DEPARTMENT OF LABOR

Employment and Training Administration

DEPARTMENT OF EDUCATION

Office of Vocational and Adult Education School-to-Work Opportunities; Urban/Rural Opportunities Grants

AGENCIES: Employment and Training Administration, Department of Labor; Office of Vocational and Adult Education, Department of Education.

ACTION: Notice of Final Priority for School-to-Work Urban/Rural Opportunities Grants Using Fiscal Year (FY) 1995 Funds.

SUMMARY: The Secretaries of Labor and Education (the Secretaries) announce a competitive priority for the Urban/Rural Opportunities Grants competition authorized by Title III of the School-to-Work Opportunities Act of 1994 (the Act) using FY 1995 funds. This priority provides for a competitive preference to be given to applications from local partnerships proposing to implement a School-to-Work Opportunities initiative for youth residing or attending school in an Empowerment Zone or Enterprise Community (EZ/EC) designated under section 1391 of the Internal Revenue Code (IRC), as amended by Title XIII of the Omnibus Budget Reconciliation Act of 1993. The Secretaries announce that they intend to use this priority, along with the selection criteria published in the November 14, 1995, issue of the Federal Register (60 FR 57276), to select applications for funding under the Urban/Rural Opportunities Grants competition using FY 1995 funds. The Secretaries take this action to focus Federal financial assistance on implementing School-to-Work Opportunities initiatives in urban or rural areas of high poverty.

EFFECTIVE DATE: This priority takes effect on August 5, 1996.

FOR FURTHER INFORMATION CONTACT: Karen Clark, National School-to-Work Office, U.S. Departments of Labor and Education, 400 Virginia Avenue, S.W., Room 210, Washington, D.C. 20024. Telephone: (202) 401–6222 (this is not a toll-free number). Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

SUPPLEMENTARY INFORMATION:

Background

The Secretaries intend to award grants to local partnerships to implement School-to-Work Opportunities initiatives serving youth residing or attending school in urban or rural high poverty areas. The Secretaries recognize the particular challenges faced by local partnerships serving youth in urban and rural high-poverty areas in preparing the youth for first jobs in high-skill, high-wage careers and in increasing their opportunities for further education and training. Similarly, the EZ/EC initiative is aimed at rebuilding communities in America's poverty-stricken inner cities and rural heartlands. Under the EZ/EC initiative, the Federal Government has designated certain geographic areas as EZs and as ECs in accordance with Internal Revenue Code (IRC) section 1391, as amended by Title XIII of the Omnibus Budget Reconciliation Act of 1993 (Pub. L. 103–66). The selected areas were designated as EZs or ECs based on the quality of their strategic plans addressing how each zone or community would link economic development with education and training, as well as how community development, public safety, human services, and environmental initiatives together would support sustainable community improvement efforts.

On December 6, 1995, the Secretaries published a notice of proposed priority for this competition in the Federal Register (60 FR 62698).

Note: This notice of final priority does not solicit applications. A solicitation for grant applications under this competition was published in the Federal Register on November 14, 1995 (60 FR 57276).

Analysis of Comments and Changes

In response to the Secretaries' invitation in the notice of proposed priority, 34 parties submitted comments. An analysis of the comments and of the changes in the priority since publication of the notice of proposed priority follows. Technical and other minor changes—and suggested changes the Secretaries are not legally authorized to make under the applicable statutory authority—are not addressed.

Comments: Several commenters expressed support for the Secretaries' proposal to give competitive preference to applications from partnerships that propose to implement a School-to-Work Opportunities initiative serving youth who reside or attend school in an area designated as an EZ or EC.

Discussion: The EZ/EC initiative seeks to implement a broad-based strategy for meeting the needs of youth in high poverty areas, and the Urban/Rural Opportunities Grants are well-suited for inclusion in such an overarching strategy. Similarly, as a part of the EZ/EC designation process, communities designated as EZs or ECs have already demonstrated a capacity for the type of collaboration and cooperative planning that is critical to developing and implementing successful School-to-Work Opportunities initiatives.

Changes: None.

Comment: Two commenters stated that there are typographical errors in the list of ECs that appeared in the Federal Register notice. One commenter suggested that five San Francisco neighborhoods that were also designated as ECs should have been included in the list.

Discussion: The Secretaries agree with the commenters about the typographical errors and the addition of the five San Francisco neighborhoods to the ECs list.

Changes: In the list of ECs, ''New Mexico: Moro, Rico Arriba, Taos Counties'' has been changed to ''New Mexico: Mora, Rio Arriba, Taos Counties'' and ''California: San Francisco, Bayview, Hunters Point'' has been changed to ''California: San Francisco, Bayview-Hunters Point, Southeast Section.'' In addition, the following San Francisco neighborhoods have been added to the list of Enterprise Communities: Tenderloin, Chinatown, South of Market, Mission, and Visitacion Valley. This revised list is included as an appendix to this notice.

Comment: One commenter noted that there was no mention in the proposed priority of special populations (such as individuals with disabilities, economically and educationally disadvantaged individuals, individuals with limited English proficiency, individuals in non-traditional occupations by gender, and individuals in corrections programs) in the discussion of the target service population. The commenter argued that the failure to include a reference to those special populations would result in selecting EZs or ECs that do not serve those most in need.

Discussion: The inclusion of special populations in a local partnership's plan to serve high poverty area youth is covered in Criterion 3 of the selection criteria to be used for this competition. These criteria were published in the November 14, 1995, Federal Register notice. Criterion 3 requires that a local partnership describe its strategies for effectively ensuring opportunities for the participation of all students and to identify ways of overcoming barriers to the participation of any student. Like the Act, Criterion 3 refrains from

requiring applicants to design specific programs for each specific group of students. Rather, the focus is on building a school-to-work system for all students. The Secretaries agree that to receive the maximum points for Criterion 3, applicants may not neglect the needs of any student and must convincingly describe how the local partnership's School-to-Work Opportunities system will provide the same options and produce the same results for all participating students, while recognizing that certain groups of students have different needs and, therefore, that specific strategies may be required for the target groups listed in the definition of ''all students.'' Applications that fail to address the critical needs of various student populations and fail to develop effective strategies based on identified student needs will not be as competitive as applications that have comprehensive and effective strategies for all students.

Changes: None.

Comments: Several commenters disagreed with the Secretaries' proposal to give competitive preference to partnerships in EZs and ECs. Five commenters expressed concern that this would create a disincentive to the point of deterring innovation among existing effective high-poverty models and efforts at collaboration. One commenter suggested changing the way points are awarded by giving partnerships in EZ/ECs 5 to 10 points rather than giving them a preference among applications of comparable merit. Another commenter argued that giving priority to partnerships in EZ/ECs discounts the value of projects implemented by partnerships that do not serve EZ/EC areas and impedes the effective use of other Federal dollars by those partnerships. One commenter suggested that the proposed competitive preference would serve to exclude youth who would be denied the career and academic skills they need. Two commenters argued that this preference is unfair in general, and one of them requested a waiver from the preference. Finally, one commenter suggested that the preference is unfair to certain high-poverty rural areas that have not been able to receive an EZ/EC designation.

Discussion: The Secretaries recognize that certain otherwise worthy local areas may not have been designated as EZ/ECs. However, the Secretaries believe that the missions of the EZ/EC initiative and the School-to-Work Opportunities initiative, particularly with regard to Urban/Rural Opportunities Grants, effectively complement one another. The purpose of the EZ/EC priority is to encourage collaboration between those initiatives, not to deny services to youth in any area. Moreover, Criterion 5 of the selection criteria requires a partnership to develop a strategy for using other resources, including other Federal funds, when Federal resources under the School-to-Work Opportunities Act are no longer available. As with previous competitions, applications that fail to address a partnership's ability to leverage additional resources, including other Federal resources, will not be as competitive as other applications that demonstrate the partnership's ability to effectively use additional funding. The Secretaries believe that all Federal funds are important for building an effective School-to-Work Opportunities system and do not believe that the EZ/EC preference discounts the value of or impedes the effective use of other Federal dollars in any way. Although it is unfortunate that it is too late for high-poverty areas to gain an EZ or EC designation in time for the current Urban/Rural Opportunities Grant competition, applicants are reminded that this priority merely provides a line of distinction when two applications are of comparable merit. Applicants are also reminded that the President is expected to announce a second round of EZ/EC designations in the coming months. The Secretaries preferred this priority method over assigning a specific number of points to EZ/ECs to avoid increasing an applicant's score merely on the basis of EZ/EC designation. Finally, granting waivers of a competitive preference established as applicable to a particular grant competition is not an available option under either the Act or under applicable Department regulations.

Changes: None.

Comment: One commenter suggested that the criteria for funding programs should include the provider's background, commitment, and experience in developing partnerships in his or her community rather than giving preference to partnerships serving areas designated as EZs or ECs.

Discussion: The Secretaries agree that the quality of a provider's background, commitment, and experience are important for the implementation of successful School-to-Work Opportunities systems. Toward that end, Criterion 2 of the selection criteria requires that applicants demonstrate an effective and convincing strategy for continuing the commitment of required partners and other interested parties in the local School-to-Work Opportunities system. In addition, Criterion 5 requires that applicants develop a feasible and effective strategy for using other resources, including private sector resources, to maintain the system when Federal resources under the School-to-Work Opportunities Act are no longer available. Applications that fail to adequately address these criteria, regardless of EZ/EC designation, will not be as competitive as applications that effectively demonstrate the ability of the partnership to develop resources and commitments that will build a long-lasting, quality school-to-work system.

Changes: None.

Comments: Two commenters suggested that communities that operate Youth Fair Chance programs should be given the same preference as EZ/ECs because their areas meet the same demographic requirements as listed in the grant announcement for EZ/ECs.

Discussion: Both EZ/ECs and Urban/Rural Opportunities Grant local partnerships are called upon to carry out activities that require a high degree of collaboration as indicated in the Federal Register notice announcing the competition. Because EZ/ECs already demonstrate such a high degree of collaboration at the local level, the Secretaries believe that the activities and goals of Urban/Rural Opportunities Grant local partnerships and those who implement the EZ/EC initiative effectively complement each other, resulting in a high degree of collaboration among school-to-work activities. The Secretaries are sympathetic to these commenters and recognize Youth Fair Chance projects as worthwhile initiatives; however, in taking into account the scarcity of resources that promote community collaboration, they believe this competitive preference is the most effective way to channel Urban/Rural Opportunities Grant funds and foster local collaborative efforts.

Changes: None.

Comment: One commenter protested the late notification of the EZ/EC priority in the Federal Register, arguing that the announcement was made after the partnership submitted its application to the State for review.

Discussion: The Secretaries believe applicants had fair notice of their intent to give a competitive preference to applicants from EZs or ECs. First, on December 6, 1995, a notice of proposed priority appeared in the Federal Register more than three weeks before applications were due to the States. Second, applicants were asked to indicate their collaboration with other programs, including EZs or ECs, under Criterion 2 of the selection criteria. Finally, the preference is based on whether the applicant is part of an EZ or EC, not on anything else in the application, so the timing of the priority

notice would not have affected the way the applicants wrote their applications.

Changes: None.

Comment: One commenter suggested that giving priority preference to EZ/ECs discriminates against Indian Reservations because they were excluded from the EZ/EC application process and that areas eligible for priority preference should include Indian reservations and USDA Champion designated areas.

Discussion: Many programs for Indian youth are eligible for School-to-Work Opportunities funding under Urban/Rural Opportunities Grants, Local Partnership Grants, and State Implementation subgrants to local partnerships. In addition, a special set-aside for School-to-Work Indian Program Grants is available for local partnerships that include the involvement of schools funded by the Bureau of Indian Affairs (BIA) and is used to create school-to-work systems that serve Indian youth. Last year, $593,219 was awarded under this set-aside in nine School-to-Work Indian Program Grants to develop and implement those systems. This year, $1.225 million is available for new grants and continuations to partnerships serving Indian youth.

Changes: None.

Priority

Under 34 CFR 75.105(c)(2)(ii), the Secretaries give preference to applications that meet the following competitive priority. An application that meets this competitive priority is selected by the Secretaries over applications of comparable merit that do not meet the priority:

This priority is for local partnerships serving youth residing or attending school in urban or rural high poverty areas designated as Empowerment Zones (EZs) or Enterprise Communities (ECs).

Intergovernmental Review

This program is subject to the requirements of Executive Order 12372 and the regulations in 34 CFR Part 79 and 29 CFR Part 17. The objective of the Executive order is to foster an intergovernmental partnership and to strengthen federalism by relying on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

In accordance with the order, this document is intended to provide early notification of the Departments' specific plans and actions for this program.

Program Authority: 20 U.S.C. 6101, *et seq.* (Catalog of Federal Domestic Assistance (CFDA) Number 278D of School-to-Work Opportunities of Urban/Rural Opportunities Grants)

Dated: June 28, 1996.

Timothy M. Barnicle,

Assistant Secretary for Employment and Training, U.S. Department of Labor.

Patricia McNeil,

Assistant Secretary for Vocational and Adult Education, U.S. Department of Education.

Appendix

Empowerment Zones and Enterprise Communities

Note: Many EZ/ECs cover only a portion of the listed city or county. To meet the competitive priority, the local partnership must serve youth residing or attending school in the EZ/EC, not just in the city or county listed.

EMPOWERMENT ZONES (EZ)

Georgia: Atlanta
Illinois: Chicago
Kentucky: Kentucky Highlands*
Maryland: Baltimore
Michigan: Detroit
Mississippi: Mid Delta*
New York: Harlem, Bronx
Pennsylvania/New Jersey: Philadelphia, Camden
Texas: Rio Grande Valley*

SUPPLEMENTAL EMPOWERMENT ZONES (SEZ)

California: Los Angeles
Ohio: Cleveland

ENTERPRISE COMMUNITIES (EC)

Alabama: Birmingham
Alabama: Chambers County*
Alabama: Greene, Sumter Counties*
Arizona: Phoenix
Arizona: Arizona Border*
Arkansas: East Central*
Arkansas: Mississippi County*
Arkansas: Pulaski County
California: Imperial County*
California: Los Angeles, Huntington Park
California: San Diego
California: San Francisco, Bayview-Hunters Point, Southeast Section
California: San Francisco, Tenderloin
California: San Francisco, Chinatown
California: San Francisco, South of Market
California: San Francisco, Mission
California: San Francisco, Visitacion Valley
California: Watsonville*
Colorado: Denver
Connecticut: Bridgeport
Connecticut: New Haven
Delaware: Wilmington
District of Columbia: Washington
Florida: Jackson County*
Florida: Tampa
Florida: Miami, Dade County
Georgia: Albany
Georgia: Central Savannah*
Georgia: Crisp, Dooley Counties*
Illinois: East St. Louis
Illinois: Springfield
Indiana: Indianapolis
Iowa: Des Moines
Kentucky: Louisville
Louisiana: Northeast Delta*
Louisiana: Macon Ridge*
Louisiana: New Orleans
Louisiana: Ouachita Parish
Massachusetts: Lowell
Massachusetts: Springfield
Michigan: Five Cap*
Michigan: Flint
Michigan: Muskegon
Minnesota: Minneapolis
Minnesota: St. Paul
Mississippi: Jackson
Mississippi: North Delta*
Missouri: East Prairie*
Missouri: St. Louis
Nebraska: Omaha
Nevada: Clarke County, Las Vegas
New Hampshire: Manchester
New Jersey: Newark
New Mexico: Albuquerque
New Mexico: Mora, Rio Arriba, Taos Counties*
New York: Albany, Schenectady, Troy
New York: Buffalo
New York: Newburgh, Kingston
New York: Rochester
North Carolina: Charlotte
North Carolina: Halifax, Edgecombe, Wilson Counties*
North Carolina: Robeson County*
Ohio: Akron
Ohio: Columbus
Ohio: Greater Portsmouth*
Oklahoma: Choctaw, McCurtain Counties*
Oklahoma: Oklahoma City
Oregon: Josephine*
Oregon: Portland
Pennsylvania: Harrisburg
Pennsylvania: Lock Haven*
Pennsylvania: Pittsburg
Rhode Island: Providence
South Carolina: Charleston
South Carolina: Williamsburg County*
South Dakota: Beadle, Spink Counties*
Tennessee: Fayette, Haywood Counties*
Tennessee: Memphis
Tennessee: Nashville
Tennessee/Kentucky: Scott, McCreary Counties*
Texas: Dallas
Texas: El Paso
Texas: San Antonio
Texas: Waco
Utah: Ogden
Vermont: Burlington
Virginia: Accomack*
Virginia: Norfolk
Washington: Lower Yakima*
Washington: Seattle
Washington: Tacoma
West Virginia: West Centeral*
West Virginia: Huntington
West Virginia: McDowell*
Wisconsin: Milwaukee

*denotes rural designee

ENHANCED ENTERPRISE COMMUNITIES (EEC)

California: Oakland
Massachusetts: Boston
Missouri/Kansas: Kansas City, Kansas City
Texas: Houston

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