appropriate administra-*
 5 *tive agency for the conduct of programs after July 1,*
 6 *1975, under this title.*

8 *(2) review the extent to which programs and ac-*
 9 *tivities conducted under this title meet the overall need*
 10 *in the Nation for community economic development*
 11 *programs and the resources available from public and*
 12 *private funds in meeting those needs.*

13 *(b) The Senate Committee on Labor and Public Wel-*
 14 *fare and the House Committee on Education and Labor*
 15 *shall report on their findings, together with any recom-*
 16 *mendations for further legislation, not later than one year*
 17 *after enactment of this title.*

PART D—AUTHORIZATION OF APPROPRIATIONS

19 *SEC. 1156. (a) For the purpose of carrying out Part*
 20 *A of this title, there are hereby authorized such sums as may*
 21 *be necessary for the fiscal years ending June 30, 1974, 1975,*
 22 *1976, and 1977.*

23 *(b) For the purpose of carrying out part B of this title,*
 24 *there are hereby authorized such sums as may be necessary*
 25 *for the fiscal years ending June 30, 1975, 1976, and 1977.*

TITLE XII—AUTHORIZATION OF APPROPRIATIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 1201. (a) For the purpose of carrying out this Act, except where specifically provided, there are authorized to be appropriated such sums as may be necessary for the fiscal year ending June 30, 1974, and for each of the three succeeding fiscal years.

(b) For the purposes of carrying out the programs authorized under section 121 there is authorized to be appropriated \$330,000,000 for the fiscal year 1975 and such sums as may be necessary for each of the two succeeding fiscal years.

(c) In addition to the amounts made available pursuant to subsection (b) there is also authorized to be appropriated not to exceed \$50,000,000 to carry out section 145 (Incentive Grants) during the fiscal year ending June 30, 1975, and such sums as may be necessary during each of the two succeeding fiscal years, except that in no event may more than 12½ per centum of such additional amounts be used in any one State.

AVAILABILITY OF FUNDS

SEC. 1202. Notwithstanding any other provisions of law, unless enacted in express and specific limitation of the provisions of this section, funds appropriated for any fiscal year to carry out any program under this Act or any predecessor

authority shall remain available, in accordance with the provisions of this Act, for obligation and expenditure until expended.

TITLE XIII—GENERAL PROVISIONS

DEFINITIONS

SEC. 1301. As used in this Act—

(1) the term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I, part A of title II and title III the meaning of "State" shall also include the Trust Territory of the Pacific Islands; except that when used in section 125 of this Act this term means only a State, Puerto Rico, or the District of Columbia. The term "United States" when used in a geographical sense includes all those places named in the previous sentence, and all other places continental or insular, subject to the jurisdiction of the United States;

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

(3) the term "lower living standard budget" means that income level (adjusted for regional and metropoli-

1 *tan, urban and rural differences and family size) deter-*
 2 *mined annually by the Bureau of Labor Statistics of the*
 3 *Department of Labor and referred to by such Depart-*
 4 *ment as the "lower living standard budget"; and*

5 *(4) the term "poor" or "low-income" persons, in-*
 6 *dividuals, or volunteers means such individuals whose in-*
 7 *comes fall at or below the poverty line as set forth in*
 8 *section 620: Provided, That in determining who is*
 9 *"poor" or "low-income", the Director shall take into*
 10 *consideration existing poverty guidelines as appropriate*
 11 *to local situations.*

12 *NONDISCRIMINATION*

13 *SEC. 1302. (a) The Director shall not provide financial*
 14 *assistance for any program under this Act unless the grant,*
 15 *contract, or agreement with respect to such program specifi-*
 16 *cally provides that no person with responsibilities in the*
 17 *operation of such program will discriminate with respect to*
 18 *any such program because of race, creed, color, national*
 19 *origin, sex, political affiliation, or beliefs.*

20 *(b) No person in the United States shall on the grounds*
 21 *of sex be excluded from participation in, be denied the*
 22 *benefits of, be subjected to discrimination under, or be denied*
 23 *employment in connection with any program or activity*
 24 *receiving assistance under this Act. The Director shall*
 25 *enforce the provisions of the preceding sentence in accord-*

1 *ance with section 602 of the Civil Rights Act of 1964.*
 2 *Section 603 of such Act shall apply with respect to any*
 3 *action taken by the Director to enforce such sentence. This*
 4 *section shall not be construed as affecting any other legal*
 5 *remedy that a person may have if that person is excluded*
 6 *from participation in, denied the benefits of, subjected to*
 7 *discrimination under, or denied employment in connection*
 8 *with any program or activity receiving assistance under*
 9 *this Act.*

10 *GUIDELINES*

11 *SEC. 1303. All rules, regulations, guidelines, instructions,*
 12 *and application forms published or promulgated pursuant to*
 13 *this Act shall be published in the Federal Register at least*
 14 *thirty days prior to their effective date.*

15 *CRIMINAL PROVISIONS*

16 *SEC. 1304. (a) Whoever, being an officer, director,*
 17 *agent, or employee of, or connected in any capacity with,*
 18 *any agency receiving financial assistance under this Act*
 19 *embezzles, willfully misapplies, steals, or obtains by fraud*
 20 *any of the moneys, funds, assets, or property which are the*
 21 *subject of a grant or contract of assistance pursuant to this*
 22 *Act, shall be fined not more than \$10,000 or imprisoned*
 23 *for not more than two years, or both; but if the amount so*
 24 *embezzled, misapplied, stolen, or obtained by fraud does not*

1 exceed \$100, he shall be fined not more than \$1,000 or im-
 2 prisoned not more than one year, or both.

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

11 WITHHOLDING CERTAIN FEDERAL TAXES BY ANTIPOVERTY

12 AGENCIES

13 SEC. 1305. Upon notice from the Secretary of the Treas-
 14 ury or his delegate that any person otherwise entitled to
 15 receive a payment made pursuant to a grant, contract, agree-
 16 ment, loan or other assistance made or entered into under this
 17 Act is delinquent in paying or depositing (1) the taxes im-
 18 posed on such person under chapters 21 and 23 of the
 19 Internal Revenue Code of 1954, or (2) the taxes deducted
 20 and withheld by such person under chapters 21 and 24 of
 21 such Code, the Director shall suspend such portion of such
 22 payment due to such person, which, if possible, is sufficient to
 23 satisfy such delinquency, and shall not make or enter into any
 24 new grant, contract, agreement, loan or other assistance
 25 under this Act with such person until the Secretary of the

1 Treasury or his delegate has notified him that such person is
 2 no longer delinquent in paying or depositing such tax or the
 3 Director determines that adequate provision has been made
 4 for such payment. In order to effectuate the purpose of this
 5 section on a reasonable basis the Secretary of the Treasury
 6 and the Director shall consult on a quarterly basis.

7 REPEAL OF ECONOMIC OPPORTUNITY ACT OF 1964

8 SEC. 1306. (a) The Economic Opportunity Act of 1964,
 9 as amended (Public Law 92-424), is hereby repealed.

10 (b) The personnel, property, records, and unexpected
 11 balances of appropriations, allocations, and other funds em-
 12 ployed, used, held, available, or to be made available in con-
 13 nection with the functions of the Director of the Office of
 14 Economic Opportunity are hereby transferred to the Director
 15 of the Administration. All grants, contracts, and other agree-
 16 ments awarded or entered into under the authority of the
 17 Economic Opportunity Act of 1964, as amended, will be
 18 recognized under comparable provisions of this Act so that
 19 there is no disruption of ongoing activities for which there
 20 is continuing authority.

21 (c) All official actions taken by the Director of the Office
 22 of Economic Opportunity, his designee, or any other person
 23 under the authority of the Economic Opportunity Act of
 24 1964, as amended, which are in force on the effective date of
 25 this Act and for which there is continuing authority under the

1 provisions of this Act, shall continue in full force and effect
2 until modified, superseded, or revoked by the Director.

(d) All references to the Office of Economic Opportunity, or the Director of the Office of Economic Opportunity in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding shall, on and after the effective date of this Act, be deemed to refer to the Administration and the Director thereof.

9 (e) No suit, action, or other proceeding, and no cause of
10 action, by or against the agency known as Office of Economic
11 Opportunity, or any action by any officer thereof acting in his
12 official capacity, shall abate by reason of enactment of this
13 Act.

14 *EFFECTIVE DATE*

15 *SEC. 1307. The provisions of this Act shall take effect on*
16 *the date of the enactment of this Act.*

Union Calendar No. 484

93^d CONGRESS
2^d SESSION

H. R. 14449

[Report No. 93-1043]

A BILL

To provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs.

By Mr. HAWKINS, Mr. PERKINS, Mr. STEIGER
of Wisconsin, and Mr. BELL

APRIL 29, 1974

Referred to the Committee on Education and Labor

MAY 15, 1974

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed