

DEPARTMENT OF LABOR**Employment and Training
Administration****20 CFR Part 641****RIN 1205-AB28****Senior Community Service
Employment Program****AGENCY:** Employment and Training Administration (ETA), Labor.**ACTION:** Notice of proposed rulemaking with request for comments.

SUMMARY: The Employment and Training Administration (ETA) of the Department of Labor (Department or DOL) is issuing a Notice of Proposed Rulemaking with request for comments to implement reforms to the Senior Community Service Employment Program (SCSEP) due to the enactment of the 2000 amendments to title V of the Older Americans Act of 1965 (OAA), Pub. L. 106-501 (2000). This proposed rule provides administrative and programmatic guidance, as well as requirements for the implementation of the SCSEP. Key components of this reform include coordination between SCSEP and the One-Stop Delivery System, increased responsibility of State grantees to collaborate with other SCSEP stakeholders, and increased accountability for performance.

DATES: All comments must be received by June 12, 2003.

ADDRESSES: All comments received during the comment period following the publication of this Notice of Proposed Rulemaking should be submitted in writing to Mr. Gale Gibson, Division of Older Worker Programs, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N5306, Washington, DC 20210.

All comments will be available for public inspection and copying during normal business hours at the Division of Older Worker Programs, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N5306, Washington, DC 20210. Copies of the proposed rule are available in alternate formats of large print and electronic file on computer disk, which may be obtained at the above-stated address. The proposed rule is also available on the Division of Older Worker Programs' Web site at <http://wdsc.doleta.gov/seniors>.

FOR FURTHER INFORMATION CONTACT: Mr. Gale Gibson, Division of Older Worker Programs, U.S. Department of Labor, 200 Constitution Avenue, NW., Washington, DC 20210, Telephone:

(202) 693-3758 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: The preamble is divided into four sections. Section I provides general background information. Section II discusses the implementing changes to the Older Americans Act. Section III discusses the proposed rule. Section IV discusses miscellaneous administrative requirements, such as Paperwork Reduction Act requirements. In drafting these regulations, the Department consulted with interested parties through a series of Town Hall Meetings and work groups, and received written suggestions in response to the **Federal Register** notices published at 66 FR 6678 (Jan. 22, 2001), 66 FR 10919 (Feb. 20, 2001), 66 FR 15596 (Mar. 19, 2001), 66 FR 16068 (Mar. 22, 2001), and 66 FR 20334 (Apr. 20, 2001).

I. Background

Since its inception in 1965, the purpose of the Senior Community Service Employment Program (SCSEP) has been to foster and promote useful part-time employment opportunities in community service activities for persons with low incomes who are 55 years old or older. The 2000 amendments to this legislation expand the program's purpose to include increasing participants' economic self-sufficiency and increasing the number of persons who may benefit from unsubsidized employment. The Employment and Training Administration (ETA) of the Department of Labor (DOL or Department) administers the program by means of grant agreements with eligible organizations, such as governmental entities and public and private nonprofit agencies and organizations. The SCSEP regulations were last revised in 1995, at 20 CFR part 641; 60 FR 26574 (May 17, 1995).

The 2000 amendments are the first major legislative changes to the SCSEP in many years. This document issues a proposed rule to conform to the new changes in the Older Americans Act due to the enactment of the 2000 amendments. The Department developed these regulations in consultation with program stakeholders, including State agencies, national organizations, interested individuals, and public and private nonprofit organizations.

II. Implementing Changes

Congress amended SCSEP to combine requirements that were formerly in the SCSEP legislation as last amended in 1992 by Pub. L. 102-375, the accompanying regulations at 60 FR

26574 (May 17, 1995) (formerly codified at 20 CFR part 641), and SCSEP program administration materials provided to the grantee community as bulletins, or training and employment information notices. New provisions of the OAA include requirements for: greater coordination with the Workforce Investment Act (WIA); a greater proportion of funds for States for appropriations above current funding levels; the submission of State plans; grants for a period up to 3 years; new performance measures; and corrective action and sanctions for poor performance.

With the enactment of the Workforce Investment Act of 1998, title V became a required partner in the workforce investment system. As a result, Congress amended SCSEP to include greater coordination with the One-Stop Delivery System, including reciprocal use of Individual Employment Plans and other assessment mechanisms.

Under both WIA and the OAA, any grantee operating an SCSEP project in a local area must now negotiate a Memorandum of Understanding with the Local Workforce Investment Board, which details SCSEP's involvement in the One-Stop Delivery System. Further, because of SCSEP's closer coordination with the One-Stop Delivery System, the "joint program" language contained in section 510 of the 1992 amendments to the OAA, Pub. L. 102-375 (1992), and section 203 of the Job Training Partnership Act, Pub. L. 97-300 (1982) (29 U.S.C. 1603 *et seq.*) for "automatically" qualifying participants for training or intensive services has been replaced with language that permits Local Boards to deem SCSEP participants eligible for those services.

The 2000 Amendments to the OAA require a different distribution of funding between State and national SCSEP grantees if the SCSEP appropriation increases. The legislation requires the Department to reserve amounts for section 502(e) (authorizing second career training projects), the territories, and the Native American and Asian Pacific aging organizations before funds are distributed between the States and national SCSEP grantees. From the amounts remaining after the reservation, the legislation holds grantees harmless at the 2000 level of activity, which requires the Department to allocate 22 percent of funding to State grantees and 78 percent of funding to national grantees. Funding remaining after 2000 level of activity distribution must be divided as follows: up to \$35 million will be divided to provide 75 percent to the States and 25 percent to the national grantees. Excess amounts over \$35