

JAN 31 REC'D

THE WHITE HOUSE

WASHINGTON

January 28, 1994

MEMORANDUM FOR THE SECRETARY OF THE TREASURY  
THE ATTORNEY GENERAL  
THE SECRETARY OF THE INTERIOR  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF COMMERCE  
THE SECRETARY OF LABOR  
THE SECRETARY OF HEALTH AND HUMAN SERVICES  
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY OF TRANSPORTATION  
THE SECRETARY OF EDUCATION  
THE ADMINISTRATOR OF THE ENVIRONMENTAL  
PROTECTION AGENCY  
THE DIRECTOR OF THE NATIONAL DRUG CONTROL POLICY  
THE ADMINISTRATOR OF THE SMALL BUSINESS  
ADMINISTRATION  
THE CHAIR OF THE COUNCIL OF ECONOMIC ADVISERS  
THE DIRECTOR OF THE OFFICE OF  
MANAGEMENT AND BUDGET

FROM: THE VICE PRESIDENT  
CAROL RASCO, ASSISTANT TO THE PRESIDENT FOR  
DOMESTIC POLICY  
BOB RUBIN, ASSISTANT TO THE PRESIDENT FOR  
ECONOMIC POLICY

SUBJECT: COMMUNITY ENTERPRISE BOARD MEETING: FEB. 2, 1994

---

The first meeting of the Community Enterprise Board is scheduled for 4:00 p.m. (to 5:30 p.m.) on Wednesday, February 2, 1994, in the Vice President's Ceremonial Office (Old Executive Office Building - Room 274). Attached is the agenda for the meeting.

Please call Kumiki Gibson (456-7020) if you have any questions about the meeting or the agenda topics.

We look forward to seeing you there.

Attachment

COMMUNITY ENTERPRISE BOARD'S FEB. 2 MEETING: AGENDA

I. INTRODUCTORY REMARKS

II. THE EZ/EC APPLICATION PROCESS

A. THE APPLICATION PROCESS

B. WORKSHOPS: AGENCY & WHITE HOUSE PARTICIPATION

III. OTHER WORK OF BOARD

A. CONSOLIDATED STATE PLANS

B. WAIVERS

THE CONYERS' BILL (ATTACHED)

LANGUAGE FROM ORIGINAL EMPOWERMENT ZONES

PROVISION (ATTACHED)

IV. FUTURE MEETINGS & AGENDA ITEMS

OPEN DISCUSSION

103D CONGRESS  
1ST SESSION

# H. R. 2856

To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by authorizing a demonstration program that enables local governments and private, not-for-profit organizations to use amounts available under certain Federal assistance programs in accordance with approved integrated assistance plans.

---

## IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1993

Mr. CONYERS (for himself and Mr. CLINGER) introduced the following bill; which was referred to the Committee on Government Operations

---

## A BILL

To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by authorizing a demonstration program that enables local governments and private, not-for-profit organizations to use amounts available under certain Federal assistance programs in accordance with approved integrated assistance plans.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Local Flexibility Act  
5 of 1993".

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are the following:

3 (1) To encourage the integration of Federal  
4 programs by local governments and private, not-for-  
5 profit organizations, when such integration would  
6 further the goals and objectives of the grant pro-  
7 grams integrated.

8 (2) To enable more efficient use of Federal,  
9 State, and local resources.

10 (3) To enable local governments and private,  
11 not-for-profit organizations to adapt programs of  
12 Federal assistance to the particular needs of low-in-  
13 come citizens and the operating practices of recipi-  
14 ents, by drawing upon appropriations available from  
15 more than one Federal program and by integrating  
16 programs and program funds across existing Federal  
17 assistance categories.

18 **SEC. 3. PROVISION OF FEDERAL ASSISTANCE IN ACCORD-**  
19 **ANCE WITH APPROVED INTEGRATED ASSIST-**  
20 **ANCE PLAN.**

21 (a) **PAYMENTS TO LOCAL GOVERNMENTS.**—Notwith-  
22 standing any other provision of law, amounts available to  
23 a local government or a qualified organization under a cov-  
24 ered Federal assistance program included in an approved  
25 integrated assistance plan shall be provided to and used

1 by the local government or organization in accordance  
2 with that approved integrated assistance plan.

3 (b) **ELIGIBILITY FOR BENEFITS.**—An individual or  
4 family that is eligible for benefits or services under a cov-  
5 ered Federal assistance program included in an approved  
6 integrated assistance plan may receive those benefits only  
7 in accordance with the plan.

8 **SEC. 4. APPLICATION FOR APPROVAL OF INTEGRATED AS-**  
9 **SISTANCE PLAN.**

10 (a) **IN GENERAL.**—A local government may submit  
11 to the Interagency Review Council in accordance with this  
12 section an application for approval of an integrated assist-  
13 ance plan.

14 (b) **CONTENTS OF APPLICATION.**—An application  
15 submitted under this section shall include—

16 (1) a proposed integrated assistance plan that  
17 complies with subsection (c);

18 (2) certification by the chief executive of the  
19 local government, and such additional assurances as  
20 may be required by the Interagency Review Council,  
21 that—

22 (A) the local government has the ability  
23 and authority to implement the proposed plan.  
24 either directly or through contractual or other

1 arrangements, throughout the geographic area  
2 in which the proposed plan is intended to apply;

3 (B) amounts are available from non-Fed-  
4 eral sources to pay the non-Federal share of all  
5 covered Federal assistance programs included  
6 in the proposed plan; and

7 (C) low income individuals and families  
8 that reside in that geographic area participated  
9 in the development of the proposed plan;

10 (3) any comments on the proposed plan submit-  
11 ted under subsection (d) by the Governor of the  
12 State of the local government; and

13 (4) any other information the Interagency Re-  
14 view Council may require to approve the proposed  
15 plan.

16 (c) CONTENTS OF PLAN.—An integrated assistance  
17 plan submitted by a local government under this section  
18 shall include the following:

19 (1) GEOGRAPHIC AREA.—The geographic area  
20 to which the plan applies and the rationale for so de-  
21 fining the area.

22 (2) RECIPIENTS.—The particular groups of in-  
23 dividuals, by age, service needs, economic cir-  
24 cumstances, or other defining factors, who will re-  
25 ceive services and benefits under the plan.

1 (3) GOALS AND PERFORMANCE CRITERIA.—

2 Specific goals and measurable performance criteria,  
3 a description of how the plan is expected to attain  
4 those goals and criteria, a description of how per-  
5 formance will be measured, and a system for the  
6 comprehensive evaluation of the impact of the plan  
7 on participants, the community, and program costs.

8 (4) PUBLIC PARTICIPATION.—Elements that  
9 will assist individuals and families who will receive  
10 benefits under the plan to participate actively in de-  
11 veloping both long- and short-range plans for bene-  
12 fits provided under the plan and in deciding other  
13 matters, including—

14 (A) the scope of services necessary and de-  
15 sired to meet the full range of the individuals'  
16 or families' needs,

17 (B) the choice of provider, and

18 (C) any other choices affecting the service  
19 design for that individual or family.

20 (5) COVERED FEDERAL ASSISTANCE PRO-  
21 GRAMS.—The eligible Federal assistance programs  
22 to be included in the plan as covered Federal assist-  
23 ance programs and the specific benefits that will be  
24 provided under the plan pursuant to those programs,  
25 including criteria for determining eligibility for bene-

1 fits under the plan, the services available, the  
2 amounts and form (such as cash, in-kind contribu-  
3 tions, or financial instruments) of non-service bene-  
4 fits, and any other descriptive information the Inter-  
5 agency Review Council considers necessary to ap-  
6 prove the plan.

7 (6) FEDERAL REQUIREMENTS TO BE  
8 WAIVED.—Any Federal statutory or regulatory re-  
9 quirement applicable under a covered Federal assist-  
10 ance program included in the plan, the waiver of  
11 which is necessary to implement the plan.

12 (7) FISCAL CONTROL AND ACCOUNTABILITY.—  
13 Fiscal control and related accountability procedures  
14 applicable under the plan.

15 (8) SOURCES OF NON-FEDERAL FUNDS.—A de-  
16 scription of the sources of all non-Federal funds that  
17 are required to carry out covered Federal assistance  
18 programs included in the plan.

19 (9) CONSENT OF QUALIFIED ORGANIZATIONS.—  
20 Written consent from each qualified organization for  
21 which consent is required under section 5(b)(2).

22 (10) OTHER INFORMATION.—Any other infor-  
23 mation the Interagency Review Council may require  
24 to approve the plan.

25 (d) PROCEDURE FOR APPLYING.—



1           (1) SUBMISSION TO GOVERNOR—To apply for  
2 approval of an integrated assistance plan, a local  
3 government shall submit an application in accord-  
4 ance with this section to the Governor of the State  
5 in which the local government is located.

6           (2) SUBMISSION BY GOVERNOR.—A Governor  
7 who receives an application from a local government  
8 under paragraph (1) shall, by not later than 30 days  
9 after the date of that receipt—

10                   (A) prepare comments on the proposed in-  
11 tegrated assistance plan included in the applica-  
12 tion; and

13                   (B) submit the application and comments  
14 to the Interagency Review Council.

15 **SEC. 5. REVIEW AND APPROVAL OF INTEGRATED ASSIST-**  
16 **ANCE PLANS.**

17           (a) REVIEW OF APPLICATIONS.—Upon receipt of an  
18 application for approval of an integrated assistance plan  
19 under this Act, the Interagency Review Council shall—

20                   (1) approve or disapprove the plan within 45  
21 days after receipt of the application;

22                   (2) notify the applicant in writing of that ap-  
23 proval or disapproval by not later than 15 days after  
24 the date of that approval or disapproval; and

1 (3) in the case of any disapproval of a plan, in-  
2 clude a written justification of the reasons for dis-  
3 approval in the notice of disapproval sent to the  
4 applicant.

5 (b) APPROVAL.—

6 (1) REQUIREMENTS.—The Interagency Review  
7 Council may approve an integrated assistance plan  
8 for which an application is submitted under this Act,  
9 or any part of such a plan, if a majority of members  
10 of the Council determines that—

11 (A) the plan or part will improve the effec-  
12 tiveness and efficiency of providing benefits  
13 under covered Federal programs included in the  
14 plan by reducing administrative rigidity, dupli-  
15 cation, and unnecessary expenditures;

16 (B) the applicant local government has  
17 adequately considered, and the plan or part ap-  
18 propriately addresses, any effect that adminis-  
19 tration of each covered Federal program under  
20 the plan or part will have on administration of  
21 the other covered Federal programs under that  
22 plan or part;

23 (C) the applicant local government has or  
24 is developing data bases, planning, and evalua-

1           tion processes that are adequate for implement-  
2           ing the plan or part;

3           (D) implementation of the plan or part will  
4           adequately achieve the purposes of this Act and  
5           of each covered Federal assistance program  
6           under the plan or part;

7           (E) the plan and the application for ap-  
8           proval of the plan comply with the requirements  
9           of this Act;

10          (F) the plan or part is adequate to ensure  
11          that individuals and families that receive bene-  
12          fits under covered Federal assistance programs  
13          included in the plan or part will continue to re-  
14          ceive benefits that meet the needs intended to  
15          be met under the program; and

16          (G) the level of those benefits will not be  
17          reduced for any individual or family.

18          (2) LIMITATIONS.—The Interagency Review  
19          Council may not approve any part of an integrated  
20          assistance plan if—

21                (A) implementation of that part would re-  
22                sult in any increase in the total amount of obli-  
23                gations or outlays of discretionary appropria-  
24                tions or direct spending under covered Federal  
25                assistance programs included in that part, over

1 the amounts of such obligations and outlays  
2 that would occur under those programs without  
3 implementation of the part; or

4 (B) in the case of a plan or part that ap-  
5 plies to assistance to a qualified organization  
6 under an eligible Federal assistance program,  
7 the qualified organization does not consent in  
8 writing to the receipt of that assistance in  
9 accordance with the plan.

10 (3) DISAPPROVAL OF PART OF PLAN RE-  
11 QUIRED.—The Interagency Review Council shall dis-  
12 approve a part of an integrated assistance plan if a  
13 majority of the Council disapproves that part of the  
14 plan based on a failure of the part to comply with  
15 paragraph (1).

16 (4) PERIOD OF APPROVED PLAN.—In approving  
17 any part of an integrated assistance plan, the Inter-  
18 agency Review Council shall specify the period dur-  
19 ing which the part is effective. An approved inte-  
20 grated assistance plan shall not be effective after the  
21 date of the termination of effectiveness of this Act  
22 under section 11(a).

23 (5) ELIGIBILITY UNDER FEDERAL PROGRAMS  
24 NOT AFFECTED.—Disapproval by the Interagency  
25 Review Council of any part of an integrated assist-

1       ance plan submitted by a local government under  
2       this Act shall not affect the eligibility of a local gov-  
3       ernment, a qualified organization, or any individual  
4       for benefits under any Federal program.

5       (c) MEMORANDA OF UNDERSTANDING.—

6             (1) IN GENERAL.—The Interagency Review  
7       Council may not approve a part of an integrated  
8       Federal assistance plan unless each local government  
9       and each qualified organization that would receive  
10      assistance under the plan enters into a memoran-  
11     dum of understanding under this subsection with the  
12     Interagency Review Council.

13            (2) TERMS.—A memorandum of understanding  
14      under this subsection shall specify all understand-  
15      ings that have been reached by the Interagency Re-  
16      view Council, the local government, and each quali-  
17      fied organization that is subject to an integrated as-  
18      sistance plan, regarding the approval and implemen-  
19      tation of all parts of an integrated assistance plan  
20      that are the subject of the memorandum, including  
21      with respect to—

22            (A) all requirements under covered Federal  
23      assistance programs that are to be waived by  
24      the Interagency Review Council pursuant to  
25      section 6(b);

1 (B) the total amount of Federal funds that  
2 will be provided as benefits under or used to ad-  
3 minister covered Federal assistance programs  
4 included in those parts, or a mechanism for de-  
5 termining that amount, including specification  
6 of the total amount of Federal funds that will  
7 be provided or used under each covered Federal  
8 assistance program included in those parts;

9 (C) the sources of all non-Federal funds  
10 that will be provided as benefits under or used  
11 to administer those parts;

12 (D) measurable performance criteria that  
13 will be used during the term of those parts to  
14 determine the extent to which the goals and  
15 performance levels of the parts are achieved;  
16 and

17 (E) the data to be collected to make that  
18 determination.

19 (d) LIMITATION ON CONFIDENTIALITY REQUIRE-  
20 MENTS.—The Interagency Review Council may not, as a  
21 condition of approval of any part of an integrated assist-  
22 ance plan or with respect to the implementation of any  
23 part of an approved integrated assistance plan, establish  
24 any confidentiality requirement which would—

1 (1) impede the exchange of information needed  
2 for the design or provision of benefits under the  
3 parts; or

4 (2) conflict with existing law.

5 **SEC. 6. IMPLEMENTATION OF APPROVED INTEGRATED AS-**  
6 **SISTANCE PLANS; WAIVER OF REQUIRE-**  
7 **MENTS.**

8 (a) **PAYMENTS AND ADMINISTRATION IN ACCORD-**  
9 **ANCE WITH PLAN.**—Notwithstanding any other law, any  
10 benefit which is provided under a covered Federal assist-  
11 ance program included in an approved integrated assist-  
12 ance plan shall be paid and administered in the manner  
13 specified in the approved integrated assistance plan.

14 (b) **WAIVER OF REQUIREMENTS.**—

15 (1) **IN GENERAL.**—Notwithstanding any other  
16 law and subject to paragraphs (2) and (3), the  
17 Interagency Review Council may waive any require-  
18 ment applicable under Federal law to the adminis-  
19 tration of, or provision of benefits under, any cov-  
20 ered Federal assistance program included in an ap-  
21 proved integrated assistance plan, if that waiver is—

22 (A) reasonably necessary for the implemen-  
23 tation of the plan; and

24 (B) approved by a majority of members of  
25 the Interagency Review Council.

1 (2) FINDING REQUIRED.—The Interagency Re-  
2 view Council may not waive a requirement under  
3 this subsection unless the Council finds that waiver  
4 of the requirement will not result in a reduction in  
5 services or benefits for any individual or family that  
6 is eligible for benefits under a covered Federal  
7 assistance program.

8 (3) LIMITATIONS.—The Interagency Review  
9 Council may not under this subsection waive any  
10 requirement—

11 (A) that is established by statute or regu-  
12 lation under—

13 (i) title VI of the Civil Rights Act of  
14 1964 (42 U.S.C. 2000d et seq.);

15 (ii) section 504 of the Rehabilitation  
16 Act of 1973 (29 U.S.C. 701 et seq.);

17 (iii) title IX of the Education Amend-  
18 ments of 1972 (86 Stat. 373 et seq.);

19 (iv) the Age Discrimination Act of  
20 1975 (42 U.S.C. 6101 et seq.); or

21 (v) the Americans With Disabilities  
22 Act of 1990; or

23 (B) for payment of a non-Federal share of  
24 funding of an activity under a covered Federal  
25 assistance program.



1 (c) SPECIAL ASSISTANCE.—To the extent otherwise  
2 permitted by law, the head of each Federal agency shall  
3 seek to provide special assistance to a local government  
4 to support implementation of an approved integrated as-  
5 sistance plan, including expedited processing, priority  
6 funding, and technical assistance.

7 (d) EVALUATION AND TERMINATION.—

8 (1) IN GENERAL.—A local government, in ac-  
9 cordance with regulations issued by the Interagency  
10 Review Council, shall—

11 (A) submit such reports on and cooperate  
12 in such audits of the implementation of its ap-  
13 proved integrated assistance program; and

14 (B) periodically evaluate the effect imple-  
15 mentation of the plan has had on—

16 (i) individuals who receive benefits  
17 under the plan;

18 (ii) communities where those individ-  
19 uals live; and

20 (iii) costs of administering covered  
21 Federal assistance programs included in  
22 the plan.

23 (2) ANNUAL REPORTS.—Not later than 90 days  
24 after the end of the 1-year period beginning on the  
25 date of the approval by the Interagency Review

1 Council of an approved integrated assistance plan of  
2 a local government, and annually thereafter, the  
3 local government shall submit to the Interagency Re-  
4 view Council a report on the principal activities and  
5 achievements under the plan during the period cov-  
6 ered by the report, comparing those achievements to  
7 the goals and performance criteria included in the  
8 plan pursuant to section 4(c)(3).

9 (3) TERMINATION OF PLAN.—

10 (A) IN GENERAL.—If the Interagency Re-  
11 view Council, after consultation with the head  
12 of each Federal agency responsible for admin-  
13 istering a covered Federal assistance program  
14 included in an approved integrated assistance  
15 plan of a local government, determines—

16 (i) the goals and performance criteria  
17 included in the plan pursuant to section  
18 4(c)(3) have not been met; and

19 (ii) after considering any experiences  
20 gained in implementation of the plan, that  
21 those goals and criteria are sound;

22 the Interagency Review Council may terminate  
23 the effectiveness of the plan.

24 (B) TIMING.—In terminating the effective-  
25 ness of an approved integrated assistance plan

1 under this paragraph, the Interagency Review  
2 Council shall allow a reasonable period of time  
3 for appropriate Federal, State, and local agen-  
4 cies, and qualified organizations to resume ad-  
5 ministration of Federal programs that are cov-  
6 ered Federal assistance programs included in  
7 the plan.

8 (e) FINAL REPORT; EXTENSION OF PLANS.—

9 (1) FINAL REPORT OF LOCAL GOVERNMENT.—

10 Not later than 45 days after the end of the effective  
11 period of an approved integrated assistance plan of  
12 a local government, or at any time that the local  
13 government determines that the plan has dem-  
14 onstrated its worth and proven to be a superior way  
15 to provide benefits under covered Federal assistance  
16 programs included in the plan, the local government  
17 shall submit to the Interagency Review Council a  
18 final report on its implementation of the plan, in-  
19 cluding a full evaluation of the successes and short-  
20 comings of the plan and the effects of that imple-  
21 mentation on individuals who receive benefits under  
22 those programs.

23 (2) EXTENSION OF PLAN.—The Interagency  
24 Review Council may extend the effective period of an  
25 approved integrated assistance plan for such period

1 as may be appropriate, based on the report of a local  
2 government under paragraph (1).

3 **SEC. 7. COMMUNITY ADVISORY COMMITTEES.**

4 (a) **ESTABLISHMENT.**—A local government that ap-  
5 plies for approval of an integrated assistance plan under  
6- this Act shall establish a Community Advisory Committee  
7 in accordance with this section.

8 (b) **FUNCTIONS.**—A Community Advisory Committee  
9 shall advise a local government in the development and  
10 implementation of its integrated assistance plan, including  
11 with respect to—

12 (1) conducting public hearings;

13 (2) representing the interest of low income indi-  
14 viduals and families; and

15 (3) reviewing and commenting on all commu-  
16 nity policies, programs, and actions under the plan  
17 which affect low income individuals and families,  
18 with the purpose of assuring maximum coordination  
19 and responsiveness of the plan in providing benefits  
20 under the plan to those individuals and families.

21 (c) **MEMBERSHIP.**—The membership of a Community  
22 Advisory Committee shall—

23 (1) consist of—

24 (A) low income individuals, who shall—

1 (i) comprise at least one-third of the  
2 membership, and

3 (ii) include minority individuals who  
4 are participants or who qualify to partici-  
5 pate in eligible Federal assistance pro-  
6 grams;

7 (B) representatives of low income individ-  
8 uals and families;

9 (C) persons with leadership experience in  
10 the private and voluntary sectors;

11 (D) local elected officials; and

12 (E) the general public; and

13 (2) include individuals and representatives of  
14 community organizations who will help to enhance  
15 the leadership role of the local government in devel-  
16 oping an integrated assistance plan.

17 (d) OPPORTUNITY FOR REVIEW AND COMMENT BY  
18 COMMITTEE.—Before submitting an application for ap-  
19 proval of a final proposed integrated assistance plan, a  
20 local government shall submit the final proposed plan for  
21 review and comment by a Community Advisory Committee  
22 established by the local government.

23 **SEC. 8. TECHNICAL AND OTHER ASSISTANCE.**

24 (a) TECHNICAL ASSISTANCE.—

1           (1) IN GENERAL.—The Interagency Review  
2 Council may provide, or direct that the head of a  
3 Federal agency provide, technical assistance to a  
4 local government in developing information nec-  
5 essary for the design or implementation of an inte-  
6 grated assistance plan.

7           (2) REQUEST AND ASSURANCES.—Assistance  
8 may be provided under this subsection only upon re-  
9 ceipt of a request from a local government that in-  
10 cludes, in accordance with requirements established  
11 by the Interagency Review Council—

12                   (A) a description of the nature of the inte-  
13 grated assistance plan the local government  
14 proposes to develop;

15                   (B) the groups of individuals to whom ben-  
16 efits will be provided under covered Federal as-  
17 sistance programs included in the plan; and

18                   (C) such assurances as the Interagency  
19 Review Council may require that—

20                           (i) in the development of the applica-  
21 tion to be submitted under this Act for ap-  
22 proval of the plan, the local government  
23 will provide adequate opportunities to par-  
24 ticipate to—

1 (I) low income individuals and  
2 families that will receive benefits  
3 under covered Federal assistance pro-  
4 grams included in the plan; and

5 (II) governmental agencies that  
6 administer those programs; and

7 (ii) the plan will be developed only  
8 after considering fully—

9 (I) needs expressed by those indi-  
10 viduals and families;

11 (II) community priorities; and

12 (III) available governmental re-  
13 sources in the geographic area to  
14 which the plan will apply.

15 (b) DETAILS TO COUNCIL.—At the request of the  
16 Chairman of the Interagency Review Council and with the  
17 approval of the Secretary of a department, staff of the  
18 department may be detailed to the Interagency Review  
19 Council on a nonreimbursable basis.

20 **SEC. 9. INTERAGENCY REVIEW COUNCIL.**

21 (a) COMPOSITION.—There is established the Inter-  
22 agency Review Council, which shall be comprised of—

23 (1) the Secretary of Agriculture;

24 (2) the Attorney General of the United States;

25 (3) the Secretary of Education;

1 (4) the Secretary of Health and Human Serv-  
2 ices;

3 (5) the Secretary of Housing and Urban Devel-  
4 opment;

5 (6) the Secretary of Labor;

6 (7) the Secretary of the Interior;

7 (8) the Secretary of Commerce;

8 (9) the Secretary of Transportation;

9 (10) the Administrator of the Environmental  
10 Protection Agency; and

11 (11) an individual appointed by the President,  
12 who shall serve as Chairperson of the Interagency  
13 Review Council.

14 (b) FUNCTIONS.—The Interagency Review Council  
15 shall—

16 (1) receive, review, and approve or disapprove  
17 integrated assistance plans for which approval is ap-  
18 plied under this Act;

19 (2) upon request from an applicant for such ap-  
20 proval, direct the head of an agency which admin-  
21 isters a covered Federal assistance program under  
22 which the preponderance of Federal assistance would  
23 be provided under the plan to provide technical as-  
24 sistance to the applicant;



1           (3) monitor the progress of development and  
2 implementation of integrated assistance plans;

3           (4) perform such other functions as are as-  
4 signed to the Interagency Review Council by this  
5 Act; and

6           (5) issue regulations to implement this Act  
7 within 180 days after the date of its enactment.

8 **SEC. 10. DEFINITIONS.**

9 In this Act:

10           (1) **APPROVED INTEGRATED ASSISTANCE**  
11 **PLAN.**—The term “approved integrated assistance  
12 plan” means an integrated assistance plan, or any  
13 part of such a plan, that is approved by the Inter-  
14 agency Review Council under section 5.

15           (2) **COMMUNITY ADVISORY COMMITTEE.**—The  
16 term “Community Advisory Committee” means such  
17 a council established by a local government in ac-  
18 cordance with section 7.

19           (3) **COVERED FEDERAL ASSISTANCE PRO-**  
20 **GRAM.**—The term “covered Federal assistance pro-  
21 gram” means an eligible Federal assistance program  
22 that is included in an integrated assistance plan of  
23 a local government.

1 (4) ELIGIBLE FEDERAL ASSISTANCE PRO-  
2 GRAM.—The term “eligible Federal assistance  
3 program”—

4 (A) means any Federal program under  
5 which assistance is available, directly or indi-  
6 rectly, to a local government or a qualified or-  
7 ganization to carry out a program for—

8 (i) education,

9 (ii) employment training,

10 (iii) health,

11 (iv) housing,

12 (v) nutrition, or

13 (vi) other social services; and

14 (B) does not include any Federal program  
15 under which assistance is provided by the Fed-  
16 eral Government directly to a beneficiary of  
17 that assistance.

18 (5) ELIGIBLE LOCAL GOVERNMENT.—The term  
19 “eligible local government” means a local govern-  
20 ment that is eligible to receive assistance under 1 or  
21 more covered Federal programs.

22 (6) INTERAGENCY REVIEW COUNCIL.—The  
23 term “Interagency Review Council” means such  
24 council established under section 9.

1 (7) INTEGRATED ASSISTANCE PLAN.—The term  
2 “integrated assistance plan” means a comprehensive  
3 plan for the integration and administration by a  
4 local government of assistance provided by the Fed-  
5 eral Government under 2 or more eligible Federal  
6 assistance programs.

7 (8) LOCAL GOVERNMENT.—The term “local  
8 government” means any subdivision of a State that  
9 is a unit of general local government (as that term  
10 is defined in section 6501 of title 31, United States  
11 Code);

12 (9) LOW INCOME.—The term “low income”  
13 means having an income that is not greater than  
14 200 percent of the Federal poverty income level.

15 (10) PRIORITY FUNDING.—The term “priority  
16 funding” means giving higher priority (including by  
17 the assignment of extra points, if applicable) to ap-  
18 plications for Federal assistance submitted by a local  
19 government having an approved integrated assist-  
20 ance program, by a person located in the jurisdiction  
21 of such a government, or by a qualified organization  
22 eligible for assistance under a covered Federal as-  
23 sistance program included in such a plan.

24 (11) QUALIFIED ORGANIZATION.—The term  
25 “qualified organization” means any private, not-for-

1 profit organization that is exempt from taxation  
2 under section 501(c)(3) of the Internal Revenue  
3 Code of 1986 (26 U.S.C. 501(c)(3)).

4 (12) STATE.—The term “State” means the 50  
5 States, the District of Columbia, Puerto Rico, Amer-  
6 ican Samoa, Guam, and the Virgin Islands.

7 **SEC. 11. TERMINATION AND REPEAL; REPORT.**

8 (a) TERMINATION AND REPEAL.—This Act shall not  
9 be effective after, and is repealed on, the date that is 5  
10 years after the date of its enactment.

11 (b) REPORT.—The Comptroller General of the Unit-  
12 ed States shall submit to the Congress, by no later than  
13 4 years after the date of the enactment of this Act, a  
14 report that—

15 (1) describes the extent to which local govern-  
16 ments have established and implemented approved  
17 integrated assistance plans,

18 (2) evaluates the effectiveness of covered Fed-  
19 eral assistance programs included in approved inte-  
20 grated assistance plans, and

21 (3) includes recommendations with respect to  
22 continuing integrated assistance.

draft - 8/10/93

SECTION-BY-SECTION ANALYSIS AND DISCUSSION of H.R. 2856

Section 1 gives the short title of this Act, The Local Flexibility Act of 1993.

Section 2 gives the purposes of this Act: (1) to encourage the integration of Federal grant programs by local governments and private not-for-profit organizations, (2) to enable more efficient use of Federal, State, and local resources, and (3) to enable local governments and private, not-for-profit organizations to adapt Federal programs to the particular needs of low-income citizens.

Section 3 provides for Federal financial assistance under covered Federal assistance programs in accordance with approved integrated assistance plans. A covered Federal assistance program is defined in subsections 10(3) and 10(4) as one providing assistance to a local government or not-for-profit organization in the areas of education, employment training, health, housing, nutrition, or other social services. Subsection 3(a) provides that payments under a covered Federal assistance program included in an approved integrated assistance plan shall be spent in accordance with the plan notwithstanding any other provision of law. Subsection 3(b) provides that an individual or family eligible for benefits or services under a covered Federal assistance program in an approved integrated assistance plan shall receive those benefits only in accordance with the plan.

Section 4 describes the contents of an integrated assistance plan. Subsection 4(a) provides that an eligible local government may submit an application for approval of an integrated assistance plan to the Interagency Review Council ("the Council"). Subsection 4(b) describes the contents of such an application, including a plan, certification by the chief executive of the local government, and comments on the plan by the Governor of the State in which the local government is located. Subsection 4(c) describes the contents of the plan. Subsection 4(d) provides that the application shall be submitted to the Governor, who shall submit it, together with comments, to the Council within 30 days.

Section 5 provides for review and approval of an integrated assistance plan by the Council. Subsection 5(a) provides that the Council shall approve or disapprove the plan within 45 days of receipt of the application. Subsection 5(b) sets forth the criteria -- including achieving the purposes of this Act -- under which the Council shall decide whether to approve a plan. Subsection 5(c) directs the Council and the local government and

local not-for-profit organizations to enter into a memorandum of understanding regarding the implementation of an approved plan. Subsection 5(d) prohibits the Council from establishing any confidentiality requirements with respect to the plan.

Section 6 provides for the implementation of approved integrated assistance plans. Subsection 6(a) provides that benefits under an eligible Federal assistance program shall be paid in accordance with an approved integrated assistance plan. Subsection 6(b) provides that the Council may waive any requirement applicable under an eligible Federal assistance program under an approved integrated assistance plan (other than Federal anti-discrimination laws) if the waiver is reasonably necessary for the implementation of the plan. Subsection 6(c) directs each Federal agency, to the extent permitted by law, to provide expedited processing, priority funding, and technical assistance to a local government with an approved integrated assistance plan. Subsection 6(d) provides for evaluation and termination of each approved integrated assistance plan. Subsection 6(e) permits the Council to extend the effective period of an approved integrated assistance plan and requires the local government to submit a final report on the plan within 45 days of the end of the period covered by the plan.

Section 7 provides for a Community Advisory Committee ("the Committee"). Subsection 7(a) requires a local government that is submitting an integrated assistance plan to establish a Committee. Subsection 7(b) sets forth the functions of the Committee. Subsection 7(c) describes the composition of the Committee, and subsection 7(d) requires a local government to submit its final proposed integrated assistance plan to the Committee for review and comment before submitting it to the Council.

Section 8 provides for Federal technical assistance to a community seeking to develop an integrated assistance plan. Subsection 8(a) authorizes the Council or the head of a Federal agency to provide technical assistance to a local government for developing an integrated assistance plan, and subsection 8(b) authorizes the staff of a Federal department to be detailed to the Council on a nonreimbursable basis.

Section 9 describes the composition and function of the Interagency Review Council. Subsection 9(a) says that the Council shall be comprised of the Secretaries of Agriculture, Commerce, Education, Health and Human Services, Housing and Urban Development, Interior, Labor, and Transportation; the Attorney General; the Administrator of the Environmental Protection Agency; and a chairperson to be appointed by the President. Subsection 9(b) sets forth the functions of the Council.

Section 10 defines the terms "approved integrated assistance

plan," "community advisory committee," "covered Federal assistance program," "eligible federal assistance program," "eligible local government," "Interagency Review Council," "integrated assistance plan," "local government," "low income," "priority funding," "qualified organization," and "State."

Section 11 provides for the termination and evaluation of this Act. Subsection 11(a) provides that this Act shall not be effective after five years after its enactment. Subsection 11(b) directs the General Accounting Office to submit to Congress, no later than four years after the date of enactment of the title, a report (including recommendations) on the effectiveness of this Act.

**DRAFT LANGUAGE FOR WAIVER FOR DISTRESSED COMMUNITIES**

(a) **IN GENERAL.** -- At the request of a governmental entity that (1) has applied for designation as an enterprise community or an empowerment zone pursuant to Subchapter C of Title XIII of the Omnibus Budget Reconciliation Act of 1993 or (2) has developed a strategic plan for the purpose of (i) revitalizing a community with pervasive poverty, unemployment, and general distress or (ii) revitalizing a community experiencing out-migration equal to a decrease in the population of an area (as determined by the most recent census data available) by 10 percent or more between 1980 and 1990, the Community Enterprise Board ("Board") may waive any provision of Federal law or regulation administered by any member of the Board (the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of Education, the Secretary of the Interior, the Secretary of Commerce, the Secretary of Transportation, the Secretary of Treasury, the Administrator of the Environmental Protection Agency, the Director of the Office on National Drug Control Policy, the Administrator of the Small Business Administration, or the Attorney General) where, unless prohibited by Section (b), "Limitations on Waivers":

(1) the Secretary charged with administering that provision of Federal law or regulation consents to the waiver;

(2) the Board determines that the public interest that would be served by granting the proposed waiver outweighs the public interest that would be served in adhering to the applicable statute or regulation if the proposed waiver is denied; and

(3) where the program involves the expenditure of Federal funds only, the Board finds that, if the waiver is granted, the funds will be spent solely in accordance with a plan that advances the purposes of that program.

(b) **LIMITATIONS ON WAIVERS.** -- The following limitations shall apply to the Board's waiver authority:

(1) The Board has no authority to waive any provision of Federal law or regulation that governs programs that would have the effect of directing Federal funds to enterprise communities or empowerment zones that could not have received the funds absent the waiver.

(2) The Board has no authority to waive (i) any provision of the Social Security Act or the Food Stamp Act that pertains to eligibility and benefits; (ii) any Federal law or regulation that pertains to public or individual health or safety, civil rights and non-discrimination, environmental protection, labor relations, labor standards, occupational health or safety,



pensions, taxation, banking standards; or (ii) any Federal law or regulation deemed non-waivable by the Attorney General.

(3) The Board has no authority to grant a request for a waiver where such waiver would have the effect of increasing direct Federal spending above levels that would have occurred in the absence of the waiver.

(c) **PROCEDURE.** -- Any Secretary who receives a request for a waivers under Section (a) shall forward the request to the Board and to the Secretary charged with administering the program for which the waiver is sought. The appropriate Secretary shall inform the requesting party of the disposition of the request for waiver.

(d) **REVOCATION.** -- The appropriate Secretary, in consultation with the Community Enterprise Board, may revoke a waiver where the governmental entity fails to comply with the authorized strategic plan, fails to achieve the benchmarks set forth in a strategic plan, and fails to spend the funds in accordance with the authorized plan. The Attorney General shall issue regulations setting forth the procedures for revocation under this Section.

(e) **IMPLEMENTATION.** -- In consultation with the Community Enterprise Board, the Attorney General shall, by notice jointly published in the **Federal Register**, establish such requirements as may be necessary to carry out the provisions of this Act. Such notice shall describe the criteria and procedures to be used by the Board in considering the waivers authorized by Section (a) of this Act.

(f) **SUNSET.** -- This section shall expire on September 30 of the first fiscal year that begins 4 years after the date of enactment.

COMMUNITY ENTERPRISE BOARD  
FEB. 2 MEETING: REVISED AGENDA

I. INTRODUCTORY REMARKS

II. THE EZ/EC APPLICATION PROCESS

A. THE APPLICATION PROCESS

B. WORKSHOPS: AGENCY & WHITE HOUSE PARTICIPATION

III. OTHER WORK OF BOARD

A. CONSOLIDATED STATE PLANS

B. WAIVERS

THE CONYERS' BILL  
LANGUAGE FROM ORIGINAL EMPOWERMENT ZONES  
PROVISION

IV. SUBCOMMITTEE ON INDIAN ECONOMIC DEVELOPMENT

V. FUTURE MEETINGS & AGENDA ITEMS

OPEN DISCUSSION

DRAFT LANGUAGE FOR WAIVER FOR DISTRESSED COMMUNITIES

(a) **IN GENERAL.** -- At the request of a governmental entity that (1) has applied for designation as an enterprise community or an empowerment zone pursuant to Subchapter C of Title XIII of the Omnibus Budget Reconciliation Act of 1993 or (2) has developed a strategic plan for the purpose of (i) revitalizing a community with pervasive poverty, unemployment, and general distress or (ii) revitalizing a community experiencing out-migration equal to a decrease in the population of an area (as determined by the most recent census data available) by 10 percent or more between 1980 and 1990, the Community Enterprise Board ("Board") may waive any provision of Federal law or regulation administered by any member of the Board (the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of Education, the Secretary of the Interior, the Secretary of Commerce, the Secretary of Transportation, the Secretary of Treasury, the Administrator of the Environmental Protection Agency, the Director of the Office on National Drug Control Policy, the Administrator of the Small Business Administration, or the Attorney General) where, unless prohibited by Section (b), "Limitations on Waivers":

(1) the Secretary charged with administering that provision of Federal law or regulation consents to the waiver;

(2) the Board determines that the public interest that would be served by granting the proposed waiver outweighs the public interest that would be served in adhering to the applicable statute or regulation if the proposed waiver is denied; and

(3) where the program involves the expenditure of Federal funds only, the Board finds that, if the waiver is granted, the funds will be spent solely in accordance with a plan that advances the purposes of that program.

(b) **LIMITATIONS ON WAIVERS.** -- The following limitations shall apply to the Board's waiver authority:

(1) The Board has no authority to waive any provision of Federal law or regulation that governs programs that would have the effect of directing Federal funds to enterprise communities or empowerment zones that could not have received the funds absent the waiver.

(2) The Board has no authority to waive (i) any provision of the Social Security Act or the Food Stamp Act that pertains to eligibility and benefits; (ii) any Federal law or regulation that pertains to public or individual health or safety, civil rights and non-discrimination, environmental protection, labor relations, labor standards, occupational health or safety,

pensions, taxation, banking standards; or (ii) any Federal law or regulation deemed non-waivable by the Attorney General.

(3) The Board has no authority to grant a request for a waiver where such waiver would have the effect of increasing direct Federal spending above levels that would have occurred in the absence of the waiver.

(c) **PROCEDURE.** -- Any Secretary who receives a request for a waivers under Section (a) shall forward the request to the Board and to the Secretary charged with administering the program for which the waiver is sought. The appropriate Secretary shall inform the requesting party of the disposition of the request for waiver.

(d) **REVOICATION.** -- The appropriate Secretary, in consultation with the Community Enterprise Board, may revoke a waiver where the governmental entity fails to comply with the authorized strategic plan, fails to achieve the benchmarks set forth in a strategic plan, and fails to spend the funds in accordance with the authorized plan. The Attorney General shall issue regulations setting forth the procedures for revocation under this Section.

(e) **IMPLEMENTATION.** -- In consultation with the Community Enterprise Board, the Attorney General shall, by notice jointly published in the **Federal Register**, establish such requirements as may be necessary to carry out the provisions of this Act. Such notice shall describe the criteria and procedures to be used by the Board in considering the waivers authorized by Section (a) of this Act.

(f) **SUNSET.** -- This section shall expire on September 30 of the first fiscal year that begins 4 years after the date of enactment.

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

February 1, 1994

MEMORANDUM FOR CAROL RASCO

FROM: Paul Weinstein

SUBJECT: Update on Community Enterprise Board Meeting

Tomorrow at 4:00 o'clock, the first Community Enterprise Board meeting will be held in the Vice President's Ceremonial Office. The Vice President will open the meeting with some introductory comments which will include a brief description of the program and the timetable for when the applications are due (six months from now). The Vice President will then ask you and Bob Rubin if you want to make any opening comments.

After the discussion of the application process, the Vice President will raise the issue of agency participation at the workshops. He will ask the Secretaries to attend these sessions. Because he knows you feel strongly about this issue, he may ask if you want to say something. As of yet, I am unaware of any commitments from the Secretaries about their attending these workshops, with the exceptions of Secretaries Espy and Cisneros, and ONDCP Director Lee Brown and Attorney General Janet Reno, who may be going to Los Angeles and Cleveland respectively. My understanding is that Espy will be going to Greenville, Miss. and possibly to West Virginia. The Vice President is going to the first workshop in Chicago and may go to others as well. You of course, also will be attending the workshop in Greenville. You may want to mention that the Domestic Policy Council (DPC) will be represented at each one of the workshops. As a related point, during today's DPC staff meeting Susan Stroud mentioned that while the Governors are very familiar with the National Service program, most Mayors are unaware of the program. I told her that Eli's attendance at one of the workshops would help get the National Service message out to Mayors. She is going to look into it.

The Vice President will then ask you to give a brief update on the proposed State consolidated plans from West Virginia and Indiana. After that the Vice President will announce that an Indian Economic Development Subgroup will be formed based on the structure proposed in Donsia's and Mike's memorandum.

The final and most contentious issue that the Board will discuss will be the issue of waiver legislation. As you know, when we introduced the empowerment zone legislation, it included broad waiver authority for designated zones and communities. This provision was unfortunately dropped in Congress. Representatives Conyers and Clinger have introduced the "Local Flexibility Act of 1993," which they claim they are going to markup in the

Government Operations Committee early this year. This bill would achieve some of the goals of our original legislation. Tomorrow, OMB will be sending a letter to Rep. Conyers stating our support of the intent of the Local Flexibility Act, but also suggesting substantive changes. Kumiki Gibson and I, under the Vice President's and your direction, have drafted legislation that would provide the Community Enterprise Board with broad waiver authority. We have talked to Senate staff who have indicated a willingness to include our legislation as part of a package of proposals to offer should Senator Kempthorne's unfunded mandate legislation come to the floor for consideration.

The issue that needs to be resolved at this meeting is whether or not the Administration should offer its own legislation, or if we should work with hill staffers on their proposals. The advantage of introducing our own legislation is that our approach is better than the Conyers/Clinger bill. However, to pass an Administration's waiver bill would require a great deal of effort on the part of the Administration and specifically the Vice President if it is going to pass this year.

One final issue concerns a proposal made by Secretary Reich which may come up in the meeting tomorrow. My understanding is that the Secretary wants to create a joint Labor/HHS council to issue waivers regarding workforce issues. Apparently, the Vice President wants to include that as a subgroup of the Community Enterprise Board. This would seem to make sense as long as the Board is only dealing with waivers and not the broader policy issue of human capital, which I understand is going to be handled by a joint DPC/NEC task force.