affected State has been afforded ade-
quate written notice and an oppor-
tunity to request and to receive a hear-
ing before an administrative law judge
pursuant to the provisions of subpart H
of part 627 of this chapter (section 311(e)(2)(B)).

§ 631.17 Federal monitoring and over-
sight.

The Secretary shall conduct over-
sight of State administration of pro-
grams under this part, including the
administration by each State of the
rapid response assistance services pro-
vided in such State. The Secretary
shall take the appropriate actions to
ensure the effectiveness, efficiency and
timeliness of services conducted by the
State in accordance with § 631.30(b) of
this part (section 314(b)(3)).

§ 631.18 Federal by-pass authority.

(a) In the event that a State fails to
submit a biennial State plan that is ap-
proved under § 631.36 of this part, the
Secretary shall make arrangements to
use the amount that would be allotted
to that State for the delivery in that
State of the programs, activities, and
services authorized under Title III of
the Act and this part.

(b) No determination may be made by
the Secretary under this section until
the affected State is afforded written
notice of the Secretary’s intent
to exercise by-pass authority and an
opportunity to request and to receive a
hearing before an administrative law
judge pursuant to the provisions of
subpart H of part 627 of this chapter.

(c) The Secretary will exercise by-
pass authority only until such time as
the affected State has an approved plan
under the provisions of § 631.36 of this
part (section 321(b)).

§ 631.19 Appeals.

Except as provided in this part, dis-
putes arising in programs under this
part shall be adjudicated under the ap-
propriate State or local grievance pro-
cedures required by subpart E of part
627 of this chapter or other applicable
law. Complaints alleging violations of
the Act or this part may be filed with
the Secretary, pursuant to subpart F of
part 627 of this chapter. Paragraphs (a)
through (e) of this section refer to ap-
peal rights set forth in this part.

(a) Section 628.405(g) of this chapter
(appeals of denial of SDA designation)
shall apply to denial of substate area
designations under § 631.34(c)(1) and (3)
of this part.

(b) Section 628.426(e) of this chapter
(appeals of final disapproval of SDA job
training plans or modifications) shall
apply to final disapproval of substate
plans under § 631.50(f) of this part.

(c) Section 628.426(f) of this chapter
(appeals of a Governor’s notice of in-
tent to revoke approval of all or part of
a plan) shall apply to a Governor’s no-
tice of intent to exercise by-pass au-
thority under § 631.38 of this part.

(d) Section 628.430(b) of this chapter
(appeals of the Secretary’s disapprova-
of a plan when the SDA is the State)
shall apply to plan disapproval when
the substate area is the State, as set
forth in § 631.50(g) and (h) of this part.

(e) Decisions pertaining to designa-
tions of substate grantees under § 631.35
of this part are not appealable to the
Secretary.

Subpart C—Needs-related
payments

§ 631.20 Needs-related payments.

(a) Title III funds available to States
and substate grantees may be used to
provide needs-related payments to par-
ticipants in accordance with the ap-
proved State or substate plan, as ap-
propriate.

(b) In accordance with the approved
substate plan, needs-related payments
shall be provided to an eligible dis-
located worker only in order to enable
such worker to participate in training
or education programs under this part.

To be eligible for needs-related pay-
ments:

(1) An eligible worker who has ceased
to qualify for unemployment compen-
sation must have been enrolled in a
training or education program by the
end of the thirteenth week of the work-
er’s initial unemployment compensa-
tion benefit period, or, if later, by the
end of the eighth week after an em-
ployee is informed that a short-term
layoff will in fact exceed 6 months.

(2) For purposes of paragraph (b)(1) of
this section, the term enrolled in a

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