



U.S. DEPARTMENT OF LABOR



U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT

JUL 22 2005

The Honorable Richard B. Cheney  
President of the Senate  
Washington, D.C. 20510

Dear Mr. President:

Enclosed for consideration of the Congress is a draft bill entitled the "Youthbuild Transfer Act of 2005." The bill would amend the Workforce Investment Act of 1998 (WIA) to transfer the Youthbuild program from the Department of Housing and Urban Development (HUD) to the Department of Labor (DOL). The transfer, which was proposed in the President's Fiscal Year 2006 Budget, implements a recommendation of the White House Task Force for Disadvantaged Youth (Task Force).

The Youthbuild program provides grants for job training and educational opportunities for at-risk youth who help construct or rehabilitate housing for low-income or homeless families and individuals in their respective communities. Each year, youth who participate in Youthbuild receive a combination of classroom and job skills development and on-site training in a construction trade. Since the Youthbuild program is, at its core, an employment and training program for disadvantaged youth, the Task Force recommended that DOL assume administrative responsibility for the program. As noted by the Task Force in its final report, the strategic goals and mission of DOL and its Employment and Training Administration (ETA) to increase employment, earnings and retention and provide assistance to youth in the transition to work align directly with the goals and mission of the Youthbuild program.

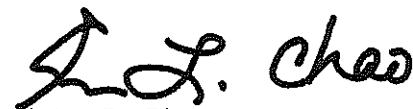
Implementing the Task Force's recommendation would improve services to youth by establishing a stronger linkage to the WIA One-Stop system's specialized resources, expertise and market knowledge, particularly in connecting individuals to supportive services and placing individuals in education, training, or occupations in demand. In addition, the transfer of the Youthbuild program would make more efficient use of Federal funds by maximizing collaboration with One-Stop partner programs and reducing duplication of effort across funding streams. While enhancing these services, the Youthbuild program would maintain its mission to provide affordable housing for low-income and homeless individuals and families.

To accomplish the transfer, the bill would repeal the Youthbuild program's statutory authority under the Cranston-Gonzalez National Affordable Housing Act and transfer the statute, with needed modifications and improvements, to subtitle D of title I of WIA. Transferring the program to DOL would align the program with ETA's significant expertise and efforts in the area of workforce investment under WIA. Among other things, the bill would incorporate technical modifications to the Youthbuild statute to make it more consistent with WIA's job training, education, and employment goals for youth.

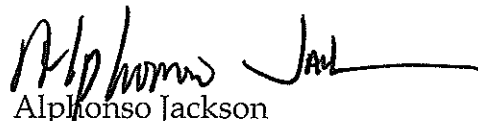
We urge the Congress to give prompt and favorable consideration to this bill. We have also enclosed a section-by-section analysis of the bill.

The Office of Management and Budget has advised that there is no objection to the transmittal of this draft bill to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,



Elaine L. Chao  
Secretary of Labor



Alphonso Jackson  
Secretary of Housing  
and Urban Development

Enclosures

1 **A BILL**

2 To amend the Workforce Investment Act of 1998 to transfer the Youthbuild program  
3 from the Department of Housing and Urban Development to the Department of Labor, to  
4 enhance the program, and for other purposes.

5  
6 *Be it enacted by the Senate and House of Representatives of the United States of America*  
7 *in Congress assembled,*

8 **SECTION 1. SHORT TITLE.**

9 This Act may be cited as the “Youthbuild Transfer Act of 2005”.

10 **SEC. 2. REPEAL OF PROVISIONS.**

11 Subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act,  
12 as added by section 164 of the Housing and Community Development Act of 1992  
13 (Public Law 102-550), is hereby repealed.

14 **SEC. 3. ESTABLISHMENT OF YOUTHBUILD PROGRAM IN THE**  
15 **DEPARTMENT OF LABOR.**

16 Subtitle D of title I of the Workforce Investment Act of 1998 (Public Law 105-  
17 220) is amended by adding the following new ~~section~~:

18  
19 **“SEC. 175. Youthbuild program.—**

20 **“(a) STATEMENT OF PURPOSE.—**It is the purpose of this section—

21 “(1) to enable economically disadvantaged young adults to obtain the  
22 education and employment skills necessary to achieve economic self-sufficiency  
23 in occupations in demand and/or post-secondary education and training  
24 opportunities;

25 “(2) to provide economically disadvantaged young adults with opportunities  
26 for meaningful work and service to their communities;

1           “(3) to foster the development of employment and leadership skills and  
2 commitment to community development among young adults in low-income  
3 communities; and

4           “(4) to expand the supply of permanent affordable housing for homeless  
5 individuals and members of low- and very low-income families by utilizing the  
6 energies and talents of economically disadvantaged young adults.

7           **“(b) DEFINITIONS.**—For purposes of this section:

8           “(1) ADJUSTED INCOME.—The term “adjusted income” has the meaning given  
9 the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C.  
10 1437a(b)).

11           “(2) APPLICANT.—The term “applicant” means a public or private nonprofit or  
12 for profit agency or organization, including:

13           “(A) a community-based organization;

14           “(B) a faith-based organization;

15           “(C) entities carrying out activities under this title, such as local boards  
16 and one-stop operators;

17           “(D) a community action agency;

18           “(E) a State or local housing development agency;

19           “(F) a community development corporation; and

20           “(G) a State or local youth service or conservation corps.

21           “(3) FAITH-BASED ORGANIZATION.—The term “faith-based organization”  
22 means any organization whose founding, governance, or membership is derived  
23 from a religious institution or religiously-affiliated entity.

24           “(4) HOMELESS INDIVIDUAL. — The term “homeless individual” has the  
25 meaning given the term in section 103 of the Stewart B. McKinney Homeless  
26 Assistance Act (42 U.S.C. 11302).

27           “(5) HOUSING DEVELOPMENT AGENCY.—The term “housing development  
28 agency” means any agency of a State or local government, or any private  
29 nonprofit organization that is engaged in providing housing for homeless or low-  
30 income families.

1           “(6) INCOME.— For purposes of this section, the term “income” has the  
2 meaning given the term in section 3(b) of the United States Housing Act of 1937  
3 (42 U.S.C. 1437a(b)).

4           “(7) INDIAN TRIBE.— The term “Indian tribe” has the meaning given such term  
5 in subsection (e) of section 4 of the Indian Self-Determination and Education  
6 Assistance Act (25 U.S.C. 450b).

7           “(8) INDIVIDUAL OF LIMITED-ENGLISH PROFICIENCY.— For purposes of this  
8 section, the term “individual of limited-English proficiency” means an eligible  
9 participant under this section who meets the criteria set forth in section 203(10) of  
10 the Adult Education and Family Literacy Act (20 U.S.C. 9202(10)).

11           “(9) LOW-INCOME FAMILY.—The term “low-income family” has the meaning  
12 given the term in section 3(b) of the United States Housing Act of 1937 (42  
13 U.S.C. 1437a(b)).

14           “(10) RELATED FACILITIES.— The term “related facilities” includes cafeterias  
15 or dining halls, community rooms or buildings, appropriate recreation facilities,  
16 and other essential service facilities.

17           “(11) REGISTERED APPRENTICESHIP.—The term “registered apprenticeship”  
18 means an apprenticeship program—

19           (a) registered under the National Apprenticeship Act; and

20           (b) that meets other criteria that may be established by the Secretary under  
21 this section.

22           “(12) TRANSITIONAL HOUSING.— The term “transitional housing” means a  
23 project that has as its purpose facilitating the movement of homeless individuals  
24 and families to independent living within a reasonable amount of time.

25 Transitional housing includes housing primarily designed to serve  
26 deinstitutionalized homeless individuals and other homeless individuals with  
27 mental or physical disabilities and homeless families with children.

28           “(13) VERY LOW-INCOME FAMILY.—The term “very low-income family” has  
29 the meaning given the term in section 3(b) of the United States Housing Act of  
30 1937 (42 U.S.C. 1437a(b)).

1           “(14) YOUTHBUILD PROGRAM.—The term “Youthbuild program” means any  
2 program that receives assistance under this section and provides disadvantaged  
3 youth with opportunities for employment, education, leadership development, and  
4 training in the construction or rehabilitation of housing for homeless individuals,  
5 members of low- and very low-income families, and public facilities.

6           **“(c) YOUTHBUILD GRANTS.—**

7           “(1) AMOUNT OF GRANTS.—The Secretary is authorized to make grants to  
8 applicants for the purpose of carrying out Youthbuild programs approved under  
9 this section.

10          “(2) ELIGIBLE ACTIVITIES.—Grants shall be used to carry out Youthbuild  
11 programs, which may include the following activities—

12           “(A) Education and workforce investment activities including:

13           “(i) work experience and skills training, coordinated, to the maximum  
14 extent feasible, with pre-apprenticeship and registered apprenticeship  
15 programs, in the construction and rehabilitation activities described in  
16 subparagraphs (B) and (C);

17           “(ii) occupational skills training;

18           “(iii) other paid and unpaid work experiences, including internships  
19 and job shadowing;

20           “(iv) services and activities designed to meet the educational needs of  
21 participants, including:

22           “(I) basic skills instruction and remedial education;

23           “(II) language instruction educational programs for individuals  
24 with limited-English proficiency;

25           “(III) secondary education services and activities, including  
26 tutoring, study skills training, and drop-out prevention activities, designed  
27 to lead to the attainment of a secondary school diploma or its equivalent;

28           “(IV) counseling and assistance in obtaining post-secondary  
29 education and required financial aid; and

30           “(V) alternative secondary school services;

1                   “(v) counseling services and related activities, such as comprehensive  
2 guidance and counseling on drug and alcohol abuse and referral;

3                   “(vi) activities designed to develop employment and leadership skills,  
4 which may include community service and peer-centered activities  
5 encouraging responsibility and other positive social behaviors;

6                   “(vii) supportive services and need-based stipends necessary to enable  
7 individuals to participate in the program and, for a period not to exceed 12  
8 months after completion of training, to assist participants through  
9 supportive services in obtaining or retaining employment; and

10                   “(viii) job search and placement assistance.

11                   “(B) Supervision and training for participants in the rehabilitation or  
12 construction of housing and related facilities, including residential housing for  
13 homeless individuals and low- and very low-income families or transitional  
14 housing for persons who are homeless.

15                   “(C) Supervision and training for participants in the rehabilitation or  
16 construction of community and public facilities, which shall not exceed 10  
17 percent of funds appropriated to carry out this section.

18                   “(D) Administrative costs of the applicant, which may not exceed 15  
19 percent of the amount of assistance provided under this section.

20                   “(E) Adult mentoring.

21                   “(F) Wages, stipends, or benefits provided to participants.

22                   “(G) Ongoing training and technical assistance to grant recipients that are  
23 related to developing and carrying out the Youthbuild program.

24                   “(H) Follow-up services.

25                   “(3) APPLICATION.—

26                   “(A) FORM AND PROCEDURE.—An application for a grant shall be  
27 submitted by an applicant in such form and in accordance with such  
28 procedures as the Secretary shall establish.

29                   “(B) MINIMUM REQUIREMENTS.—The Secretary shall require that an  
30 application contain at a minimum—

1           “(i) labor market information for the labor market area where the  
2 proposed program will be implemented, including both current data and  
3 projections on career opportunities in growing industries;

4           “(ii) a request for a grant, specifying the amount of the grant requested  
5 and its proposed uses;

6           “(iii) a description of the applicant and a statement of its qualifications  
7 – including a description of the applicant's relationship with local boards,  
8 one-stop operators, local unions, registered apprenticeship programs, other  
9 community groups, and employers – and the applicant’s past experience  
10 with housing rehabilitation or construction, if any, and with youth  
11 education and employment training programs;

12           “(iv) a description of the proposed site for the program;

13           “(v) a description of the educational and job training activities, work  
14 opportunities, post-secondary education and training opportunities, and  
15 other services that will be provided to participants, and how these  
16 activities will prepare youth for employment in occupations in demand in  
17 the area to be served by the grant;

18           “(vi) a description of the proposed construction or rehabilitation  
19 activities to be undertaken and the anticipated schedule for carrying out  
20 such activities;

21           “(vii) a description of the manner in which eligible youths will be  
22 recruited and selected, including a description of arrangements which will  
23 be made with local boards; one-stop operators; community-and faith-based  
24 organizations; State or local educational agencies, including agencies of  
25 Indian tribes, public assistance agencies, the courts of jurisdiction for  
26 status and youth offenders, shelters for homeless individuals and other  
27 agencies that serve homeless youth, foster care agencies; and other  
28 appropriate public and private agencies;

29           “(viii) a description of the special outreach efforts that will be  
30 undertaken to recruit eligible young women (including young women with  
31 dependent children);



1           “(ix) a description of the specific role of employers in the proposed  
2 program, such as their role in developing and assisting the proposed  
3 program, in service provision, and in placement activities;

4           “(x) a description of how youth education and job training programs,  
5 local boards, one-stop operators, employers, and other key partners will  
6 collaborate in the proposed program;

7           “(xi) a description of how the proposed program would be  
8 coordinated with other Federal, State, and local activities and activities  
9 conducted by Indian tribes, such as vocational, adult and language  
10 instruction educational programs; public schools; community colleges;  
11 national service programs; and other job training provided with funds  
12 available under this title;

13           “(xii) assurances that there will be a sufficient number of adequately  
14 trained supervisory personnel in the program;

15           “(xiii) a description of results to be achieved with respect to youth and  
16 lifelong learning common indicators of performance as identified by the  
17 Secretary;

18           “(xiv) a description of the applicant's relationship with local building  
19 trade unions regarding their involvement in training, and the relationship  
20 of the Youthbuild program with established registered apprenticeship  
21 programs and employers;

22           “(xv) a description of activities that will be undertaken to develop the  
23 leadership skills of participants;

24           “(xvi) a detailed budget and a description of the system of fiscal  
25 controls and auditing and accountability procedures that will be used to  
26 ensure fiscal soundness;

27           “(xvii) a description of the commitments for any additional resources  
28 to be made available to the program from the applicant, from recipients of  
29 other Federal, State or local housing and community development  
30 assistance who will sponsor any part of the construction, rehabilitation,  
31 operation and maintenance, or other housing and community development

1 activities undertaken as part of the program, or from other Federal, State  
2 or local activities and activities conducted by Indian tribes, including, but  
3 not limited to, vocational, adult and language instruction educational  
4 programs, and job training provided with funds available under this title;

5 “(xviii) identification and description of the financing proposed for  
6 any—

7 (I) rehabilitation;

8 (II) acquisition of the property; or

9 (III) construction;

10 “(xix) identification and description of the entity that will operate and  
11 manage the property;

12 “(xx) identification and description of the data collection systems to be  
13 used;

14 “(xxi) a certification by a public official responsible for the housing  
15 strategy of State or local government that the proposed activities are  
16 consistent with the housing strategy of the State or unit of general local  
17 government within which the project is located; and

18 “(xxii) a certification that the applicant will comply with the  
19 requirements of the Fair Housing Act and will affirmatively further fair  
20 housing.

21 “(4) SELECTION CRITERIA.—The Secretary shall establish selection criteria for  
22 assistance under this section, which shall include:

23 “(A) the qualifications or potential capabilities of the applicant;

24 “(B) the potential for developing a successful Youthbuild program;

25 “(C) the need for the prospective project, as determined by the degree of  
26 economic distress of the community from which participants would be  
27 recruited (such as poverty, youth unemployment, number of individuals who  
28 have dropped out of high school) and of the community in which the housing  
29 proposed to be constructed or rehabilitated would be located (such as  
30 incidence of homelessness, shortage of affordable housing, poverty);

1 “(D) the commitment of the applicant to providing skills training,  
2 leadership development, and education to program participants;

3 “(E) the project’s focus on preparing youth for occupations in demand  
4 and/or post-secondary education and training opportunities;

5 “(F) the extent of coordination with local boards, one-stop operators, and  
6 other partners of the workforce investment system in the proposed program;

7 “(G) the extent of coordination with employers in the local area;

8 “(H) the inclusion of previously homeless tenants in the housing provided;

9 “(I) the commitment of other resources to the program by the applicant  
10 and by recipients of other Federal, State or local housing and community  
11 development assistance who will sponsor any part of the construction,  
12 rehabilitation, operation and maintenance, or other housing and community  
13 development activities undertaken as part of the program, or by other Federal,  
14 State or local activities and activities conducted by Indian tribes, including,  
15 but not limited to, vocational, adult and language instruction educational  
16 programs, and job training provided with funds available under this title.

17 “(J) the extent to which grants are distributed to different regions; and

18 “(K) such other factors as the Secretary determines to be appropriate for  
19 purposes of carrying out the program established by this section in an  
20 effective and efficient manner.

21 **“(d) USE OF HOUSING UNITS.—**

22 “(1) IN GENERAL.—Residential housing units constructed or rehabilitated  
23 using Youthbuild funds under this section shall be available solely—

24 “(A) for rental by, or sale to, individuals or families earning less than 80  
25 percent of the median adjusted income for the area; or

26 “(B) for use as transitional or permanent housing with the purpose of  
27 assisting the movement of homeless individuals and families to independent  
28 living.

29 **“(2) DURATION OF REQUIREMENTS.—**

30 “(A) LIFE OF PROPERTY.—The restrictions of paragraph (1) shall apply for  
31 the remaining useful life of the property.

1           “(B) CONVEYANCE.—The ownership interest in a project that receives  
2 assistance under this section may not be conveyed unless the instrument of  
3 conveyance requires a subsequent owner to comply with the same restrictions  
4 imposed on the original owner.

5           “(e) **ADDITIONAL PROGRAM REQUIREMENTS.**—

6           “(1) **ELIGIBLE PARTICIPANTS.**—

7           “(A) **IN GENERAL.**—Except as provided in subparagraph (B), an individual  
8 may participate in a Youthbuild program receiving assistance under this  
9 section only if such individual is—

10           “(i) 16 to 24 years of age, inclusive;

11           “(ii) a very low-income individual, a member of a very low-income  
12 family, a foster care youth (including youth aging out of foster care), a  
13 youth offender, a youth with a disability, a child of incarcerated parents, or  
14 a migrant youth; and

15           “(iii) an individual who is a school dropout.

16           “(B) **EXCEPTION FOR INDIVIDUALS NOT MEETING INCOME OR EDUCATIONAL  
17 NEED REQUIREMENTS.**—Not more than 25 percent of the participants in such  
18 program may be individuals who do not meet the requirements of either  
19 clauses (ii) through (iii) of subparagraph (A), but who—

20           “(i) are basic skills deficient, despite attainment of a secondary school  
21 diploma or its equivalent; or

22           “(ii) have been referred by a local secondary school for participation in  
23 a Youthbuild program leading to the attainment of a secondary school  
24 diploma.

25           “(C) **PARTICIPATION LIMITATION.**—Any eligible individual selected for  
26 participation in a Youthbuild program shall be offered full-time participation  
27 for a period of not less than 6 months and not more than 24 months.

28           “(2) **MINIMUM TIME DEVOTED TO EDUCATIONAL SERVICES AND ACTIVITIES.**—A  
29 Youthbuild program receiving assistance under this section shall be structured so  
30 that not less than 50 percent of the time offered to participants in the program is

1 devoted to educational services and activities, such as those specified in  
2 subsection (c)(2)(A)(iv).

3 “(3) AUTHORITY RESTRICTION.—No provision of this section may be  
4 construed to authorize any agency, officer, or employee of the United States to  
5 exercise any direction, supervision, or control over the curriculum, program of  
6 instruction, administration, or personnel of any educational institution, school, or  
7 school system, or over the selection of library resources, textbooks, or other  
8 printed or published instructional materials by any educational institution or  
9 school system.

10 “(4) STATE AND LOCAL STANDARDS.—All educational programs and activities  
11 supported with funds provided under this section shall be consistent with  
12 applicable State and local educational standards. Standards and procedures with  
13 respect to the awarding of academic credit and certifying educational attainment  
14 in such programs shall be consistent with applicable State and local educational  
15 standards.

16 “(f) MANAGEMENT AND TECHNICAL ASSISTANCE.—

17 “(1) SECRETARY ASSISTANCE.—The Secretary may enter into contracts to  
18 provide assistance to the Secretary in the management, supervision, and  
19 coordination of Youthbuild programs receiving assistance under this section.

20 “(2) TECHNICAL ASSISTANCE.—The Secretary may enter into contracts or  
21 grants to provide appropriate training, information, technical assistance, and  
22 capacity building assistance to grantees assisted under this section.

23 “(3) RESERVATION OF FUNDS.—In each fiscal year, the Secretary may reserve  
24 up to 5 percent of the amounts available for activities under this section pursuant  
25 to subsection (h) to carry out paragraph (2) of this subsection.

26 “(g) SUBGRANTS AND CONTRACTS.—Each Youthbuild program shall carry out  
27 the services and activities under this section directly or through arrangements or  
28 under contracts and subgrants with local educational agencies, post-secondary  
29 educational institutions, State and local housing development agencies, or with  
30 other public agencies, including agencies of Indian tribes, and private  
31 organizations.

1           **“(h) AUTHORIZATION OF APPROPRIATIONS.—**

2           **“(1) IN GENERAL.—**There are authorized to be appropriated for fiscal year  
3 2006 and each fiscal year thereafter such sums as may be necessary to carry out  
4 this section.

5           **“(2) FISCAL YEAR.—**Notwithstanding section 189(g), appropriations for any  
6 fiscal year for programs and activities carried out under this section shall be  
7 available for obligation only on the basis of a fiscal year.”.

8  
9           **SEC. 4. TRANSITION PROVISIONS.—**

10           **(a) IN GENERAL.—**Consistent with the requirements of this section, the Secretary  
11 of Labor and the Secretary of Housing and Urban Development shall take such actions as  
12 the Secretaries determine are appropriate to accomplish the orderly transition of the  
13 Youthbuild program from the authority provided under subtitle D of title IV of the  
14 National Affordable Housing Act to the authority provided under section 175 of the  
15 Workforce Investment Act of 1998, as amended by section 3 of this Act.

16           **(b) ADMINISTRATION OF PRIOR GRANTS.—**Grants awarded under subtitle D of  
17 title IV of the National Affordable Housing Act with funds appropriated for fiscal year  
18 2005 or for fiscal years preceding fiscal year 2005 shall be subject to the continuing  
19 authority of the Secretary of Housing and Urban Development under the statutory  
20 provisions in effect on September 30, 2005 until the authority to expend applicable funds,  
21 as specified by the Secretary of Housing and Urban Development, has expired and the  
22 close out of such grants has been completed.

23           **(c) SAVINGS PROVISIONS.—**

24           **(1) ADMINISTRATIVE ACTIONS.—**

25           **(A) COMPLETED OR FINAL ADMINISTRATIVE ACTIONS.—**Any completed or  
26 final administrative actions of the Secretary of Housing and Urban  
27 Development, including appeals therefrom and payments thereunder, which  
28 relate to the administration of the Youthbuild program under subtitle D of title  
29 IV of the National Affordable Housing Act, shall not be affected by the  
30 enactment of this Act, but shall continue in effect according to their terms  
31 until amended, modified, superseded, terminated, set aside, or revoked in

1 accordance with law by the Secretary of Housing and Urban Development, an  
2 officer of the United States, or a court of competent jurisdiction, or by  
3 operation of law.

4 (B) PENDING ADMINISTRATIVE ACTIONS.— Any pending administrative  
5 actions relating to the administration of the Youthbuild program under subtitle  
6 D of title IV of the National Affordable Housing Act shall remain subject to  
7 the authority of the Secretary of Housing and Urban Development and shall  
8 continue to be considered, adjudicated, or otherwise reviewed notwithstanding  
9 the enactment of this Act, and in such administrative actions, proceedings  
10 shall be had, appeals taken, and judgments rendered and enforced in the same  
11 manner and with the same effect as if enactment of this Act had not occurred.

12 (C) DEFINITION OF ADMINISTRATIVE ACTION.—For purposes of this  
13 section, the term “administrative action” means orders, determinations, rules,  
14 regulations, personnel actions, permits, agreements, grants, financial  
15 assistance, contracts, certificates, licenses, registrations, and privileges;

16 (2) PENDING CIVIL ACTIONS.—If on or after October 1, 2005, the Secretary of  
17 Housing and Urban Development, the Department of Housing and Urban  
18 Development, or an officer thereof acting in an official capacity, is a party to a  
19 pending civil action that relates to the administration of Youthbuild program  
20 or its functions under subtitle D of title IV of the National Affordable Housing  
21 Act, such pending action shall not abate and shall continue notwithstanding  
22 the enactment of this Act, and in such action, proceedings shall be had,  
23 appeals taken, and judgments rendered and enforced in the same manner and  
24 with the same effect as if enactment of this Act had not occurred.

25 (d) CONFORMING REFERENCES.— Beginning on October 1, 2005, references  
26 relating to the Youthbuild program, and to the Secretary of Housing and Urban  
27 Development, the Department of Housing and Urban Development, its officers,  
28 employees, or agents, or to its corresponding organizational units or functions, in  
29 connection with such program, whether in statutes, Executive Orders, rules, regulations,  
30 directives, or delegations of authority, shall be deemed to refer, as appropriate, to the  
31 Secretary of Labor, the Department of Labor, its officers, employees, or agents, or to its

1 corresponding organizational units or functions; provided that such conforming  
2 references shall not take effect for purposes of the Secretary of Housing and Urban  
3 Development's administration of prior grants under subsection (b).

4 **(e) DETAIL OF PERSONNEL.**—Upon request by the Secretary of Labor, the  
5 Secretary of Housing and Urban Development may provide, on a reimbursable basis,  
6 detail personnel to the Secretary who shall have experience related to the administration  
7 of the Youthbuild program under subtitle D of title IV of the National Affordable  
8 Housing Act in order to assist in the implementation of this Act.

9 **(f) TRANSFER OF RESOURCES.**—The Secretary of Housing and Urban  
10 Development shall transfer to the Secretary of Labor, in accordance with 31 U.S.C. 1531,  
11 all property, records, staff, and resources that the Director of the Office of Management  
12 and Budget determines relate to the functions transferred to the Secretary of Labor by this  
13 Act and amendments made by this Act.

14  
15 **SEC. 5. CLERICAL AMENDMENT.**

16 The table of contents of the Workforce Investment Act of 1998 (Public Law 105-  
17 220) is amended by inserting under title I, "Subtitle D—National Programs", the  
18 following caption:

19  
20 "Sec. 175. Youthbuild program."  
21

22 **SEC. 6. EXCEPTION TO PROGRAM YEAR APPROPRIATION CYCLE**  
23 **REQUIREMENT.**

24  
25 Section 189(g)(1)(A) of the Workforce Investment Act of 1998 (29 U.S.C.  
26 2939(g)(1)(A)) is amended by inserting "and section 175" after "Except as provided in  
27 subparagraph (B)".



1

2 **SEC. 7. EFFECTIVE DATES.**

3 (a) **REPEAL.** Section 2 of this Act shall take effect on September 30, 2005.

4 (b) **WORKFORCE INVESTMENT ACT AMENDMENTS.**—Sections 3, 5, and 6 of this  
5 Act shall take effect on October 1, 2005.

6 (b) **TRANSITION.**—Section 4 of this Act shall take effect on the date of enactment  
7 of this Act.

8

**SECTION-BY-SECTION ANALYSIS  
OF THE “YOUTHBUILD TRANSITION ACT OF 2005”**

In general, the bill would amend the Workforce Investment Act of 1998 (WIA) (Pub. L. 105-220; 29 U.S.C. 2801 *et seq.*) to transfer the Youthbuild program from the Department of Housing and Urban Development (HUD) to the Department of Labor (DOL). This proposal, which was included in the President’s Fiscal Year 2006 Budget, implements a recommendation of the White House Task Force for Disadvantaged Youth. The bill would repeal the Youthbuild program’s statutory authority under the Cranston-Gonzalez National Affordable Housing Act (Pub. L. 102-550; 49 U.S.C. § 12899 *et seq.*) and transfer the statute, with needed modifications and improvements, to subtitle D of title I of WIA. The Youthbuild program would be administered as a “national program” by DOL’s Employment and Training Administration (ETA). Since its inception, a primary purpose of the Youthbuild program has been to provide job-training and employment opportunities for at-risk youth. Consequently, transferring the program to DOL would align the program with ETA’s significant expertise and efforts in the area of workforce investment under WIA.

Among other things, the bill would incorporate various technical modifications to the Youthbuild statute to make it more consistent with WIA’s job training, education, and employment goals for youth. In addition, the bill includes provisions that would ensure the orderly logistical and programmatic transition of the Youthbuild program to DOL by delegating to the HUD and DOL Secretaries sufficient discretion to accomplish the transfer.

The following is a section-by-section analysis of the bill:

Section 1 of the bill provides that the short title is the “Youthbuild Transfer Act of 2005.”

Section 2 would repeal the provisions of subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as added by section 164 of the Housing and Community Development Act of 1992 (Pub. Law 102-550; 42 U.S.C. § 12899 *et seq.*). The repeal would become effective on September 30, 2005 to allow the Secretary of Labor to commence administration of the Youthbuild program under WIA on October 1, 2005.

Section 3 inserts into WIA, with various additions and technical modifications, the provisions of the Youthbuild as a new section 175 of WIA.

Subsection (a) of section 175 retains much of the stated purposes of the statute as indicated in 42 U.S.C. § 12899, but would also include new language to emphasize that one purpose of the Youthbuild program is to provide job training and employment services for at-risk youth and to provide education and employment skills to prepare youth for occupations in demand, making the program consistent with DOL’s efforts to serve disadvantaged youth.

Subsection (b) of section 175 incorporates many of the definitions currently listed in 42 U.S.C. § 12899f; however, several definitions were omitted because WIA already provides useful definitions for many of the same or related terms. The WIA definitions that apply to all of title I are contained in section 101 of WIA, 29 U.S.C. § 2801, and would automatically apply to section 175 for terms such as “post secondary educational institution,” “school dropout,” “State,” and “Secretary.” Further, subsection (b) provides definitions for new terms referenced throughout section 175, including a “faith-based

organization,” an “individual of limited English proficiency,” and a “registered apprenticeship.” In addition, the term “Indian tribe” under this subsection comports with WIA’s definition of the term contained in section 166(b)(2), 29 U.S.C. § 2911(b)(2). Finally, the definition of “applicant” has been modified to clarify that a broad range of entities, such as local workforce investment boards and One-Stop Career Centers, are expressly included in the pool of potential Youthbuild grantees.

Paragraph (1) of subsection 175(c) incorporates authority to issue Youthbuild grants similar to the “implementation grants” currently found in 42 U.S.C. § 12899c. Moreover, subsection (c) of section 175 does not include authority to issue “planning grants” as currently authorized under 42 U.S.C. §§ 12899a(1) and 12899b because programmatic experience suggests that such grants were only needed during the start-up phase of the Youthbuild program. In addition, DOL may opt to subsume “planning” allocations within a single grant issued to grantees.

Paragraph (2) of subsection 175(c) details new education and workforce investment activities that would be eligible for funding to augment Youthbuild’s linkage with the workforce investment system, in particular with relevant elements for youth programs as stated in section 129(c)(2) of WIA, 29 U.S.C. § 2854(c)(2). For instance, Youthbuild grants would be available to develop occupational skills training, internships and job shadowing, alternative secondary school services, community service and peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours, and comprehensive guidance and counseling (including drug and alcohol abuse counseling and job search and placement assistance). In addition, references in the subsection to “apprenticeship programs” would now refer to “registered

apprenticeship programs,” focusing on programs whose training leads to certifications that meet accepted industry skills standards, and consequently, provides better access to occupations in demand. By incorporating these changes, the Youthbuild program’s authorized activities would be more closely aligned with DOL’s goal to prepare youth for employment that meet the needs of a demand-driven economy. Even so, these revisions do not diminish one of the Youthbuild program’s underlying goals – to further the construction and rehabilitation of affordable residential housing in local communities.

In addition to residential housing, paragraph (2) of subsection 175(c) would also authorize Youthbuild grants to fund the supervision and the training provided for Youthbuild participants to perform rehabilitation or construction of community and public facilities. Such funding, however, would be limited to only 10% of the total appropriated Youthbuild funds for any fiscal year. This 10% ceiling would ensure that affordable residential housing construction and rehabilitation remains a lasting end-result of Youthbuild activities. Nevertheless, using Youthbuild funds in the rehabilitation or construction of community and public facilities would help enhance job training, educational, and career opportunities for the participants. Enhancing these opportunities is at the core of DOL’s employment and training mission.

Paragraph (3) of subsection 175(c) would retain essentially all of the grant application requirements of 42 U.S.C. § 12899c(c), but would also include some new requirements. Among the new requirements, an applicant would have to provide labor market information for the local market area where the grant would be used, including projections on careers opportunities in growing industries, such as the construction industry. In addition, an applicant’s statement of qualifications would no longer be

limited to the criteria specified under section 12899c(c)(2)(B), which includes housing rehabilitation or construction; rather, the list of qualifying experience would include additional experiences, such as the extent of putative grantees' relationships with One-Stop Career Centers and employers. Another current requirement of section 12899c is that applicants provide a description of the arrangements that will be made with community-based organizations to recruit Youthbuild participants. The bill would also allow qualified faith-based organizations to apply for Youthbuild funding. Aside from engendering a more demand-driven employment and training focus, the revisions to the Youthbuild statute would also enhance accountability by requiring that applicants describe performance outcomes that would meet common performance measures established by the Secretary of Labor. Finally, DOL would require that new applicants specifically describe how other WIA funds would be coordinated with Youthbuild funds and the anticipated roles of One-Stop Career Centers, local workforce investment boards, and other partners of the workforce investment system.

Paragraph (4) of subsection 175(c) would expand the selection criteria that the Secretary of Labor would employ to make grant determinations. These new factors would include the following: the extent to which potential grantees coordinate with the workforce investment system, employers, and educational institutions in conducting their Youthbuild activities; how grantees would focus on preparing youth for careers in occupations in demand; and the extent to which housing that is rehabilitated or constructed with Youthbuild funds would include previously homeless tenants.

Subsection (d) of section 175 would incorporate only a part of the extensive rental, homeownership, and transition housing restrictions currently specified in 42

U.S.C. § 12899d. There would be no additional benefit to DOL retaining enforcement over housing restrictions established under the current version of the Youthbuild statute. Other Federal funding sources can continue to place housing-related restrictions on so-called “brick and mortar grants,” which would allow DOL to focus its Youthbuild funding on providing quality job training, education, and employment opportunities for at-risk youth. However, subsection (d) would continue to maintain the most essential housing restrictions of the current statute. Youthbuild residential properties would only be available for rental by, or sale to, individuals or families earning less than 80 percent of the median adjusted income for the area (as determined by HUD), and or for use as transitional or permanent housing for homeless individuals and families. These restrictions would apply for the remaining useful life of the residential property and be binding on future owners. Furthermore, paragraph (3) of subsection 175(c) would also maintain the certification requirements currently found in 42 U.S.C. §§ 12899c(b)(4)(P)-(Q). First, Youthbuild grant applicants must continue to provide a certification from a public official that the proposed Youthbuild activities are consistent with the State or local government’s housing strategy. Second, applicants must continue to certify their intended compliance with the requirements of the Fair Housing Act and that they will affirmatively further fair housing. Further, section 188 of WIA, 29 U.S.C. § 2938, would automatically apply to Youthbuild grants, which requires, among other things, compliance with title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975 – statutes that are already effectively enforced by other Federal agencies such as the Department of Justice.

Subsection (e) of section 175 would further refine the target participant population in 42 U.S.C. § 12899e by more specifically identifying disadvantaged youth who would be allowed to participate in Youthbuild programs. The added criteria for participation include membership in a special target population for Federal job training programs as detailed by the White House Task Force for Disadvantaged Youth. As such, the target population would now include foster care youth, youth offenders, youth with disabilities, children of incarcerated parents, or migrant youth. The eligibility criteria would also place a special emphasis on youth aging out of foster care. As with the current version of the Youthbuild statute, up to 25% of the participants could be individuals that do not meet the standard eligibility criteria. Clause (i) of subsection (e)(1)(B) would clarify that even high school graduates who are “basic skills deficient” as defined by WIA, 29 U.S.C. § 2801(4), may participate in the program under the 25% exception. In addition, clause (ii) of subsection (e)(1)(B) would now permit, under the 25% exemption, the participation of youth who have been referred by a secondary school for participation in a Youthbuild program leading to the attainment of a secondary school diploma.

Subsection (f) of section 175 would retain some of the current requirements of 42 U.S.C. § 12899g regarding technical assistance. From each fiscal year appropriation, the Secretary would be allowed to reserve up to 5% of Youthbuild funds for such assistance, including capacity building assistance.

Subsection (g) of section 175 would retain the text of 42 U.S.C. § 12899h, except to clarify that each Youthbuild program should specifically coordinate with “post-



secondary educational institutions” in implementing their educational goals, along with the other entities previously specified.

Subsection (h) of section 175 authorizes the appropriation of necessary sums for DOL to carry out the Youthbuild program during fiscal year 2006 and thereafter.

The bill would exclude some current Youthbuild statutory provisions that would be rendered unnecessary by the transfer of the program. For instance, section 175 would omit the text of 42 U.S.C. § 12899h-1, which made Indian tribes ineligible for Youthbuild grants. Under WIA, the benefits of the workforce investment system, and especially the targeted activities under section 166 of WIA (Native American Programs), are readily available to Indian tribes. Therefore, the text of section 12899h-1 was not included in new section 175.

Since the Secretary of Labor is already authorized to issue necessary regulations under title I of WIA, the text of 42 U.S.C. § 12899i, which authorizes the issuance of implementing regulations for the Youthbuild program, has been omitted. Further, subsection 175 omits the requirement of 42 U.S.C. § 12899c(b)(4)(E)(6), which permits Youthbuild grants to fund the “operating expenses and replacement reserves of the property covered by the Youthbuild program,” because such funding would detract from the employment, education, and job-training goals of the Youthbuild.

Section 4 of the bill provides the Secretaries of Labor and Housing and Urban Development with the necessary discretionary authority to transfer the Youthbuild program to DOL.

Subsection (b) of section 4 would allow HUD to continue to administer existing grants from fiscal year 2005 and preceding years. In this way, DOL would assume the

administration of the Youthbuild program in a seamless manner, issuing only new grants after DOL commences the administration of the program on October 1, 2005 as provided by section 6(a) of the bill.

Paragraph (1) of subsection 4(c) would clarify that any pending or final administrative actions at HUD would continue to take their course or continue in effect as if the bill had not been enacted. Likewise, paragraph (2) would clarify that HUD would continue to be a party to any civil actions pending against it prior to the Youthbuild transfer and that any pertinent orders or judgments would continue to apply to HUD as if the bill had not been enacted.

Subsection (d) of section (4) would provide that once DOL and its officers and employees commence the administration of the Youthbuild program, any references to HUD and its officers and employees would be deemed to refer to their DOL counterparts. Nonetheless, an exception is included to allow existing references to HUD and its officers and employees to be deemed to remain for purposes of grants that HUD will continue to administer from fiscal year 2005 and preceding years.

Subsection (e) of section 4 would grant the Secretary of Labor the authority to request employees on a detail basis from the Secretary of Housing and Urban Development, who would be able to assist their DOL counterparts with the transfer of the Youthbuild program.

Subsection (f) of section 4 would require that the Secretary of Housing and Urban Development transfer to the Secretary of Labor all property, records, staff, and resources that the Director of the Office of Management and Budget determines, consistent with 31 U.S.C. 1531, relate to the functions transferred by this Act.

Section 5 of the bill would amend WIA's table of contents to include a new caption under subtitle D of title I that makes reference to the Youthbuild program.

Section 6 of the bill would clarify that Youthbuild would be funded on a fiscal year basis, rather than a program year basis as currently provided in WIA, 29 U.S.C. § 2939(g)(1)(A). This would avoid any gap in funding that might otherwise result.

Section 7 of the bill would provide that section 2 would take effect on September 30, 2005; sections 3, 5, and 6 would take effect on October 1, 2005; and section 4 would take effect on the date of enactment of the bill.