underemployed and economically disadvantaged members of their communities and of contributing to the permanent economic self-sufficiency of such communities.

(c) Training and placement in the private sector will be emphasized. CSE and work experience are permitted when consistent over the long term with increasing earnings in unsubsidized employment. Expenditures for CSE are limited to 10 percent or the unemployment rate, based on data collected by an appropriate Federal or State agency including BIA, of a NAG's total section 401 allocation. For nonreservation grantees, the official BLS unemployment rate or State job service rate for the area will be used.

(d) Wages and allowances are to be kept to a minimum to maximize funds to be used for training.

(e) Innovative approaches to the private sector are encouraged.

(f) Other activities described in §632.80 should use no more than 25 percent of the funds. This limitation may be increased to accommodate the extraordinary costs associated with special training projects where it is clear the benefits support the additional cost. An increase to this limitation shall be approved in instances such as, but not limited to, rural participants needing relocation for training, when the costs of housing, transportation, etc., for training participants cannot be met within a 25 percent limitation, and for TERO activities.

§632.174 Administrative costs.

Administrative costs for this subpart are limited to and shall not exceed 20 percent of the funds available.

Subpart I—Summer Youth Employment and Training Programs

§632.250 General.

This subpart contains the policies, rules, and regulations of the Department in implementing and administering a Summer Youth Employment and Training Program for Indians and other Native Americans authorized by title II, part B of the Act.

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§632.251 Eligibility for funds.

Only Native American grantees described in section 401(c)(1) of the Act are eligible for summer youth program funds.

§632.252 Allocation of funds.

(a) For this program the Secretary shall reserve the same percentage of JTPA 3(b) funds as were available in the CETA, IV-C Fiscal Year 1983 program.

(b) Allocations shall be made to eligible Native American grantees on the basis of a formula using the best available data as determined by the Department in consultation with Native American groups and shall be published by the Secretary.

§632.253 Special operating provisions.

Native American grantees shall: (a) Provide services to youths most

in need;

(b) Develop outreach and recruitment techniques aimed at all segments of the economically disadvantage youth population, especially school dropouts, youth not likely to return to school without assistance from the summer program, and youth who remain in school but are likely to be confronted with significant employment barriers relating to work attitude, aptitude, social adjustment, and other such factors;

(c) Provide labor market orientation to participants. This orientation may include, as appropriate: vocational exposure, counseling, testing, resume preparation, job interview preparation, providing labor market information, providing information about other training programs available in the area, including apprenticeship programs, and similar activities. It may be provided on a group or individual basis. In providing labor market orientation, skill training and remedial education, each grantee shall make maximum efforts to develop cooperative relationships with other community resources so that these activities are provided in the summer program at no cost, or at minimum cost, to the summer program:

(d) Assure that adequate supervision from skilled supervisors is provided to participants at each worksite;