

Public Law 88-452

August 20, 1964
[S. 2642]

AN ACT

To mobilize the human and financial resources of the Nation to combat poverty in the United States.

Economic Op
portunity Act of
1964.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity of 1964".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared

through- out the Nation, poverty continues to be the lot of a

substantial number of our people. The United States can

achieve its full economic and social potential as a nation only if

every individual has the opportunity to contribute to the full

extent of his capabilities and to participate in the workings

of our society. It is, therefore, the policy of the United States

to eliminate the paradox of poverty in the midst of plenty 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 that policy.

TITLE I—YOUTH PROGRAMS

PART A—JOB CORPS

STATEMENT OF PURPOSE

SEC. 101. The purpose of this part is to prepare for the responsibilities of citizenship and to increase the employability of young men and young women aged sixteen through twenty-one by providing them in rural and urban residential centers with education, vocational training, useful work experience, including work directed toward the conservation of natural resources, and other appropriate activities.

ESTABLISHMENT OF JOB CORPS

SEC. 102. In order to carry out the purposes of this part, there is hereby established within the Office of Economic Opportunity (hereinafter referred to as the "Office"), established by title VI, a Job Corps (hereinafter referred to as the "Corps").

JOB CORPS PROGRAM

SEC. 103. The Director of the Office (hereinafter referred to as the "Director") is authorized to—

Conservation
camps.

(a) enter into agreements with any Federal, State, or local agency or private organization for the establishment and operation, in rural and urban areas, of conservation camps and training centers and for

the provision of such facilities and services as in his judgment are needed to carry out the purposes of this part, including but not limited to agreements with agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas, whereby the enrollees of the Corps may be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs

planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soil, and environments of natural and disturbed plant communities;

(b) arrange for the provision of education and vocational training of enrollees in the Corps: *Provided*, That, where practicable, such programs may be provided through local public educational agencies or by private vocational educational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training with reduced Federal expenditures;

Education and vocational training.

(c) provide or arrange for the provision of programs of useful work experience and other appropriate activities for enrollees;

Work experience.

(d) establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services; and

Health services.

(e) prescribe such rules and regulations and make such arrangements as he deems necessary to provide for the selection of enrollees and to govern their conduct after enrollment, including appropriate regulations as to the circumstances under which enrollment may be terminated.

Selection of enrollees.

COMPOSITION OF THE CORPS

SEC. 104. (a) The Corps shall be composed of young men and young women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two at the time of enrollment, and who meet the standards for enrollment prescribed by the Director. Participation in the Corps shall not relieve any enrollee of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.).

Eligibility.

(b) In order to enroll as a member of the Corps, an individual must agree to comply with rules and regulations promulgated by the Director for the government of the Corps.

62 Stat. 604;
65 Stat. 75.

(c) The total enrollment of any individual in the Corps shall not exceed two years except as the Director may determine in special cases.

(d) Each enrollee must execute and file with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods, and (2) each enrollee must take and subscribe to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic." The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits.

Affidavit.

Loyalty oath.

62 Stat. 749.

ALLOWANCE AND MAINTENANCE

SEC. 105. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Director may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Director may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

Termination of
enrollment.
Readjustment
allowance.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation therein as determined by the Director: *Provided, however,* That under such circumstances as the Director may determine a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family (as defined in section 609(c)) and any sum so paid shall be supplemented by the payment of an equal amount by the Director. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

Post, p. 532.

64 Stat. 395.

APPLICATION OF PROVISIONS OF FEDERAL LAW

Federal
employ-ment
laws,
non-applicability.

SEC. 106. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

68A Stat. 3.
53 Stat. 1362.

(c)(1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

39 Stat. 742;
63 Stat. 854;
74 Stat. 906.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee—

(i) while on authorized leave or pass; or

(ii) while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be \$150, except that with respect to compensation for disability accruing after the individual concerned

Ante, p. 400.
63 Stat. 859.

reaches the age of twenty-one, such monthly pay shall be deemed to be that received under the entrance salary for GS-2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d)(1) of the former Act (5 U.S.C. 756 (d) (1)) shall apply to enrollees.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

28 USC 2671-
2680.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

POLITICAL DISCRIMINATION AND POLITICAL ACTIVITY

SEC. 107. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates. Any officer, employee, enrollee or Federal employee who solicits funds for political purposes from members of the Corps, shall be in violation of the Corrupt Practices Act.

43 Stat. 1070.
2 USC 256.
Corrective
actions.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

STATE-OPERATED YOUTH CAMPS

SEC. 108. The Director is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

Agreements with
States.

REQUIREMENT FOR STATE APPROVAL OF CONSERVATION CAMPS
AND TRAINING CENTERS

SEC. 109. In carrying out the provisions of part A of this title no conservation camp, training center or other similar facility designed to carry out the purposes of this Act, shall be established within a State unless a plan setting forth such proposed establishment has been sub-mitted to the Governor of the State and such plan has not been disap-proved by him within thirty days of such submission.

Submission of
plans.

SEC. 110. Within the Job Corps there is authorized a Youth Con-servation Corps in which at any one time no less than 40 per centum of the enrollees under this part shall be assigned to camps where their work activity is directed primarily toward conserving, developing, and managing the public natural resources of the Nation, and developing, managing, and protecting public recreational areas. Such work activity shall be performed under the direction of members of agencies charged with the responsibility of conserving, developing, and man-aging the public natural resources and of developing, managing, and protecting public recreational areas.

Youth Conservation
Corps.

PART B—WORK-TRAINING PROGRAMS

STATEMENT OF PURPOSE

Unemployed
youth, work
ex-perience
oppor-tunities.

SEC. 111. The purpose of this part is to provide useful work experi-ence opportunities for unemployed young men and young women, through participation in State and community work-training pro-grams, so that their employability may be increased or their education resumed or continued and so that public agencies and private nonprofit organizations (other than political parties) will be enabled to carry out programs which will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation and development of natural resources and recreational areas.

DEVELOPMENT OF PROGRAMS

Cooperation
with States.

SEC. 112. In order to carry out the purposes of this part, the Direc-tor shall assist and cooperate with State and local agencies and private nonprofit organizations (other than political parties) in developing programs for the employment of young people in State and commu-nity activities hereinafter authorized, which, whenever appropriate, shall be coordinated with programs of training and education pro-vided by local public educational agencies.

FINANCIAL ASSISTANCE

Federal
pay-ments.

SEC. 113. (a) The Director is authorized to enter into agreements providing for the payment by him of part or all of the cost of a State or local program submitted hereunder if he determines, in accord-ance with such regulations as he may prescribe, that—

Conditions.

(1) enrollees in the program will be employed either (A) on

publicly owned and operated facilities or projects, or (B) on
local projects sponsored by private nonprofit organizations (other

than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will increase the employability of the enrollees by providing work experience and training in occupational skills or

pursuits in classifications in which the Director finds there is a reasonable expectation of employment, or will enable student enrollees to resume or to maintain school attendance;

(3) the program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) the program will not result in the displacement of employed workers or impair existing contracts for services;

(5) the rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical region, and proficiency of the employee;

(6) to the maximum extent feasible, the program will be coordinated with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable,

the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or where appropriate pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) the program includes standards and procedures for the selection of applicants, including provisions assuring full coordination and cooperation with local and other authorities to encourage students to resume or maintain school attendance,

(b) In approving projects under this part, the Director shall give priority to projects with high training potential.

ENROLLEES IN PROGRAM

SEC. 114. (a) Participation in programs under this part shall be limited to young men and women who are permanent residents of the United States, who have attained age sixteen but have not attained age twenty-two, and whose participation in such programs will be consistent with the purposes of this part.

Eligibility.

(b) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

Federal employment laws, non-applicability.

(c) Where appropriate to carry out the purposes of this Act, the Director may provide for testing, counseling, job development, and referral services to youths through public agencies or private

Testing, counseling, etc.

nonprofit organizations.

LIMITATIONS ON FEDERAL ASSISTANCE

SEC. 115. Federal assistance to any program pursuant to this part paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs of such program, including costs of administration, and such assistance paid for periods thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such per-centages 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.

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 116. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12% 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.

PART C—WORK-STUDY PROGRAMS

STATEMENT OF PURPOSE

SEC. 121. The purpose of this part is to stimulate and promote the part-time employment of students in institutions of higher education who are from low-income families and are in need of the earnings from such employment to pursue courses of study at such institutions. Students,
part-time
employment.

ALLOTMENTS TO STATES

SEC. 122. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for making grants under section 123. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d) (3) of the

Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

Reallotment.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallotted by the Director, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallotted under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

"State."

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

GRANTS FOR WORK-STUDY PROGRAMS

SEC. 123. The Director is authorized to enter into agreements with institutions of higher education (as defined by section 401(f) of the Higher Education Facilities Act of 1963 (P.L. 88-204)) under which the Director will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

CONDITIONS OF AGREEMENTS

SEC. 124. An agreement entered into pursuant to section 123 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work—

(1) for the institution itself, or

(2) for a public or private nonprofit organization when

the position is obtained through an arrangement between the institution and such an organization and--

(A) the work is related to the student's educational objective, or

(B) such work (i) will be in the public interest and is work which would not otherwise be provided, (ii) will not result in the displacement of employed workers or impair existing contracts for services, and (iii) will be governed by such conditions of employment as will be appropriate and

reasonable in light of such factors as the type of work performed, geographical region, and proficiency of the employee:

Provided, however, That no such work shall involve the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

- (b) provide that funds granted an institution of higher education, pursuant to section 123 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Director to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself; Use of funds.
- (c) provide that employment under such work-study program shall be furnished only to a student who (1) is from a low-income family, (2) is in need of the earnings from such employment in order to pursue a course of study at such institution, (3) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (4) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student; Selection of students.
- (d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session; Hours of work.
- (e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into; Additional expenditures.
- (f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, and 75 per centum thereafter; Federal share of payments.
- (g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and Availability of benefits.
- (h) include such other provisions as the Director shall deem necessary or appropriate to carry out the purposes of this part.

SOURCES OF MATCHING FUNDS

SEC. 125. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part.

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 126. The Director shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 131. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

PART A—GENERAL COMMUNITY ACTION PROGRAMS

STATEMENT OF PURPOSE

SEC. 201. The purpose of this part is to provide stimulation and incentive for urban and rural communities to mobilize their resources to combat poverty through community action programs.

COMMUNITY ACTION PROGRAMS

Definition.

SEC. 202. (a) The term "community action program" means a program—

(1) which mobilizes and utilizes resources, public or private, of any urban or rural, or combined urban and rural, geographical area (referred to in this part as a "community"), including but not limited to a State, metropolitan area, county, city, town, multicounty unit, or multicounty unit in an attack on poverty;

(2) which provides services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty or a cause or causes of poverty through developing employment opportunities, improving human performance, motivation, and productivity, or bettering the conditions under which people live, learn, and work;

(3) which is developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served; and

(4) which is conducted, administered, or coordinated by a public or private nonprofit agency (other than a political party), or a combination thereof.

(b) The Director is authorized to prescribe such additional criteria for programs carried on under this part as he shall deem appropriate.

ALLOTMENTS TO STATES

SEC. 203. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 204 and 205. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under 18 years of age living in families with incomes of less than \$1,000 in such State bears to the number of related children under 18 years of age living in families with incomes of less than \$1,000 in all the States,

(c) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallotment from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

Reallotment.

(d) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

"State."

FINANCIAL ASSISTANCE FOR DEVELOPMENT OF COMMUNITY ACTION PROGRAMS

SEC. 204. The Director is authorized to make grants to, or to contract with, appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

FINANCIAL ASSISTANCE FOR CONDUCT AND ADMINISTRATION OF COMMUNITY ACTION PROGRAMS

SEC. 205. (a) The Director is authorized to make grants to, or to contract with, public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of community action programs which have been approved by him pursuant to this part, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this part. Such component programs shall be focused upon the needs of low-income individuals and families and shall provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith. Such programs shall be conducted

in those fields which fall within the purposes of this part including employment, job training and counseling, health, vocational rehabilitation, housing, home management, welfare, and special remedial and other noncurricular educational assistance for the benefit of low-income individuals and families.

Restriction. (b) No grant or contract authorized under this part may provide for general aid to elementary or secondary education in any school or school system.

Factors de-termining assist-ance eligibility. (c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expedi-tiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information avail-able with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing condi-tions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

(d) In extending assistance under this section the Director shall give special consideration to programs which give promise of effecting a permanent increase in the capacity of individuals, groups, and com-munities to deal with their problems without further assistance.

TECHNICAL ASSISTANCE

SEC. 206. The Director is authorized to provide, either directly or through grants or other arrangements, (1) technical assistance to com-munities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder.

RESEARCH, TRAINING, AND DEMONSTRATIONS

SEC. 207. The Director is authorized to conduct, or to make grants

to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of, research, training, and demonstrations pertaining to the purposes

of this part. Expenditures under this section in any fiscal year shall not exceed 15 per centum of the sums appropriated or allocated for such year to carry out the purposes of this part.

LIMITATIONS ON FEDERAL ASSISTANCE

SEC. 208. (a) Assistance pursuant to sections 204 and 205 paid for the period ending two years after the date of enactment of this Act, or June 30, 1966, whichever is later, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and thereafter shall not exceed 50 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages 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.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance.

Non-Federal
contributions.

PARTICIPATION OF STATE AGENCIES

SEC. 209. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

Grant or
con-tract authority.

(c) In carrying out the provisions of title I and title II of this Act, 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 pro-gram, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assist-ance has been submitted to the Governor of the State, and such plan has not been disapproved by him within thirty days of such submission: *Provided, however*, That this section shall not 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.

Submission of
plans.

(d) No private institution or organization shall be eligible for participation under this part unless it (1) is itself an institution or organization which has, prior to its consideration for such participation, had a concern with problems of poverty, or (2) is sponsored by one or more such institutions or organizations or by a public agency, or (3) is an institution of higher education (as

Private
insti-tutions.

defined by section 401(f) of the Higher Education Facilities Act of 20 USC 751. 1963).

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 210. The Director shall establish criteria designed to achieve an equitable distribution of assistance under this part within the States between urban and rural areas. In developing such criteria, he shall consider the relative numbers in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations;

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(4) school dropouts; (5) adults with less than an eighth-grade education; (6) persons rejected for military service; and (7) persons living in urban places compared to the number living in rural places as determined by the Bureau of the Census for the 1960 census.

PREFERENCE FOR COMPONENTS OF APPROVED PROGRAMS

SEC. 211. In determining whether to extend assistance under this Act, the Director shall, to the extent feasible, give preference to programs and projects which are components of a community action program approved pursuant to this part.

PART B—ADULT BASIC EDUCATION PROGRAMS

DECLARATION OF PURPOSE

SEC. 212. It is the purpose of this part to initiate programs of instruction for individuals who have attained age eighteen and whose inability to read and write the English language constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, so as to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others, improving their ability to benefit from occupational training and otherwise increasing their opportunities for more productive and profitable employment, and making them better able to meet their adult responsibilities.

GRANTS TO STATES

SEC. 213. (a) From the sums appropriated to carry out this title, the Director shall make grants to States which have State plans approved by him under this section.

Use of funds.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Director, to—

(1) assist in establishment of pilot projects by local educational agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 212, to (A) demonstrate, test, or develop modifications, or adaptations in the light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency

pro-grams for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or super-visory services by the State educational agency relating to adult basic education programs.

STATE PLANS

Conditions for
approval.

SEC. 214. (a) The Director shall approve for purposes of this part the plan of a State which—

(1) provides for administration thereof by the State educa-tional agency;

Reports.

(2) provides that such agency will make such reports to the Director, in such form and containing such information, as may

reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correct-ness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and ac-counting for Federal funds paid to the State under this part (in-cluding such funds paid by the State to local educational agencies) ;

Accounting
pro-cedures.

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 212 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this part; and

Health services.

(5) sets forth a program for use, in accordance with section 213(b), of grants under this part which affords assurance of sub-stantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and toward substantially raising the level of education of indi-viduals described in section 212.

Programs to
eliminate
illit-eracy.

(b) The Director shall not finally disapprove any State plan sub-mitted under this part, or any modification thereof, without first afford-ing the State educational agency reasonable notice and opportunity for a hearing,

Hearing
oppor-tunity.

ALLOTMENTS

SEC. 215. (a) From the sums allocated for grants to States under section 213 for any fiscal year, the Director shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assist-ance under this part. The remainder of the sums so allocated for a fiscal year shall be allotted by the Director on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Director on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Depart-ment of Commerce. The amount

allotted to any State under the pre-ceding sentence for any fiscal year which is less than \$50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the re-maining States under the preceding sentence, but with such adjust-ments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than \$50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

"State."

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates during such period as the Director may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs

Reallocation.

and will be able to use for such period for carrying out its State plan approved under this part; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallocated to a State under this sub-section during a year shall be deemed part of its allotment under sub-section (a) for such year.

(c) The allotment of any State under subsection (a) for the fiscal year ending June 30, 1965, shall, except to the extent reallocated under subsection (b), remain available until June 30, 1966, for obligation by such State for carrying out its State plan approved under this part.

PAYMENTS

Federal share.

SEC. 216. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purposes set forth in section 213(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Director finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) For the fiscal year ending June 30, 1965, and the fiscal year ending June 30, 1966, the Federal share for each State shall be 90 per centum. For the succeeding fiscal year the Federal share for any State shall be 50 per centum.

OPERATION OF STATE PLANS; HEARINGS AND JUDICIAL REVIEW

Noncompliance,
termination of
payments.

SEC. 217. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this part, finds that—

- (1) the State plan has been so changed that it no longer complies with the provisions of section 214, or
- (2) in the administration of the plan there is a failure to comply

substantially with any such provision, the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

Appeal
proceed-ure.

(b) A State educational agency dissatisfied with a final action of the Director under section 214 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the

72 Stat. 941.

Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may there-upon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall

likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

62 Stat. 928.

MISCELLANEOUS

SEC. 218. For purposes of this part—

(1) the term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools, whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

"State
educa-tional
agency."

(2) the term "local educational agency" means a board of edu-cation or other legally constituted local school authority having administrative control and direction of public elementary or sec-ondary schools in a city, county, township, school district, or polit-ical subdivision in a State, except that if there is a

"Local
educa-tional
agency."

separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority.

PART C—VOLUNTARY ASSISTANCE PROGRAM FOR NEEDY CHILDREN

STATEMENT OF PURPOSE

SEC. 219. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

AUTHORITY TO ESTABLISH INFORMATION CENTER

SEC. 220. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children. Such section shall collect the names of persons who voluntarily desire to assist financially such children and shall secure from city or county social welfare agencies such information concerning deserving and needy children as the Director shall deem appropriate.

(b) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 221. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$340,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

STATEMENT OF PURPOSE

SEC. 301. It is the purpose of this title to meet some of the special problems of rural poverty and thereby to raise and maintain the income and living standards of low-income rural families and migrant agricultural employees and their families.

PART A—AUTHORITY TO MAKE GRANTS AND LOANS

SEC. 302. (a) The Director is authorized to make—

(1) loans having a maximum maturity of 15 years and in amounts not exceeding \$2,500 in the aggregate to any low income rural family where, in the judgment of the Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(B) operate or improve the operation of farms not larger

than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

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

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

COOPERATIVE ASSOCIATIONS

SEC. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

LIMITATIONS ON ASSISTANCE

SEC. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

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

(b) in the case of assistance provided pursuant to section 303, 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. 305. Loans pursuant to sections 302 and 303 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 303, 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.

PART B—ASSISTANCE FOR MIGRANT, AND OTHER SEASONALLY EMPLOYED, AGRICULTURAL EMPLOYEES AND THEIR FAMILIES

SEC. 311. The Director shall develop and implement as soon as practicable a program to assist the States, political subdivisions of States, public and nonprofit agencies, institutions, organizations, farm associations, or individuals in establishing and operating programs of assistance for migrant, and other seasonally employed, agricultural employees and their families which programs shall be limited to housing, sanitation, education, and day care of children. Institutions, organizations, farm associations, or individuals shall be limited to direct loans.

PART C—AUTHORIZATION OF APPROPRIATIONS

SEC. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and for the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title.

PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS

SEC. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on Janu-ary 31, 1965.

TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

STATEMENT OF PURPOSE

Small business
concerns,
assist-ance.

SEC. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources.

LOANS, PARTICIPATIONS, AND GUARANTIES

72 Stat. 384.

SEC. 402. The Director is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued there-under), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would ex-ceed \$25,000. The Director may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Director may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a manage-ment training program approved by the Director. The Director shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

COORDINATION WITH COMMUNITY ACTION PROGRAMS

SEC. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

FINANCING UNDER SMALL BUSINESS ACT

76 Stat. 220.

72 Stat. 387;
75 Stat. 167.
Ante, p. 7.

SEC. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a)).

LOAN TERMS AND CONDITIONS

SEC. 405. Loans made pursuant to section 402 (including immediate participation in and guaranties of such loans) 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 financial assistance is not otherwise available on reason-able 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: *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

75 Stat. 47.

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

LIMITATION ON FINANCIAL ASSISTANCE

SEC. 406. No financial assistance shall be extended pursuant to this title where the Director determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

DURATION OF PROGRAM

SEC. 407. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years.

TITLE V—WORK EXPERIENCE PROGRAMS

STATEMENT OF PURPOSE

SEC. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

76 Stat. 23.
42 USC 2571
note.
77 Stat. 403.
20 USC 35
note.

PAYMENTS FOR EXPERIMENTAL, PILOT, AND DEMONSTRATION PROJECTS

SEC. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1) - (6)), in addition to the sums otherwise available pursuant thereto. The costs of such projects to

76 Stat. 192.
76 Stat. 186.

the United States for the fiscal year ending June 30, 1965, shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE VI—ADMINISTRATION AND COORDINATION

PART A—ADMINISTRATION

OFFICE OF ECONOMIC OPPORTUNITY

Establishment.
Appointment of
Directors.

SEC. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and three Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

Transfer
au-
thority.
63 Stat. 205.
Ante, p. 240.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 133z-3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by that Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

Compensation.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

Ante, p. 416.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

Ante, p. 417.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

Ante, p. 418.

AUTHORITY OF DIRECTOR

SEC. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

Ante, p. 400.

60 Stat. 810.

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow

them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

60 Stat. 808;
75 Stat. 339, 340.

(c) 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 605), 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;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or sub-division without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)) ;

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditure for construction, repairs, and capital improvements;

70A Stat. 269.

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

74 Stat. 661.

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real or personal property by the United States, deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all

legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space

in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or under-payments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

VOLUNTEERS IN SERVICE TO AMERICA

Recruitment and
assignment.

SEC. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in furtherance of programs or activities authorized or supported under title I or II of this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a)(2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d) Volunteers shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that all volunteers during training and such volunteers as are assigned pursuant to subsection (a)(2) shall be deemed Federal employees to the same extent as enrollees of the Corps under section 106 (b), (c), and (d) of this Act.

Federal
employ-ment
laws,
non-applicability.

ECONOMIC OPPORTUNITY COUNCIL

SEC. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

Establishment.

(b) The Council shall include the Director, who shall be Chair-man, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Edu-cation, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Small Business Administration, the Chair-man of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate, or delegates thereof.

Members.

NATIONAL ADVISORY COUNCIL

SEC. 605. There is hereby established in the Office a National Ad-visory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than fourteen additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the re-quest of the Director, the Council shall review the operations and ac-tivities of the Office, and shall make such recommendations with re-spect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request.

Establishment.

REVOLVING FUND

SEC. 606. (a) To carry out the lending and guaranty functions authorized under titles III and IV of this Act, 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 section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treas-ury, 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 obli-gations 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 IV carried 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 titles III and IV of this Act.

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; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

49 Stat. 1011;
Ante, p. 238.

5 USC 133z-15
note.

63 Stat. 108.
40 USC 276c.

REPORTS

SEC. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

DEFINITIONS

SEC. 609. As used in this Act:

(a) 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 and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means— department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family," in the case of a Job Corps enrollee, means—

(1) the spouse or child of an enrollee, and

(2) any other relative who draws substantial support from the enrollee.

PART B—COORDINATION OF ANTIPOVERTY PROGRAMS

COORDINATION

SEC. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) 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.

(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

Establishment
of new office, etc.
Restriction.

PREFERENCE TO COMMUNITY ACTION PROGRAMS

SEC. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act.

INFORMATION CENTER

SEC. 613. In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

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 educational institution or school system.

AUTHORIZATION OF APPROPRIATIONS

SEC. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965; and for the fiscal year ending June 30, 1966, and the fiscal year ending June 30, 1967, such sums may be appropriated as the Congress may hereafter authorize by law.

SEC. 616. No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments to any individual unless such individual has executed

Subversive
organ-ization
member-ship.

and filed with the Director an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods.

TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

PUBLIC ASSISTANCE

42 USC 301-306,
601-609,
1201-1206,
1351-1355,
1381-1385.

SEC. 701. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before July 1, 1965, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a).

Approved August 20, 1964.

