

Public Law 92-424

September 19, 1972
[H. R. 12350]

AN ACT

To provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes.

Economic Opportunity Amendments of 1972.

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 Amendments of 1972".

EXTENSION OF ECONOMIC OPPORTUNITY ACT

42 USC 2771,
2837, 2871, 2907,
2965, 2994d.

SEC. 2. (a) Sections 171, 245, 321, 408, 615, and 835 of the Economic Opportunity Act of 1964, as amended, are each amended by striking out "five succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

81 Stat. 714;
83 Stat. 827.
42 USC 2933.

(b) Section 523 of such Act is amended by striking out "four succeeding fiscal years" and inserting in lieu thereof "seven succeeding fiscal years".

AUTHORIZATION OF APPROPRIATIONS

81 Stat. 672, 683;
83 Stat. 833.
42 USC 2711,
2737, 2769.

SEC. 3. (a) For the purpose of carrying out parts A, B, and E of title I (relating to work and training) of the Economic Opportunity Act of 1964, there are authorized to be appropriated \$900,300,000 for the fiscal year ending June 30, 1973, and \$950,000,000 for the fiscal year ending June 30, 1974.

Post, p. 690.

(b) (1) For the purpose of carrying out the Project Headstart program described in section 222(a)(1) of the Economic Opportunity Act of 1964, there are authorized to be appropriated \$485,000,000 for the fiscal year ending June 30, 1973, and \$500,000,000 for the fiscal year ending June 30, 1974.

80 Stat. 1204;
81 Stat. 803.
20 USC 872
note.

(2) The Secretary of Health, Education, and Welfare shall establish policies and procedures designed to assure that not less than 10 per centum of the total number of enrollment opportunities in the Nation in the Headstart program shall be available for handicapped children (as defined in paragraph (1) of section 602 of the Elementary and Secondary Education Act of 1965, as amended) and that services shall be provided to meet their special needs. The Secretary shall implement his responsibilities under this paragraph in such a manner as not to exclude from any project any child who was participating in the program during the fiscal year ending June 30, 1972. Within six months after the date of enactment of this Act, and at least annually thereafter, the Secretary shall report to the Congress on the status of handicapped children in Headstart programs, including the number of children being served, their handicapping conditions, and the services being provided such children.

Report to Congress.

(3) For the purpose of carrying out the Follow Through program described in section 222(a)(2) such Act, there are authorized to be appropriated \$70,000,000 annually for the fiscal year ending June 30, 1973, and the succeeding fiscal year.

42 USC 2781,
2841, 2941, 2981.
Post, pp. 697,
704.

(c) (1) For the purpose of carrying out titles II, III, VI, VII, and IX of the Economic Opportunity Act of 1964, there are authorized to be appropriated \$840,000,000 for the fiscal year ending June 30, 1973, and \$870,000,000 for the fiscal year ending June 30, 1974.

(2) Notwithstanding any other provision of law, unless expressly in limitation of the provisions of this section, of the amounts appropriated pursuant to paragraph (1) of this subsection for the fiscal year ending June 30, 1973, and for the succeeding fiscal year, the Director of the Office of Economic Opportunity shall for each such fiscal year reserve and make available not less than \$328,900,000 for

programs under section 221 of the Economic Opportunity Act of 1964 and not less than \$71,500,000 for Legal Services programs under section 222(a)(3) of such Act.

81 Stat. 696.
42 USC 2808.

83 Stat. 829.
42 USC 2809.

(3) The Director shall allocate and make available the remainder of the amounts appropriated for carrying out the Economic Opportunity Act of 1964 for each fiscal year pursuant to paragraph (1) of this subsection (after funds are reserved for the purposes specified in paragraph (2) of this subsection) in such a manner, subject to the provisions of section 616 of such Act, as to make available with respect to each fiscal year—

Post, p. 690.

(A) not less than \$18,000,000 annually to be used for the Alcoholic Counseling and Recovery program described in section 222(a)(8) of such Act; and

(B) not less than \$30,000,000 annually to be used for the Emergency Food and Medical Services program described in section 222(a)(5) of such Act.

(d)(1) There are authorized to be appropriated \$58,000,000 for the fiscal year ending June 30, 1973, to be used for Domestic Volunteer Service programs under title VIII of the Economic Opportunity Act of 1964, of which (A) the amount of \$44,500,000 shall be available for carrying out full-time volunteer programs designed to strengthen and supplement efforts to eliminate poverty under part A of such title VIII, and (B) the amount of \$13,500,000 shall be available (notwithstanding the 10 percentum limitation set forth in the second sentence of section 821 of such Act) for carrying out programs designed to strengthen and supplement efforts to eliminate poverty under part B of such title VIII.

80 Stat. 1472;
81 Stat. 722.
42 USC 2991.
42 USC 2992.

42 USC 2993a.
42 USC 2993.

(2) If the sums authorized to be appropriated under paragraph (1) of this subsection are not appropriated and made available in full, then such sums as are so appropriated and made available for such fiscal year shall be allocated so that—

(A) any amounts appropriated not in excess of \$37,000,000 shall be used for carrying out programs designed to strengthen and supplement efforts to eliminate poverty under part A of such title VIII;

(B) any amounts appropriated in excess of \$37,000,000 but not in excess of \$50,500,000 shall be used for programs designed to strengthen and supplement efforts to eliminate poverty under part B of such title VIII; and

(C) any amounts appropriated in excess of \$50,500,000 shall be used for programs designed to strengthen and supplement efforts to eliminate poverty under part A of such title VIII.

(3) Section 833 of the Economic Opportunity Act of 1964 is amended (A) in subsection (b) thereof by striking out "under part A" and inserting in lieu thereof "under this title", and (B) in subsection (c) thereof by striking out "a volunteer under part A of this title" and inserting in lieu thereof "a full-time volunteer receiving either a living allowance or a stipend under this title".

81 Stat. 726;
83 Stat. 832.
42 USC 2994b.

(e) In addition to the amounts authorized to be appropriated and allocated pursuant to subsections (c) and (d) of this section, there are further authorized to be appropriated the sum of \$16,000,000 to be used for Domestic Volunteer Service programs under title VIII of the Economic Opportunity Act of 1964, of which \$8,000,000 shall be available for carrying out full-time volunteer programs under part A of such title VIII for ninety days after the enactment of this Act (of which amount \$2,000,000 shall be available without regard to the limitation placed on the expenditure of funds by section 24 of this Act for programs, projects, or activities for which academic credit is granted to volunteer participants) and \$8,000,000 shall remain available for expenditure in accordance with the provisions of such title during the fiscal year ending June 30, 1973.

Post, p. 697.

TRANSFER OF FUNDS

81 Stat. 717;
83 Stat. 831.
42 USC 2966.

SEC. 4. (a) Section 616 of the Economic Opportunity Act of 1964 is amended by inserting "for fiscal years ending prior to July 1, 1972, and not to exceed 20 per centum" immediately before the words "for fiscal years ending thereafter".

(b) Section 616 of such Act is further amended by striking out the semicolon the first time it appears therein and all matter thereafter through "\$10,000,000" the second time it appears in such section.

TRAINING PROGRAMS FOR YOUTH

81 Stat. 686.
42 USC 2742.

SEC. 5. Section 125(a) of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new sentence: "The Director shall insure that low-income persons otherwise capable of such participation who reside in public or private institutions shall be eligible for participation in programs under this part."

PROHIBITION OF ELECTIONS OR OTHER DEMOCRATIC SELECTION PROCEDURES ON SABBATH DAYS

81 Stat. 693.
42 USC 2791.

SEC. 6. Section 211 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof a new subsection (g) as follows: "(g) The Director shall ensure that no election or other democratic selection procedure conducted pursuant to clause (2) of subsection (b), or pursuant to clause (2) of subsection (f), shall be held on a Sabbath Day which is observed as a day of rest and worship by residents in the area served."

COMMUNITY ACTION BOARDS

SEC. 7. (a) The last sentence of section 211(b) of the Economic Opportunity Act of 1964 is amended by striking out "three" and inserting in lieu thereof "five" and by striking out "six" and inserting in lieu thereof "ten".

(b) Section 211(b) (1) of such Act is amended to read as follows: "(1) one-third of the members of the board are elected public officials, or their representatives, except that if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointive public officials may be counted in meeting such one-third requirement,".

PARTICIPATION OF THE NON-POOR IN HEADSTART PROGRAMS

81 Stat. 698;
83 Stat. 828.
42 USC 2809.

SEC. 8. The third sentence of section 222(a) (1) of the Economic Opportunity Act of 1964 is amended by striking out the comma and all the language following the words "make payment" and inserting in lieu thereof the following: "in accordance with an appropriate fee schedule established by the Secretary of Health, Education, and Welfare, based upon the ability of the family to pay, which payment may be made in whole or in part by a third party in behalf of such family, except that any such charges with respect to any family with an income of less than the lower living standard budget shall not exceed the sum of (i) an amount equal to 10 per centum of any family income which exceeds \$4,320 but does not exceed 85 per centum of such lower living standard budget, and (ii) an amount equal to 15 per centum of any family income which exceeds 85 per centum of such lower living standard budget but does not exceed 100 per centum of such lower living standard budget, and if more than two children from the same family are participating, additional charges may be made not to exceed the

sum of the amounts calculated in accordance with clauses (i) and (ii) with respect to each additional child. No charge will be made with respect to any child who is a member of any family with an annual income equal to or less than \$4,320, with appropriate adjustments in the case of families having more than two children, except to the extent that payment will be made by a third party. Funds appropriated for the purpose of carrying out this section shall be used first to continue ongoing Headstart projects, or new projects serving the children from low-income families which were being served during the preceding fiscal year. There shall be reserved for such projects from such funds an amount at least equal to the aggregate amount received by public or private agencies or organizations during the preceding fiscal year for programs under this section. The Secretary may defer but not later than April 1, 1973, the establishment of a fee schedule under this paragraph upon certification that the establishment of such fee schedule would hinder the orderly operation of such projects prior to such time."

Fee schedule.

COMPREHENSIVE HEALTH SERVICES CHARGES

SEC. 9. Section 222(a)(4)(A)(ii) of the Economic Opportunity Act of 1964 is amended by striking out "such services may be available on an emergency basis or pending a determination of eligibility to all residents of such areas" and inserting in lieu thereof "pursuant to such regulations as the Director may prescribe, persons provided assistance through programs assisted under this paragraph who are not members of low-income families may be required to make payment, or have payment made in their behalf, in whole or in part for such assistance".

81 Stat. 698.
42 USC 2809.

DRUG REHABILITATION PROGRAM

SEC. 10. (a) Section 222(a)(8) of the Economic Opportunity Act of 1964 is amended by striking out the last sentence thereof.

83 Stat. 829.

(b) Section 222(a)(9) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "The Director is authorized to undertake special programs aimed at promoting employment opportunities for rehabilitated addicts or addicts enrolled and participating in methadone maintenance treatment or therapeutic programs, and assisting employers in dealing with addiction and drug abuse and dependency problems among formerly hard-core unemployed so that they can be maintained in employment. In undertaking such programs, the Director shall give special priority to veterans and employers of significant numbers of veterans, with priority to those areas within the States having the highest percentages of addicts. The Director is further authorized to establish procedures and policies which will allow clients to complete a full course of rehabilitation even though they become non-low-income by virtue of becoming employed as a part of the rehabilitation process but there shall be no change in income eligibility criteria for initial admission to treatment and rehabilitation programs under this Act."

NEW SPECIAL EMPHASIS PROGRAMS

SEC. 11. Section 222(a) of the Economic Opportunity Act of 1964 is further amended by inserting at the end thereof the following:

"(10) An 'Environmental Action' program through which low-income persons will be paid for work (which would not otherwise be performed) on projects designed to combat pollution or to improve the environment. Projects may include, without limitation: cleanup and sanitation activities, including solid waste

"Environmental
Action."

removal; reclamation and rehabilitation of eroded or ecologically damaged areas, including areas affected by strip mining; conservation and beautification activities, including tree planting and recreation area development; the restoration and maintenance of the environment; and the improvement of the quality of life in urban and rural areas.

"Rural Housing Development and Rehabilitation."

"(11) A program to be known as 'Rural Housing Development and Rehabilitation' designed to assist low-income families in rural areas to construct and acquire ownership of adequate housing, to rehabilitate or repair existing substandard units in such areas, and to otherwise assist families in obtaining standard housing. Financial assistance under this paragraph shall be provided to non-profit rural housing development corporations and cooperatives serving areas which are defined by the Farmers Home Administration as rural areas, and shall be used for, but not limited to, such purposes as administrative expenses; revolving development funds; nonrevolving land, land development and construction writedowns; rehabilitation or repair of substandard housing; and loans to low-income families. In the construction, rehabilitation, and repair of housing for low-income families under this paragraph, the services of persons enrolled in Mainstream programs may be utilized. Loans under this paragraph may be used for, but not limited to, such purposes as the purchase of new housing units, the repair, rehabilitation and purchase of existing units, and to supplement existing Federal loan programs in order that low-income families may benefit from them. The repayment period of such loans shall not exceed thirty-three years. No loans under this paragraph shall bear an interest rate of less than 1 per centum per annum, but if the Director, after having examined the family income of the applicant, the projected housing costs of the applicant, and such other factors as he deems appropriate, determines that the applicant would otherwise be unable to participate in this program, he may waive the interest in whole or in part and for such periods of time as he may establish except that (1) no such waiver may be granted to an applicant whose adjusted family income (as defined by the Farmers Home Administration) is in excess of \$3,700 per annum and (2) any applicant for whom such a waiver is provided shall be required to commit at least 20 per centum of his adjusted family income toward the mortgage debt service and other housing costs. Family incomes shall be recertified annually, and monthly payments for all loans under this paragraph adjusted accordingly."

Loans.

Interest rate.

Waiver.

PUERTO RICO

81 Stat. 702.
42 USC 2812.

SEC. 12. (a) Effective after June 30, 1972, section 225(a) of such Act is amended by striking out "Puerto Rico."

81 Stat. 715.
42 USC 2949.

(b) Effective after June 30, 1972, the first sentence of paragraph (1) of section 609 of such Act is amended by striking out the word "or" the second time it appears in such sentence and inserting in lieu thereof a comma and the following: "Puerto Rico, or".

NON-FEDERAL CONTRIBUTION CEILING

SEC. 13. Section 225(c) of the Economic Opportunity Act of 1964 is amended by inserting after the second sentence thereof the following new sentence: "The Director shall not require non-Federal contributions in excess of 20 per centum of the approved cost of programs or activities assisted under this Act."

SPECIAL PROGRAMS AUTHORIZED

SEC. 14. Part B of title II of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new sections:—

81 Stat. 696.
42 USC 2808.

"DESIGN AND PLANNING ASSISTANCE PROGRAMS

"SEC. 226. (a) The Director shall make grants or enter into contracts to provide financial assistance for the operating expenses of programs conducted by community-based design and planning organizations to provide technical assistance and professional architectural and related services relating to housing, neighborhood facilities, transportation and other aspects of community planning and development to persons and community organizations or groups not otherwise able to afford such assistance. Such programs shall be conducted with maximum use of the voluntary services of professional and community personnel. In providing assistance under this section, the Director shall afford priority to persons in urban or rural poverty areas with substandard housing, substandard public service facilities, and generally blighted conditions. Design and planning services to be provided by such organizations shall include—

"(1) comprehensive community or area planning and development;

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

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

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

"(1) is a nonprofit organization located in the neighborhood or area to be served with a majority of the governing body of such organization comprised of residents of that neighborhood or area;

"(2) has as a primary function the goal of bringing about, through the involvement of the appropriate community action agency or otherwise, maximum possible participation of local residents, especially low-income residents, in the planning and decisionmaking regarding the development of their community; and

"(3) will carry out its design and planning services principally through the voluntary participation of professional and community personnel (including, where available, VISTA volunteers).

"(c) Design and planning organizations receiving assistance under this section shall not subcontract with any profitmaking organization or pay fees for architectural or other professional services.

"(d) The Director shall make whatever arrangements are necessary to continue pilot or demonstration projects of demonstrated effectiveness of the type described in this section receiving assistance under section 232 of this Act during the fiscal year ending June 30, 1971.

42 USC 2825.

"YOUTH RECREATION AND SPORTS PROGRAM

"SEC. 227. (a) In order to provide to disadvantaged youth recreation and physical fitness instruction and competition with high-quality facilities and supervision and related educational and counseling services (including instruction concerning study practices, career opportunities, job responsibilities, health and nutrition, and drug abuse education) through regular association with college instructors and athletes and exposure to college and university campuses and other recreational facilities, the Director shall make grants or enter into

contracts for the conduct of an annual youth recreation and sports program concentrated in the summer months and with continued activities throughout the year, so as to offer disadvantaged youth living in areas of rural and urban poverty an opportunity to receive such recreation and educational instruction, information, and services and to participate in such physical fitness programs and sports competitions.

“(b) No assistance may be provided under this section unless satisfactory assurances are received that (1) not less than 90 per centum of the youths participating in each program to be assisted under this section are from families with incomes below the poverty level, as determined by the Director, and that such participating youths and other neighborhood residents, through the involvement of the appropriate community action agency or otherwise, will have maximum participation in program planning and operation and (2) all significant segments of the low-income population of the community to be served will be served on an equitable basis in terms of participating youths and instructional and other support personnel.

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

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

“(2) providing such youth with instruction and information regarding study practices, career opportunities, job responsibilities, and drug abuse;

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

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

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

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

“CONSUMER ACTION AND COOPERATIVE PROGRAMS

“SEC. 228. (a) The Director shall make grants or enter into contracts to provide financial assistance for the development, technical assistance to and conduct of consumer action and advocacy and cooperative programs, credit resources development programs, and consumer protection and education programs designed to demonstrate various techniques and models and to carry out projects to assist and provide technical assistance to low-income persons to try to improve the quality, improve the delivery, and lower the price of goods and services, to obtain, without undue delay or burden, financial credit at rea-

sonable cost, and to develop means of enforcing consumer rights, developing consumer grievance procedures and presenting consumer grievances, submitting consumer views and concerns for protection against unfair, deceptive, or discriminatory trade and commercial practices and educating low-income persons with respect to such rights, procedures, grievances, views and concerns.

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

“(c) The Director shall make whatever arrangements are necessary to continue pilot or demonstration projects of demonstrated effectiveness, or which have not yet been evaluated until such time as an evaluation is conducted and the effectiveness determined and to carry out evaluations of such projects, of the type described in this section receiving assistance under section 232 of this Act during the fiscal year ending June 30, 1971 or June 30, 1972.”

81 Stat. 703.
42 USC 2825.

TERMINATION OF ASSISTANCE

SEC. 15. Section 231 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

42 USC 2824.

“(d) If any member of a board to which section 211 (b) is applicable files an allegation with the Director that an agency receiving assistance under this section is not observing any requirement of this Act, or any regulation, rule, or guideline promulgated by the Director under this Act, the Director shall promptly investigate such allegation and shall consider it; and, if after such investigation and consideration he finds reasonable cause to believe that the allegations are true, he shall hold a hearing, upon the conclusion of which he shall notify all interested persons of his findings. If he finds that the allegations are true, and that, after being afforded a reasonable opportunity to do so, the agency has failed to make appropriate corrections, he shall forthwith terminate further assistance under this title to such agency until he has received assurances satisfactory to him that further violations will not occur.”

Ante, p. 690.

Hearing.

SPECIAL ASSISTANCE

SEC. 16. Part C of title II of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new section:

42 USC 2823.

“SPECIAL ASSISTANCE

“SEC. 234. The Director may provide financial assistance for projects conducted by public or private nonprofit agencies which are designed to serve groups of low-income individuals who are not being effectively served by other programs under this title. In administering this section, the Director shall give special consideration to programs designed to assist older persons and other low-income individuals who do not reside in low-income areas and who are not being effectively served by other programs under this title.”

DISTRIBUTION OF FINANCIAL ASSISTANCE

SEC. 17. Section 244 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

42 USC 2836.

“(8) Consistent with the provisions of this Act, the Director shall assure that financial assistance under this title will be dis-

tributed on an equitable basis in any community and within any State so that all significant segments of the low-income population are being served.”

AMENDMENT TO MIGRANT FARMWORKERS PROGRAM

81 Stat. 709.
42 USC 2862. SEC. 18. Section 312(b)(3) of the Economic Opportunity Act of 1964 is amended by inserting after the word “Government” the words “employment or”.

DAY CARE STANDARDS

42 USC 2932. SEC. 19. Section 522(d) of the Economic Opportunity Act of 1964 is amended by adding a new sentence after the words “local levels.” as follows: “Such standards shall be no less comprehensive than the Federal interagency day care requirements as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968.”

PROHIBITION OF POLITICAL ACTIVITY

80 Stat. 1469;
81 Stat. 714.
42 USC 2943. SEC. 20. Section 603 of the Act is amended by adding at the end thereof the following new subsection:

Ante, p. 284. “(c) No part of any funds appropriated to carry out this Act, subpart (1) of part B of title V of the Higher Education Act of 1965, or any program administered by ACTION shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office, or any voter registration activity, or to pay the salary of any officer or employee of the Office of Economic Opportunity, the Teacher Corps, or ACTION, who, in his official capacity as such an officer or employee, engages in any such activity. As used in this section, the term ‘election’ has the same meaning given such term by section 301(a) of the Federal Election Campaign Act of 1971, and the term ‘Federal office’ has the same meaning given such term by section 301(c) of such Act.”

Ante, p. 11.

DEFINITION OF LOWER LIVING STANDARD BUDGET

Ante, p. 692. SEC. 21. Section 609 of the Act is amended by adding at the end thereof the following:

“(5) the term ‘lower living standard budget’ means that income level (adjusted for regional and metropolitan, urban and rural differences and family size) determined annually by the Bureau of Labor Statistics of the Department of Labor and referred to by such Department as the ‘lower living standard budget’.”

GUIDELINES

78 Stat. 528;
83 Stat. 831.
42 USC 2941. SEC. 22. Part A of title VI of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new section:

“GUIDELINES

Publication in
Federal Register.

“SEC. 623. All rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this Act shall be published in the Federal Register at least thirty days prior to their effective date.”

NONDISCRIMINATION

SEC. 23. Part A of title VI of the Economic Opportunity Act of 1964 is further amended by adding at the end thereof the following new section:

NONDISCRIMINATION PROVISIONS

"SEC. 624. (a) The Director shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any such program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this Act. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Director to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act."

78 Stat. 252.
42 USC 2000d-1.
42 USC 2000d-2.

POVERTY LINE

SEC. 24. Part A of title VI of the Economic Opportunity Act of 1964 is further amended by inserting the following new section at the end thereof:

Ante, p. 696.

"POVERTY LINE

"SEC. 625. (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.

"(c) Revisions required by subsection (a) of this section shall be made and issued not more than thirty days after the date on which the necessary consumer price index data becomes available."

COMMUNITY ECONOMIC DEVELOPMENT

SEC. 25. (a) The Economic Opportunity Act is amended by inserting immediately after title VI the following new title:

78 Stat. 508,
534.
42 USC 2701
note.

"TITLE VII—COMMUNITY ECONOMIC DEVELOPMENT

"STATEMENT OF PURPOSE

"SEC. 701. The purpose of this title is to encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits.

“PART A—SPECIAL IMPACT PROGRAMS

“STATEMENT OF PURPOSE

“SEC. 711. The purpose of this part is to establish special programs of assistance to private locally initiated community corporations and related nonprofit agencies, 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 title.

“ESTABLISHMENT OF PROGRAMS

Financial assistance.

“SEC. 712. (a) The Director is authorized to provide financial assistance to community development corporations and to cooperatives and other nonprofit agencies in conjunction with qualifying community development corporations 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 areas served so as to provide employment and ownership opportunities for residents of such areas, and programs including those described in title IV of this Act 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) manpower training programs for unemployed or low-income persons which support and complement economic, business, housing, and community development programs, including without limitation activities such as those described in part B of title I of this Act.

“(b) The Director 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 and the establishment of permanent economic and social benefits in such areas.

“REQUIREMENTS FOR FINANCIAL ASSISTANCE

Regulations.

“SEC. 713. (a) The Director, under such regulations as he may establish, shall not provide financial assistance for any program or component project under this part unless he determines that—

“(1) such community development corporation is responsive to residents of the area under guidelines established by the Director;

“(2) all projects and related facilities will, to the maximum feasible extent, be located in the area served;

“(3) projects will, where feasible, promote the development of entrepreneurial and management skills and the ownership or

78 Stat. 526;
81 Stat. 710.
42 USC 2901.

81 Stat. 683.
42 USC 2737.

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 maximum 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 Act, the Demonstration Cities and Metropolitan Development Act of 1966, and with other relevant planning for physical and human resources of the areas served;

“(6) the requirements of subsections 122(e) and 124(a) of this Act have been met;

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

“(8) 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.

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

“APPLICATION OF OTHER FEDERAL RESOURCES

“SEC. 714. (a) SMALL BUSINESS ADMINISTRATION PROGRAMS.—

“(1) Funds granted under this part which are invested, directly or indirectly, in a small business investment company or a local development company shall be included as ‘private paid-in capital and paid-in surplus,’ ‘combined paid-in capital and paid-in surplus,’ and ‘paid-in capital’ for purposes of sections 302, 303, and 502, respectively, of the Small Business Investment Act of 1958.

“(2) Within ninety days of the enactment of the Economic Opportunity Amendments of 1972, the Administrator of the Small Business Administration, after consultation with the Director, shall prescribe such regulations as may be necessary and appropriate to insure the availability to community development corporations of such programs as shall further the purposes of this part.

“(b) ECONOMIC DEVELOPMENT ADMINISTRATION PROGRAMS.—

“(1) Areas selected for assistance under this part shall be deemed ‘redevelopment areas’ within the meaning of section 401 of the Public Works and Economic Development Act of 1965, and shall qualify for assistance under the provisions of title I and title II of that Act.

“(2) Within ninety days of the enactment of the Economic Opportunity Amendments of 1972, the Secretary of Commerce, after consultation with the Director, shall prescribe such regulations as may be necessary and appropriate to insure the availability to community development corporations of such programs as shall further the purposes of this part.

“(c) PROGRAMS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—The Secretary of Housing and Urban Development, after consultation with the Director, shall take all necessary steps (1) to assure that community development corporations assisted under this part or their subsidiaries, shall qualify as sponsors under section 106 of

80 Stat. 1255.
42 USC 3301
note.

81 Stat. 683.
42 USC 2739,
2741.

15 USC 682,
683, 696.
Regulations.

79 Stat. 560;
85 Stat. 167.
42 USC 3161.
42 USC 3131,
3141.
Regulations.

82 Stat. 490;
84 Stat. 1808.
12 USC 1701x.
12 USC 1715l.
1715z, 1715z-1.
42 USC 1450.

Ante, p. 405.

Report to Con-
gress.

the Housing and Urban Development Act of 1968, and sections 221, 235, and 236 of the National Housing Act of 1949; (2) to assure that land for housing and business location and expansion is made available under title I of the Housing Act of 1949 as may be necessary to carry out the purposes of this part; and (3) to assure that funds are available under section 701(b) of the Housing Act of 1954 to community development corporations assisted under this part.

“(d) COORDINATION AND COOPERATION.—The Director shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this part.

“(e) REPORTING ON OTHER FEDERAL RESOURCES.—On or before six months after the date of enactment of the Economic Opportunity Amendments of 1972, and annually thereafter, the Director shall submit to the Congress a detailed report setting forth a description of all Federal agency programs which he finds relevant to achieving the purposes of this part and the extent to which such programs have been made available to community development corporations receiving financial assistance under this part including specifically the availability and effectiveness of programs referred to in subsections (a), (b), and (c) of this section. Where appropriate, the report required under this subsection also shall contain recommendations for the more effective utilization of Federal agency programs for carrying out the purposes of this part.

“FEDERAL SHARE

“SEC. 715. Federal grants to any program carried out pursuant to this part, including grants used by community development corporations for capital investments, shall (1) not exceed 90 per centum of the cost of such program including costs of administration unless the Director determines that assistance in excess of such percentage is required in furtherance of the purposes of this part, and (2) be made available for deposit to the grantee, under conditions which the Director deems appropriate, within thirty days following approval by the Director and the local community development corporation of the grant agreement. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. Capital investments made with funds granted as a result of the Federal share of the costs of programs carried out under this part, and the proceeds from such capital investments, shall not be considered Federal property.

“PART B—RURAL PROGRAMS

“STATEMENT OF PURPOSE

“SEC. 721. It is the purpose of this part to meet the special economic needs of rural communities or areas with concentrations or substantial numbers of low-income persons by providing support to self-help programs which promote economic development and independence, as a supplement to existing similar programs conducted by other departments and agencies of the Federal Government. Such programs should encourage low-income families to pool their talents and resources so as to create and expand rural economic enterprise.

“FINANCIAL ASSISTANCE

“SEC. 722. (a) The Director is authorized to provide financial assistance, including loans having a maximum maturity of 15 years and in amounts not resulting in an aggregate principal indebtedness of more

than \$3,500 at any one time, to any low-income rural family where, in the judgment of the Director, such financial assistance has a reasonable possibility of effecting a permanent increase in the income of such families, or will contribute to the improvement of their living or housing conditions, by assisting or permitting them to—

“(1) acquire or improve real estate or reduce encumbrances or erect improvements thereon;

“(2) 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

“(3) participate in cooperative associations, or to finance non-agricultural enterprises which will enable such families to supplement their income.

“(b) The Director is authorized to provide financial assistance to local cooperative associations in rural areas containing concentrations or substantial numbers of low-income persons for the purpose of defraying all or part of the costs of establishing and operating cooperative programs for farming, purchasing, marketing, processing, and to improve their income as producers and their purchasing power as consumers, and to provide such essentials as credit and health services. Costs which may be defrayed shall include but not 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 Director 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. 723. (a) No financial assistance shall be provided under this part unless the Director 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 financial assistance for related purposes under this Act to the area served by a program under this part shall not be diminished in order to substitute funds authorized by this part.

“PART C—SUPPORT PROGRAMS

“TRAINING AND TECHNICAL ASSISTANCE

“SEC. 731. (a) The Director 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 title. No financial assistance shall be provided to any public or private organization under this section unless the Director 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 title.

“(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 title.

“DEVELOPMENT LOAN FUND

“SEC. 732. (a) The Director 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 712 of this title, to families under section 722(a), and to local cooperatives eligible for financial assistance under section 722(b) for business, housing, and community development projects who the Director determines will carry out the purposes of this title. No loans, guarantees, or other financial assistance shall be provided under this section unless the Director determines that—

Ante, p. 698.

“(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

“(3) 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.

Interest rate.

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

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

Development
Loan Fund, estab-
lishment.

“(c) (1) To carry out the lending and guaranty functions authorized under this part, there shall be established a Development Loan Fund consisting of two separate accounts, one of which shall be a revolving fund called the Rural Development Loan Fund and the other of which shall be a revolving fund called the Community Development Loan Fund. The capital of each such revolving fund shall remain available until expended.

Rural Develop-
ment Loan Fund.

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

Community
Development Loan
Fund.

“(3) The Community Development Loan Fund shall consist of such amounts as may be deposited in such fund by the Director out of funds made available from appropriations for the purpose of carrying out

this title. The Secretary may make deposits in the Community Development Loan Fund in any fiscal year in which he has made available for grants to community development corporations not less than \$60,000,000 out of funds made available from appropriations for the purpose of carrying out this title.

“EVALUATION AND RESEARCH

“SEC. 733. (a) Each program for which grants are made under this title shall provide for a thorough evaluation of the effectiveness of the program in achieving its purposes, which evaluation shall be conducted by such public or private organizations as the Director may designate, and all or part of the costs of evaluation may be paid from funds appropriated to carry out this part. The results of such evaluations, together with the Director’s findings and recommendations concerning the program, shall be included in the report required by section 608 of this Act.

78 Stat. 532.
42 USC 2948.

“(b) The Director shall conduct, either directly or through grants or other arrangements, research designed to suggest new programs and policies to achieve the purposes of this title in such ways as to provide opportunities for employment, ownership, and a better quality of life for low-income residents. The Director shall particularly investigate the feasibility and most appropriate manner of establishing development banks and similar institutions and shall report to the Congress on his research findings and recommendations not later than June 30, 1973.

Report to Congress.

“PART D—GENERAL

“PROGRAM DURATION AND AUTHORITY

“SEC. 741. The Director shall carry out programs provided for in this title during the fiscal year ending June 30, 1972, and for the three succeeding fiscal years. For each fiscal year only such sums may be appropriated as the Congress may authorize by law.”

(b) Part D of title I of the Economic Opportunity Act of 1964 is repealed.

Repeal.
81 Stat. 688.
42 USC 2763.

AMENDMENT WITH RESPECT TO VOLUNTEER PROGRAMS

SEC. 26. (a) The second sentence of section 801 of the Economic Opportunity Act of 1964 is amended by inserting after the words “to eliminate poverty” the following: “and to deal with environmental problems focused primarily upon the needs of low-income persons and the communities in which they reside”.

81 Stat. 722.
42 USC 2991.

(b) Section 811(a) of such Act is amended as follows:

42 USC 2992a.

- (1) by striking out the first sentence thereof, and
- (2) by inserting in lieu thereof: “Volunteers under this part shall be required to make a full-time personal commitment to achieving the purpose of this title and the goals of the projects or programs to which they are assigned.”

(c) Section 820(a) of such Act is amended as follows:

42 USC 2993.

- (1) by striking out the first sentence of subsection (a), and
- (2) by inserting in lieu thereof: “The Director shall develop programs designed to expand opportunities for persons to participate in a direct and personal way, on a part-time basis or for short periods of service either in their home or nearby communities or elsewhere, in volunteer activities contributing to the elimination of poverty and otherwise in furtherance of the purpose of this title.”

(d) The first sentence of section 821 of such Act is amended, effective July 1, 1972, by inserting before the period at the end thereof a

42 USC 2993a.

comma and the following: "and such programs shall include any program, project, or activity otherwise authorized under the provisions of this title for which academic credit is granted to volunteer participants in connection with their volunteer service (not including time devoted to training)".

EVALUATION

78 Stat. 508.
42 USC 2701
note.

SEC. 27. (a) The Economic Opportunity Act of 1964 is further amended by inserting at the end thereof the following new title:

"TITLE IX—EVALUATION

"COMPREHENSIVE EVALUATION OF PROGRAMS

"SEC. 901. (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.

Standards, publication.

"(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 title, the Director may require community action agencies to provide independent evaluations.

"COOPERATION OF OTHER AGENCIES

"SEC. 902. 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. 903. (a) In carrying out evaluations under this title, 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. 904. (a) The Director shall publish summaries (prepared by the evaluator) of the results of evaluative research and evaluations of program impact and effectiveness no later than sixty days after its completion.

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

“(c) The Director shall publish summaries of the results of activities carried out pursuant to this title in the report required by section 608 of this Act.

78 Stat. 532.
42 USC 2948.

“EVALUATION BY OTHER ADMINISTERING AGENCIES

“SEC. 905. The head of any agency administering a program authorized under this Act may, with respect to such program, conduct evaluations and take other actions authorized under this title to the same extent and in the same manner as the Director under this title. Nothing in this section shall preclude the Director from conducting such evaluations or taking such actions otherwise authorized under this title with respect to such programs.”

(b) (1) Subsection (a) of section 113, subsections (b) and (c) of section 132, section 233, and section 314(b) of the Economic Opportunity Act of 1964 are repealed.

(2) Section 632(2) of such Act is amended by striking out “carry on a continuing evaluation of all activities under this Act, and”.

(3) Sections 132 and 314 of such Act are each amended by striking out “(a)”.

Repeals.

81 Stat. 679.
42 USC 2724,
2749, 2826, 2864.
42 USC 2974.

FUNCTIONS OF DIRECTOR

SEC. 28. Notwithstanding the provisions of section 602(d) of the Economic Opportunity Act of 1964, the Director of the Office of Economic Opportunity shall not delegate his functions under section 221 and title VII of such Act to any other agency.

78 Stat. 528;
80 Stat. 1468.
42 USC 2942.
81 Stat. 696.
42 USC 2808.
Ante, p. 697.

AMENDMENT TO THE OLDER AMERICANS ACT OF 1965

SEC. 29. (a) Section 611(a) of the Older Americans Act of 1965 (42 U.S.C. 3044(b)) is amended by adding at the end thereof the following new sentence: “The Director of ACTION may approve assistance in excess of 90 per centum of the cost of the development and operation of such projects if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this section.”

(b) The amendment made by subsection (a) of this section shall be effective from the date of enactment of this Act. In the case of any project with respect to which, prior to such date, a grant or contract has been made under such section or with respect to any project under the Foster Grandparent program in effect prior to September 17, 1969, contributions in cash or in kind from the Bureau of Indian Affairs, Department of the Interior, toward the cost of the project may be counted as part of the cost thereof which is met from non-Federal sources.

83 Stat. 112.

Effective dates.

Approved September 19, 1972.