**Section 2600.40 Local Service Delivery System**

a) Designation of Service Delivery Areas – The Department on behalf of the Governor may initiate an application process for local elected officials on behalf of units of general local government to request designation as a SDA under the JTPA to take effect at the start of Program Year 1986. The process for redesignation of SDAs shall conform with requirements of Section 101 of the Act and 20 CFR 628.1 (1983). Pursuant to Section 101(c)(l) of the Act, redesignation of SDAs shall not take place more frequently than every two years and shall not be made later than four months before the beginning of a program year. In considering whether to initiate an application process for redesignation, the Department shall consider the availability of administrative funds to support the existing SDA administrative structure; the ability of SDAs to achieve or exceed performance standards; and, the recommendations of the Illinois Job Training Coordinating Council. The Illinois Job Training Coordinating Council shall recommend to the Governor SDAs by preparing a map of the State identifying the geographical area to be included in each SDA. Pursuant to Section 4 of Public Act 83-1288, effective August 31, 1984 (Ill. Rev. Stat. 1984 Supp., ch. 48, par. 2104), *these recommendations shall be forwarded to the President of the Senate and Speaker of the House of Representatives, or their designees, for review and comment by the Illinois General Assembly.* In addition to criteria which may be identified by the Illinois Job Training Coordinating Council, the Council shall consider the following criteria prior to making recommendations to the Governor on redesignation:

1) the consistency of proposed SDA boundaries with labor market area boundaries and patterns of labor market behavior;

2) the adequacy of estimated available funds to support the administrative expenses of proposed SDAs;

3) the availability of a mix of employment opportunities and training institutions within proposed SDAs; and,

4) the potential impact of redesignation decisions on the ability to maintain existing effective local relationships established for the provision of employment and training services (e.g., agreements among local elected officials).

b) Petition for Redesignation – Pursuant to Section 101(c)(2) of the Act, the Department shall initiate an application process for redesignation as described in Section 2600.40(a) of this Part, if a petition is filed with the Department by an entity specified in Section 101(a)(4)(A) of the Act. Petitions shall be accepted only if filed at least eighteen months before the start of the program year for which the redesignation is proposed. Petitions for redesignation shall include a PIC Membership Selection Agreement if such an agreement is required of the petitioner(s) pursuant to Section 102(d) of the Act.

c) Redesignation Due to Failure to Reach Agreement – In accordance with the requirements of Section 105(c) of the Act, if a Private Industry Council and appropriate chief elected official or officials fail to reach the agreement required under Section 103(b) or (d) of the Act and, as a consequence, funds for a Service Delivery Area shall not be made available under Section 104 of the Act, the Department on behalf of the Governor shall redesignate the SDAs in the State to merge the affected area into one or more other SDAs. Such redesignations shall be made without regard to requirements of Section 2600.40(a) of this Part. Prior to such redesignations the Department shall attempt to mediate the disagreement between the Private Industry Council and appropriate chief elected official or officials. The duration of such mediation shall not exceed a period of two months beyond March 2 preceding the start of the subsequent program year.

d) Redesignation Due to Failure to Meet Plan Approval Requirements – In the event that the Department disapproves a job training plan in accordance with Section 105(b) of the Act and Section 2610.40(d) of this Part, the Department on behalf of the Governor, shall redesignate the Service Delivery Areas in the State to merge the affected area into one or more other Service Delivery Areas. Such redesignations shall be made without regard to Sections 101(a)(4) and (c)(1) of the Act and the requirements of Section 2600.40(a) of this Part. Such a redesignation shall be initiated only after the review process for the Job Training plan as specified in 56 Ill. Adm. Code 2610.50(c) has been completed and the plan has not been approved as specified in 56 Ill. Adm. Code 2610.50(d). The steps that shall be followed if a plan is disapproved are in accordance with 20 CFR Part 628.5 dated March 15, 1983. These steps and timelines are as follows:

1) The Job Training Plan shall be submitted to the Department by April 10 preceding the start of the subsequent program year.

2) The Department shall approve or disapprove the plan within 30 days and notify the PIC and Chief Elected Official(s) in writing.

3) If the plan is not approved, the PIC and Chief Elected Official(s) shall have 20 days to correct the deficiencies and resubmit the plan to the Department.

4) The Department shall approve or disapprove the plan within 15 days.

5) If the plan is disapproved, the PIC and Chief Elected Official(s) shall have 30 days to submit an appeal to the Secretary.

6) The Secretary shall accept the appeal and make a decision only with regard to determining whether or not the disapproval is clearly erroneous within the context of Section 105(b)(1) of the Act. The Secretary shall make a final decision within 45 days after the appeal is received in accordance with Section 105(b)(2) of the Act.

7) The Department shall provide the PIC and Chief Elected Official(s) 5 days to correct deficiencies and resubmit the plan after the Secretary's final decision.

8) If a corrected plan is not submitted within the 5 days, then redesignation will be initiated.

e) Certification of Private Industry Councils – The Department, on behalf of the Governor, shall certify a Private Industry Council which meets the requirements of Section 102 of the Act and the requirements specified in this Part. Such certification shall be made or denied within 30 days after the date on which a list of members and necessary supporting documentation are submitted to the Department. The list and supporting documentation shall be submitted by a date and in accordance with instructions and using forms provided by the Department.

1) PIC Appointing Authority – Appointments to PICs shall be made in accordance with the requirements of Section 102(d) of the Act. In any case in which there are no units of general local government in the SDA with experience in administering job training programs, then the chief elected official(s) in the SDA shall appoint members to the PIC in accordance with an agreement entered into by such units. Pursuant to Section 102(d) of the Act, a chief elected official (or officials) of a unit (or units) of general local government with experience in administering job training programs within the Service Delivery Area shall appoint members to the private industry council. Such experience shall be recognized only if it transpired during the three program years proceeding the program year in which the appointments are to be made. Only units of general local government which are responsible for any one of the following job training program related responsibilities shall be considered as having related experience in administering job training programs:

A) grant recipient;

B) administrative entity;

C) prime sponsor under the Comprehensive Employment and Training Act (CETA) (29 U.S.C. 801); or

D) planning entity.

2) Nomination Procedures – Nominations shall be made pursuant to the requirements of Section 102(c) of the Act. Private sector representatives shall be selected from among individuals nominated on a single slate containing 150 percent of the number of representatives needed to fill all private sector vacancies.

3) Composition of the Private Industry Council – A Private Industry Council shall meet the requirements of Section 102 of the Act and the composition requirements of this Part.

A) A PIC shall have a minimum of thirteen members.

B) No member of a PIC shall represent more than the one group.

C) Private sector representatives shall be owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other managers whose decisions and/or recommendations substantially affect the investment decisions or workforce requirements of the firm or facility. The majority of the members of PICs shall be private sector representatives.

D) Women shall be represented on the Private Industry Council in proportion to their representation in the labor force of the Service Delivery Area. A Private Industry Council not in compliance with this criteria shall include a description of action which will be taken by the chief elected official or officials in order to meet this criteria by Program Year 1986. In such cases, local job training plans shall include a description of action which will be taken by the chief elected official or officials which demonstrate that progress will be made to meet this criteria. In the event that this requirement is not complied with by Program Year 1986, the certification of the Private Industry Council shall be withdrawn and new business (e.g., entering into new contracts with service providers) may not be conducted by the PIC which has been de-certified, but existing services shall continue until the PIC is re-certified. The affected Private Industry Council shall be prohibited from conducting business unless it can be demonstrated that:

i) the occurrence of vacancies was insufficient to allow compliance; or,

ii) efforts to attract women for nomination to the PIC are documented via newspaper advertisements, copies of letters sent to women's business and professional organizations, women's social services organizations, and other groups required to be on the PIC's as per this section, and yet such efforts failed to provide sufficient results to achieve compliance either through lack of nominees or refusals to serve by women who were nominated.

E) In a Service Delivery Area in which racial minorities comprise five percent or more of the labor force in the Service Delivery Area, racial minorities shall be represented on the Private Industry Council in proportion to their representation in the labor force of the Service Delivery Area. A Private Industry Council not in compliance with this criteria shall demonstrate that priority will be given to minorities in filling vacancies so that by Program Year 1986 this requirement will be met. In such cases, local job training plans shall include a description of action which will be taken by the chief elected official or officials which demonstrate that appropriate progress will be made to meet this criteria. In the event that this requirement is not complied with by Program Year 1986, the certification of the Private Industry Council shall be withdrawn and new business (e.g., entering into new contracts with service providers) may not be conducted by the PIC which has been de-certified, but existing services shall continue until the PIC is re-certified. The affected Private Industry Council shall be prohibited from conducting business unless it can be demonstrated that:

i) the occurrence of vacancies was insufficient to allow compliance; or,

ii) the number of vacancies filled by individuals who were nominated by virtue of their position with a specific agency precluded compliance.

F) Whenever possible, at least one-half of the private sector representatives on the PIC shall be representatives of small business including minority businesses and those owned by women. The Department shall accept that it is not possible for at least one-half of the private sector representatives to be representatives of private small businesses if such representatives decline to be members of the PIC or there are too few such businesses in the SDA. The term 'small business' shall mean business employing 500 or fewer persons. No PIC shall be certified if such small business representation is below forty percent of all private sector representatives.

G) No local elected officials (and all employees under the jurisdiction of their offices) who have responsibility for plan approval pursuant to Section 103(d) of the Act, shall be appointed to the PIC. Where SDAs are comprised of counties, such officials shall include all county board members and county commissioners. Where SDAs are comprised of cities, towns, or villages, such officials shall include mayors and all city, town, or village council or board members. Local elected officials other than those cited above may serve as PIC members if they are nominated and appointed as a representative of one of the groups specified in Section 102(a) and (c) of the Act.

H) At a minimum, one private sector representative shall be appointed from each major industrial group which represents ten percent or more of the SDA's private sector labor force.

I) The PIC shall include but not be limited to representatives of:

i) educational agencies;

ii) organized labor;

iii) rehabilitation agencies;

iv) community-based organizations;

v) the public employment service; and,

vi) economic development agencies.

J) The PIC shall elect its own Chairman. Pursuant to Section 103(b) of the Act, the Chairman of the PIC shall be selected from among members of the PIC who are private sector representatives.

4) Filling Vacancies on the Private Industry Council – Pursuant to 102(f) of the Act, any vacancy in the membership shall be filled following the same procedure as the original appointment. Requirements as specified in Section 2600.40(e) of this Part shall be met in filling any vacancy in the membership of a PIC. A nomination to fill a vacancy shall be forwarded to the Department for certification within three months of occurrence. In the event that an initial nomination is not certified by the Department due to noncompliance with the requirements of the Act or the requirements of this Part, a second nomination shall be forwarded within one month of being so notified by the Department. In the event that a nominee cannot be certified by the Department within the timeframes specified above and the PIC no longer meets the requirements of Section 102 of the Act and/or Section 2600.40(e) of this Part, the certification of the PIC shall be withdrawn and the affected PIC shall be prohibited from conducting business until such time as the vacancy is filled and certified. New business (e.g., entering into new contracts with service providers) shall not be conducted by PICs which have been de-certified, but existing services shall continue until the PIC is re-certified. The Department shall provide the affected PIC thirty days notice of de-certification. Existing services under an approved plan shall not be disrupted due to de-certification.

5) Appointments Made by the Governor

A) Failure to Reach Agreement – The Department on behalf of the Governor, shall appoint individuals to the Private Industry Council in the event that agreement is not reached on appointment procedures by chief elected officials as specified in Section 102(d) of the Act and 2600.40(e)(1) of this Part. The Department shall not exercise this authority unless, the Department first attempts to facilitate a local agreement through mediation. The duration of such mediation shall not exceed a period of two months beyond the scheduled date set by the Department for the establishment of such agreements.

B) Failure to Meet Certification Requirements – In the event that the Department is unable to certify a Private Industry Council due to non-compliance with Section 102 of the Act or the requirements of this Part, the Department on behalf of the Governor, shall appoint individuals to the Private Industry Council. Such appointments shall be limited to the smallest number of appointments which will allow for certification. The Department will not exercise this authority unless, the Department first attempts to facilitate the local appointment process through mediation. The duration of such mediation shall not exceed a period of two months beyond the scheduled date set by the Department for the submission of certification documentation.

C) Failure to Fill Vacancies – In the event that certification of a Private Industry Council is withdrawn pursuant to Section 2600.40(e)(4) of this Part, the Department on behalf of the Governor, shall appoint individuals to the Private Industry Council to fill any vacancies.

f) Reorganization Due to Inadequate Performance – Pursuant to Section 106(h) of the Act, the Governor shall impose a reorganization plan in a Service Delivery Area if failure to meet performance standards established in accordance with Sections 106 of the Act and 20 CFR 629.46 (1983) persists for two consecutive program years. Prior to imposition of a reorganization plan, the Department on behalf of the Governor, shall offer the affected parties opportunity for a hearing regarding such areas as the adequacy of the reorganization plan, the computation of the standards and extenuating local conditions affecting performance. The Department will follow the procedures outlined in Article 10 of the Illinois Administrative Procedure Act (Ill. Rev. Stat. 1991, ch. 127, par. 1010-5 et seq.) for conducting hearings.

g) Agreements Among Chief Elected Officials (CEO)

1) CEOs shall adopt, by a majority vote, a system of recognized and traditionally accepted parlimentary rules (e.g., Roberts Rules of Order, Sturgis Standard Code of Parlimentary Procedure) by which meetings/assemblies shall be conducted. These rules shall provide for procedural safeguards and democratic discussion, the right of free and fair debate.

2) CEOs shall adopt formal bylaws to govern their meetings/assemblies.

h) Operating Procedures for PICs: PICs shall adopt, by a majority vote, a system of recognized and traditionally accepted parlimentary rules (e.g., Roberts Rules of Order, Sturgis Standard Code of Parlimentary Procedure) by which meetings/assemblies shall be conducted. These rules shall provide for procedural safeguards and democratic discussion, the right of free and fair debate.

(Source: Amended at 9 Ill. Reg. 5591, effective April 17, 1985)