

the program for a period not to exceed 6 months; and

(ii) with respect to the second occurrence and each subsequent occurrence for which a participant tests positive, a State may exclude the participant from the program for a period not to exceed 2 years.

**(B) Appeal**

The testing of participants and the imposition of sanctions under this subsection shall be subject to expeditious appeal in accordance with due process procedures established by the State.

**(C) Privacy**

A State shall establish procedures for testing participants for the use of controlled substances that ensure a maximum degree of privacy for the participants.

**(3) Funding requirement**

In testing and sanctioning of participants for the use of controlled substances in accordance with this subsection, the only Federal funds that a State may use are the amounts made available for the administration of statewide workforce investment activities under section 3174(a)(3)(B) of this title.

**(g) Subgrant authority**

A recipient of grant funds under this subchapter shall have the authority to enter into subgrants in order to carry out the grant, subject to such conditions as the Secretary may establish.

(Pub. L. 113-128, title I, §181, July 22, 2014, 128 Stat. 1586.)

**Editorial Notes**

REFERENCES IN TEXT

The Social Security Act, referred to in subsec. (a)(2), is act Aug. 14, 1935, ch. 531, 49 Stat. 620, which is classified generally to chapter 7 (§301 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE

Section effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113-128, set out as a note under section 3101 of this title.

**§ 3242. Prompt allocation of funds**

**(a) Allotments based on latest available data**

All allotments to States and grants to outlying areas under this subchapter shall be based on the latest available data and estimates satisfactory to the Secretary. All data relating to disadvantaged adults and disadvantaged youth shall be based on the most recent satisfactory data from the Bureau of the Census.

**(b) Publication in Federal Register relating to formula funds**

Whenever the Secretary allots funds required to be allotted under this subchapter, the Secretary shall publish in a timely fashion in the Federal Register the amount proposed to be distributed to each recipient of the funds.

**(c) Requirement for funds distributed by formula**

All funds required to be allotted under section 3162 or 3172 of this title shall be allotted within 45 days after the date of enactment of the Act appropriating the funds, except that, if such funds are appropriated in advance as authorized by section 3249(g) of this title, such funds shall be allotted or allocated not later than the March 31 preceding the program year for which such funds are to be available for obligation.

**(d) Publication in Federal Register relating to discretionary funds**

Whenever the Secretary utilizes a formula to allot or allocate funds made available for distribution at the Secretary's discretion under this subchapter, the Secretary shall, not later than 30 days prior to such allotment or allocation, publish for comment in the Federal Register the formula, the rationale for the formula, and the proposed amounts to be distributed to each State and local area. After consideration of any comments received, the Secretary shall publish final allotments and allocations in the Federal Register.

**(e) Availability of funds**

Funds shall be made available under section 3163 of this title, and funds shall be made available under section 3173 of this title, for a local area not later than 30 days after the date the funds are made available to the Governor involved, under section 3162 or 3172 of this title (as the case may be), or 7 days after the date the local plan for the area is approved, whichever is later.

(Pub. L. 113-128, title I, §182, July 22, 2014, 128 Stat. 1589.)

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE

Section effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113-128, set out as a note under section 3101 of this title.

**§ 3243. Monitoring**

**(a) In general**

The Secretary is authorized to monitor all recipients of financial assistance under this subchapter to determine whether the recipients are complying with the provisions of this subchapter, including the regulations issued under this subchapter.

**(b) Investigations**

The Secretary may investigate any matter the Secretary determines to be necessary to determine the compliance of the recipients with this subchapter, including the regulations issued under this subchapter. The investigations authorized by this subsection may include examining records (including making certified copies of the records), questioning employees, and entering any premises or onto any site in which any part of a program or activity of such a recipient is conducted or in which any of the records of the recipient are kept.

**(c) Additional requirement**

For the purpose of any investigation or hearing conducted under this subchapter by the Sec-

retary, the provisions of section 49 of title 15 (relating to the attendance of witnesses and the production of documents) apply to the Secretary, in the same manner and to the same extent as the provisions apply to the Federal Trade Commission.

(Pub. L. 113-128, title I, §183, July 22, 2014, 128 Stat. 1590.)

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE

Section effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113-128, set out as a note under section 3101 of this title.

### § 3244. Fiscal controls; sanctions

#### (a) Establishment of fiscal controls by States

##### (1) In general

Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, Federal funds allocated to local areas under part B. Such procedures shall ensure that all financial transactions carried out under part B are conducted and records maintained in accordance with generally accepted accounting principles applicable in each State.

##### (2) Cost principles

###### (A) In general

Each State (including the Governor of the State), local area (including the chief elected official for the area), and provider receiving funds under this subchapter shall comply with the applicable uniform cost principles included in appropriate circulars or rules of the Office of Management and Budget for the type of entity receiving the funds.

###### (B) Exception

The funds made available to a State for administration of statewide workforce investment activities in accordance with section 3174(a)(3)(B) of this title shall be allocable to the overall administration of workforce investment activities, but need not be specifically allocable to—

- (i) the administration of adult employment and training activities;
- (ii) the administration of dislocated worker employment and training activities; or
- (iii) the administration of youth workforce investment activities.

##### (3) Uniform administrative requirements

###### (A) In general

Each State (including the Governor of the State), local area (including the chief elected official for the area), and provider receiving funds under this subchapter shall comply with the appropriate uniform administrative requirements for grants and agreements applicable for the type of entity receiving the funds, as promulgated in circulars or rules of the Office of Management and Budget.

###### (B) Additional requirement

Procurement transactions under this subchapter between local boards and units of

State or local governments shall be conducted only on a cost-reimbursable basis.

#### (4) Monitoring

Each Governor of a State shall conduct on an annual basis onsite monitoring of each local area within the State to ensure compliance with the uniform administrative requirements referred to in paragraph (3).

#### (5) Action by Governor

If the Governor determines that a local area is not in compliance with the uniform administrative requirements referred to in paragraph (3), the Governor shall—

- (A) require corrective action to secure prompt compliance with the requirements; and
- (B) impose the sanctions provided under subsection (b) in the event of failure to take the required corrective action.

#### (6) Certification

The Governor shall, every 2 years, certify to the Secretary that—

- (A) the State has implemented the uniform administrative requirements referred to in paragraph (3);
- (B) the State has monitored local areas to ensure compliance with the uniform administrative requirements as required under paragraph (4); and
- (C) the State has taken appropriate action to secure compliance with the requirements pursuant to paragraph (5).

#### (7) Action by the Secretary

If the Secretary determines that the Governor has not fulfilled the requirements of this subsection, the Secretary shall—

- (A) require corrective action to secure prompt compliance with the requirements of this subsection; and
- (B) impose the sanctions provided under subsection (e) in the event of failure of the Governor to take the required appropriate action to secure compliance with the requirements.

#### (b) Substantial violation

##### (1) Action by Governor

If, as a result of financial and compliance audits or otherwise, the Governor determines that there is a substantial violation of a specific provision of this subchapter, and corrective action has not been taken, the Governor shall—

- (A) issue a notice of intent to revoke approval of all or part of the local plan affected; or
- (B) impose a reorganization plan, which may include—
  - (i) decertifying the local board involved;
  - (ii) prohibiting the use of eligible providers;
  - (iii) selecting an alternative entity to administer the program for the local area involved;
  - (iv) merging the local area into one or more other local areas; or
  - (v) making such other changes as the Secretary or Governor determines to be