

111TH CONGRESS  
2D SESSION

# H. R. 6222

To establish the National Competition for Community Renewal to encourage communities to adopt innovative strategies and design principles to programs related to poverty prevention, recovery and response, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2010

Mr. MCGOVERN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and Labor and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To establish the National Competition for Community Renewal to encourage communities to adopt innovative strategies and design principles to programs related to poverty prevention, recovery and response, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “National Opportunity and Community Renewal Act”.

- 1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

Sec. 1. Short title; table of contents.  
 Sec. 2. Findings.  
 Sec. 3. Purposes.  
 Sec. 4. Definitions.

#### TITLE I—NATIONAL AND LOCAL OPPORTUNITY BOARDS

Sec. 101. National Opportunity Board.  
 Sec. 102. Local Opportunity Boards.

#### TITLE II—NATIONAL COMPETITION FOR COMMUNITY RENEWAL

Sec. 201. Establishment.  
 Sec. 202. Duration.  
 Sec. 203. Local opportunity funds.  
 Sec. 204. Grant awards.  
 Sec. 205. Waiver program.  
 Sec. 206. Tax incentives.  
 Sec. 207. Application and administration.

#### TITLE III—COMMUNITY RENEWAL INCENTIVES

Sec. 301. Community renewal savings.  
 Sec. 302. Community tax incentives.  
 Sec. 303. Renewal employer refundable credit.  
 Sec. 304. Unrelated business taxable income deduction.  
 Sec. 305. Qualified community renewal contribution.  
 Sec. 306. High school graduation tax credit.  
 Sec. 307. Modified new markets tax credit.  
 Sec. 308. Earned income tax credit.  
 Sec. 309. Community renewal bonds.  
 Sec. 310. Anti-corruption provision.

#### TITLE IV—COMPETITIONS FOR INNOVATION IN CLIENT ADVOCACY AND EVALUATION

Sec. 401. Client advocacy competition.  
 Sec. 402. Evaluation competition.

#### TITLE V—REPORT TO CONGRESS

Sec. 501. Report to Congress.

#### TITLE VI—AUTHORIZATION OF APPROPRIATIONS

Sec. 601. Authorization of appropriations.

### 3 **SEC. 2. FINDINGS.**

- 4 Congress makes the following findings:

1           (1) Recent data found that 43,600,000 Ameri-  
2           cans were living in poverty, with nearly 15,500,000  
3           children living in poverty.

4           (2) The 2009 Federal Poverty Level for a  
5           household of 4 was set at \$22,050.

6           (3) The Federal Government alone spends ap-  
7           proximately \$700,000,000,000 on poverty programs,  
8           with an additional \$200,000,000,000 expended by  
9           States.

10          (4) Poverty in America has changed remarkably  
11          since the last major transformative policy debate on  
12          the issue.

13          (5) The 1996 welfare reform bill ultimately did  
14          not create new systems nor did it drive market-based  
15          solutions.

16          (6) The economic downturn has exposed the  
17          weakness of poverty reduction programs that are not  
18          market-driven.

19          (7) Effective and meaningful investment in pov-  
20          erty prevention programs will result in greater effi-  
21          ciencies at the Federal level.

22   **SEC. 3. PURPOSES.**

23       It is the purpose of this Act to—

24           (1) establish a National Competition for Com-  
25          munity Renewal to allow eligible communities to

1 draw upon existing and supplemental resources to  
2 design and implement innovative poverty reduction  
3 and prevention programs;

4 (2) significantly reduce the number of people in  
5 America living in poverty while also reducing the  
6 total amount of Federal dollars spent on poverty re-  
7 duction;

8 (3) refocus poverty-related services toward an  
9 asset model that enables and supports each indi-  
10 vidual to reach his or her full potential; and

11 (4) encourage innovation in designing poverty  
12 reduction and prevention services and models in  
13 American communities, and to assess the successes  
14 and failures of innovative designs and non-tradi-  
15 tional service delivery models.

16 **SEC. 4. DEFINITIONS.**

17 In this Act:

18 (1) BOARD.—The term “Board” means the Na-  
19 tional Opportunity Board established under section  
20 101.

21 (2) ELIGIBLE AREA.—The term “eligible area”  
22 means a city, county, town, township, parish, village,  
23 or other general purpose political subdivision of a  
24 State, including the District of Columbia and insular

1 areas, that meets criteria to be established under  
2 this Act by the Board.

3 (3) HOLISTIC.—The term “holistic” means en-  
4 compassing health, education, labor, housing, justice  
5 and food.

6 (4) HUMAN DEVELOPMENT INDEX.—The term  
7 “Human Development Index” means a summary  
8 composite index that measures an area’s average  
9 achievements in 3 basic aspects of human develop-  
10 ment (health, knowledge, and a decent standard of  
11 living) and is currently calculated on a global scale  
12 by the United Nations Development Program and  
13 other organizations.

14 (5) LOCAL GOVERNING BODY.—The term “local  
15 governing body” means the executive office of any  
16 city, county, town, township, parish, village, or other  
17 general purpose political subdivision of a State, in-  
18 cluding the District of Columbia and insular areas.

19 (6) LOCAL OPPORTUNITY PLAN.—The term  
20 “Local Opportunity Plan” means a detailed spend-  
21 ing plan, to be developed by the Local Opportunity  
22 Board and submitted to the National Opportunity  
23 Board under guidelines to be established by the Na-  
24 tional Opportunity Board.

1           (7) NATIONAL COMPETITION.—The term “Na-  
2           tional Competition” means the National Competition  
3           for Community Renewal established under title II.

4           (8) PROGRAM PERIOD.—The term “program  
5           period” means a period of 5 years, beginning on the  
6           date of the selection of an eligible area by the  
7           Board.

8           (9) QUALIFIED AREA.—The term “qualified  
9           area” means an eligible area that has been approved  
10          under the National Competition by the Board.

11          (10) QUALIFIED MILITARY INSTALLATION.—  
12          The term “qualified military installation” means any  
13          military installation or facility the number of mem-  
14          bers of the Armed Forces of the United States as-  
15          signed to which, as of the date of enactment of this  
16          Act, is not less than 1,000.

17          (11) RESPONSIBLE LOCAL OFFICIAL.—The  
18          term “responsible local official” means the local offi-  
19          cial appointed by the Local Opportunity Board to  
20          administer the funds in the local opportunity fund  
21          for the qualified area involved. Such official shall be  
22          so appointed if such official is responsible for admin-  
23          istering the majority of funding under the waived  
24          programs specified under section 203(b)(2)(B) for  
25          the area involved.

1           (12) RURAL AREA.—The term “rural area”  
2       means an eligible area within a public use microdata  
3       area that meets the definition of “rural area” as de-  
4       termined by the Census Bureau for the most recent  
5       Census for which data is available.

6       **TITLE I—NATIONAL AND LOCAL**  
7       **OPPORTUNITY BOARDS**

8       **SEC. 101. NATIONAL OPPORTUNITY BOARD.**

9           (a) ESTABLISHMENT.—There is established a bipar-  
10      tisan, independent entity to be known as the “National  
11      Opportunity Board” to develop and administer the Na-  
12      tional Competition.

13          (b) COMPOSITION.—The Board shall be composed of  
14      7 members, of which—

15           (1) 1 member shall be the President’s Domestic  
16      Policy Advisor;

17           (2) 1 member shall be appointed by the Presi-  
18      dent in consultation with the Majority and Minority  
19      leaders of the House of Representatives and the  
20      Senate, who shall serve as the Chair of the Board;

21           (3) 1 member shall be appointed by the Minor-  
22      ity Leader of the Senate in consultation with the Mi-  
23      nority Leader of the House of Representatives, who  
24      shall serve as the Vice-Chair of the Board;

1           (4) 1 member shall be appointed by the senior  
2 Democratic member of the Senate leadership;

3           (5) 1 member shall be appointed by the senior  
4 Republican member of the Senate leadership;

5           (6) 1 member shall be appointed by the senior  
6 Democratic member of the House of Representatives  
7 leadership; and

8           (7) 1 member shall be appointed by the senior  
9 Republican member of the House of Representatives  
10 leadership.

11       (c) APPOINTMENTS.—The members appointed to the  
12 Board under subsection (b) shall, to the extent practicable,  
13 include—

14           (1) representatives of non-profit organizations;

15           (2) members of the poverty reduction advocacy  
16 community;

17           (3) experts in the area of philanthropic giving;  
18 and

19           (4) members with experience relative to local  
20 government administration.

21       (d) EX OFFICIO MEMBERS.—

22           (1) IN GENERAL.—The following individuals or  
23 their designees shall serve as ex officio members of  
24 the Board:



1 (A) The Secretary of Health and Human  
2 Services;

3 (B) The Secretary of Commerce;

4 (C) The Secretary of Housing and Urban  
5 Development;

6 (D) The Secretary of Labor;

7 (E) The Secretary of Agriculture; and

8 (F) The Attorney General.

9 (2) LIMITATIONS.—Ex officio members of the  
10 board shall—

11 (A) not have a vote with respect to the ac-  
12 tivities of the Board; and

13 (B) be required to attend all meetings of  
14 the Board.

15 (3) DESIGNEES.—An individual who is not at  
16 least an Assistant Secretary may not be designated  
17 to serve as an ex officio member of the Board under  
18 paragraph (1).

19 (e) DISMISSAL, QUORUM, VACANCIES.—

20 (1) IN GENERAL.—Each member of the Board  
21 appointed under subsection (b) shall serve for a term  
22 of 6 years, except that—

23 (A) a member of the Board may be re-  
24 moved by a unanimous vote of all remaining

1 voting members of the Board, and only for  
2 cause;

3 (B) if an individual is appointed to fill a  
4 vacancy occurring prior to the expiration of the  
5 term of the individual's predecessor, that indi-  
6 vidual shall serve only for the remainder of the  
7 predecessor's term; and

8 (C) any such appointment to fill a vacancy  
9 shall be made within 60 days after the vacancy  
10 occurs and shall be made in the same manner  
11 in which the original appointment was made.

12 (2) QUORUM.—A majority of the members of  
13 the Board appointed under subsection (b) shall con-  
14 stitute a quorum to conduct business.

15 (3) MEETINGS.—The Board shall meet at the  
16 call of the Chair or a majority of the members ap-  
17 pointed under subsection (b), and commence oper-  
18 ations as soon as practicable and after its initial  
19 meeting.

20 (f) DUTIES.—

21 (1) GUIDELINES FOR THE NATIONAL COMPETI-  
22 TION.—The Board shall design and establish written  
23 guidelines for establishing and implementing the Na-  
24 tional Competition, including the following:

1 (A) Criteria for establishing eligible areas,  
2 including—

3 (i) to the extent practicable, the use  
4 by the Board of the Human Development  
5 Index or the Supplemental Poverty Meas-  
6 urement to be established by the Census  
7 Bureau as a criteria for determining eligi-  
8 ble areas; and

9 (ii) the demonstrated ability of a  
10 Local Opportunity Board to provide local  
11 matching funds as established under sec-  
12 tion 204(e).

13 (B) Application requirements to enable eli-  
14 gible areas to apply for grants and other assist-  
15 ance under the National Competition, including  
16 the design and content of the Local Oppor-  
17 tunity Plan, as described in subsection  
18 102(d)(1).

19 (C) Criteria for evaluating applications  
20 submitted under the National Competition.

21 (D) Eligible program development costs.

22 (E) Criteria for accountability measures  
23 for eligible areas selected to participate in the  
24 National Competition.

1 (F) Reporting requirements for eligible  
2 areas selected to participate in the National  
3 Competition.

4 (2) RULEMAKING.—The Board shall have the  
5 authority to promulgate regulations for establish-  
6 ment and administration of the National Competi-  
7 tion.

8 (3) ADMINISTRATION OF NATIONAL COMPETI-  
9 TION.—The Board shall administer the National  
10 Competition, including—

11 (A) awarding funding and waivers to eligi-  
12 ble areas based on developed criteria; and

13 (B) evaluating the performance of partici-  
14 pating eligible areas in accordance with this  
15 section.

16 (4) EVALUATIONS.—

17 (A) IN GENERAL.—Not later than 3 years  
18 after the date of enactment of this Act, and an-  
19 nually thereafter, the Local Opportunity Board  
20 shall submit to the National Opportunity Board  
21 a comprehensive report on the implementation  
22 of a spending plan as described in section  
23 102(d)(1)(A).

24 (B) CANCELLATION OF AWARD.—Based on  
25 information received in the report under sub-

1 paragraph (A), the National Opportunity Board  
2 may revoke funding and access to benefits pro-  
3 vided under title II if the Board determines  
4 that—

5 (i) the Local Opportunity Board of  
6 the qualified area fails to provide the infor-  
7 mation required under subparagraph (A),  
8 or the information provided by the chief  
9 elected official is inadequate;

10 (ii) the Local Opportunity Board of  
11 the qualified area failed to comply with the  
12 provisions established under the Local Op-  
13 portunity Plan as established under section  
14 102(d)(1); or

15 (iii) the Local Opportunity Board of  
16 the qualified area failed to meet any addi-  
17 tional criteria to be established by the Na-  
18 tional Opportunity Board.

19 (C) REPAYMENT OF AMOUNTS.—The Na-  
20 tional Opportunity Board may, in accordance  
21 with this subsection, require a qualified area to  
22 repay any amounts that were not expended by  
23 the qualified area in accordance with the Local  
24 Opportunity Plan as established under section

102(d)(1), and any such funds shall be returned to the general fund of the Treasury.

(D) GUIDELINES.—The National Opportunity Board shall establish guidelines for the conduct of an independent audit, after the second program year, of any qualified area participating in the National Competition. Such guidelines shall require that the qualified area be audited in accordance with generally accepted auditing standards by independent certified public accountants and that all books, accounts, financial records, reports, and files necessary to facilitate the audits shall be made available to the person or persons conducting the audits.

(g) PERSONNEL MATTERS.—

(1) COMPENSATION AND EXPENSES.—

(A) IN GENERAL.—Except as provided in this paragraph, a member of the Board shall serve without compensation.

(B) TRAVEL EXPENSES.—Each member of the Board shall be reimbursed for travel and per diem in lieu of subsistence expenses during the performance of duties of the Board while away from home or his or her regular place of business, in accordance with applicable provi-

1           sions under subchapter I of chapter 57 of title  
2           5, United States Code.

3           (C) FEDERAL EMPLOYEES.—A member of  
4           the Board who is an officer or employee of the  
5           Federal Government shall serve without com-  
6           pensation in addition to the compensation re-  
7           ceived for the services of the member as an offi-  
8           cer or employee of the Federal Government.

9           (2) STAFF.—Subject to such rules as the Board  
10          may prescribe, the Chair of the Board, without re-  
11          gard to the provisions of title 5, United States Code,  
12          governing appointments in the competitive service,  
13          and without regard to the provisions of chapter 51  
14          and subchapter III of chapter 53 of such title (relat-  
15          ing to classification and General Schedule pay  
16          rates), may appoint and fix the pay of a staff direc-  
17          tor and such other personnel as may be necessary to  
18          enable the Board to carry out its functions; except  
19          that no rate of pay fixed under this subsection may  
20          exceed the maximum rate of basic pay payable for  
21          GS–15 of the General Schedule.

22          (3) STAFF OF FEDERAL AGENCIES.—Upon re-  
23          quest of the Chair of the Board, the head of any de-  
24          partment or agency described under section 101(d)  
25          may detail, on a non-reimbursable basis, any of the

1 personnel of that department or agency to the Board  
2 to assist it in carrying out its functions under this  
3 Act.

4 (h) AUTHORIZATION OF APPROPRIATIONS.—For the  
5 purposes of carrying out this section, there are authorized  
6 to be appropriated \$1,000,000 for fiscal year 2011, and  
7 \$2,500,000 each of fiscal years 2012 through 2016.

8 **SEC. 102. LOCAL OPPORTUNITY BOARDS.**

9 (a) ESTABLISHMENT.—To be eligible to receive funds  
10 under this Act, the chief elected official of an eligible area  
11 shall establish a Local Opportunity Board.

12 (b) COMPOSITION.—The Local Opportunity Board  
13 shall consist of not more than 5 members, to be appointed  
14 by the chief elected official of the eligible area, and shall  
15 include representatives of—

16 (1) State government;

17 (2) non-elected community leaders, particularly  
18 those providing poverty-related services, including  
19 advocates and experts; and

20 (3) the head of the lead agency (or his or her  
21 designee) in one or more of the following programs  
22 operating in the eligible area—

23 (A) health programs;

24 (B) labor programs;

25 (C) housing programs;



1 (D) agriculture programs;

2 (E) justice programs; or

3 (F) commerce programs.

4 (c) CHAIR.—The members of the Local Opportunity  
5 Board shall select a Chair form among such members.

6 (d) DUTIES.—The Local Opportunity Board shall—

7 (1) develop and submit to the Board a Local  
8 Opportunity Plan, that at a minimum includes—

9 (A) a detailed spending plan for any funds  
10 approved under the National Competition by  
11 the Board;

12 (B) a description of how the spending plan  
13 meets the criteria listed for grant eligibility as  
14 defined by the Board and including the criteria  
15 listed in section 205(a);

16 (C) a description of coordination with  
17 other Federal, State, and local government as-  
18 sistance programs available in the jurisdiction  
19 in which the eligible area is located; and

20 (D) any other elements as required by the  
21 Board;

22 (2) submit an application (including the Local  
23 Opportunity Plan), pursuant to guidelines estab-  
24 lished by the Board, to the Board for approval; and

1           (3) establish a reporting system, as described in  
2           section 101(f)(1)(F), through which the Chair of the  
3           Local Opportunity Board shall report to the Na-  
4           tional Opportunity Board in compliance with that  
5           subsection.

6   **TITLE II—NATIONAL COMPETI-**  
7   **TION FOR COMMUNITY RE-**  
8   **NEWAL**

9   **SEC. 201. ESTABLISHMENT.**

10          The Board shall develop and publish guidelines for  
11          the establishment of the National Competition for Com-  
12          munity Renewal to provide for the awarding of competitive  
13          grants, targeted waivers, and targeted tax incentives.

14   **SEC. 202. DURATION.**

15          The National Competition shall be effective beginning  
16          with the first fiscal year that begins after the date of en-  
17          actment of this Act and ending after the fifth such fiscal  
18          year.

19   **SEC. 203. LOCAL OPPORTUNITY FUNDS.**

20          (a) ESTABLISHMENT.—To be eligible to receive as-  
21          sistance under this Act, the Local Opportunity Board for  
22          the qualified area shall—

- 23                  (1) establish a local opportunity fund; and  
24                  (2) otherwise comply with the requirements of  
25          this section.

1 (b) AMOUNTS IN FUND.—

2 (1) IN GENERAL.—Prior to awarding a grant to  
3 a qualified area under section 204, the Local Oppor-  
4 tunity Board of the qualified area shall have estab-  
5 lished a local opportunity fund.

6 (2) DEPOSITS.—There shall be deposited into  
7 the local opportunity fund the following:

8 (A) Any funds provided to the qualified  
9 area under the grant program established under  
10 section 204.

11 (B) Funds made available for use during  
12 the program period in the qualified area under  
13 the following:

14 (i) The Community Services Block  
15 Grant Act (42 U.S.C. 9901 et seq.).

16 (ii) The Head Start Act (42 U.S.C.  
17 9831 et seq.).

18 (iii) The Low-Income Home Energy  
19 Assistance Act of 1981 (42 U.S.C. 8621 et  
20 seq.).

21 (iv) The supplemental nutrition assist-  
22 ance program under the Richard B. Rus-  
23 sell National School Lunch Act (7 U.S.C.  
24 2011 et seq.).

1 (v) The Weatherization Assistance for  
2 Low-Income Persons Program under the  
3 Energy Conservation and Production Act  
4 (42 U.S.C. 6861 et seq.).

5 (vi) The Jobs Corps program under  
6 subtitle C of title I of the Workforce In-  
7 vestment Act of 1998 (29 U.S.C. 2881 et  
8 seq.).

9 (vii) The Temporary Assistance to  
10 Needy Families Program under title IV of  
11 the Social Security Act (42 U.S.C. 601 et  
12 seq.).

13 (viii) The Workforce Investment Act  
14 of 1998 (29 U.S.C. 2801 et seq.).

15 (C) Any matching funds provided by the  
16 qualified area.

17 (c) ACCOUNTING REGULATIONS.—The Board shall  
18 promulgate regulations with respect to accounting for the  
19 amounts in the local opportunity funds established under  
20 subsection (a).

21 (d) USE OF FUNDS.—The responsible local official  
22 shall have a fiduciary responsibility to administer funds  
23 in the local opportunity fund established under subsection  
24 (a)—

1           (1) in accordance with the Local Opportunity  
2       Plan (as approved by the Board); and,

3           (2) notwithstanding the provisions of law re-  
4       ferred to in subsection (b)(2)(B).

5       (e) STATE FUNDS.—The Local Opportunity Plan de-  
6       scribed in section 102(d)(1) shall provide satisfactory as-  
7       surance that Federal funds and assistance made available  
8       under this title shall not be comingled with State funds,  
9       except as provided for under subsection (b)(2)(C).

10   **SEC. 204. GRANT AWARDS.**

11       (a) AUTHORIZATION.—The Board shall award com-  
12       petitive grants to qualified areas that meet criteria to be  
13       established by the Board.

14       (b) ADMINISTRATION.—Amount made available  
15       under a grant under this section to a qualified area shall  
16       be deposited in the local opportunity fund established by  
17       the chief elected official for the qualified area.

18       (c) AMOUNT.—The amount of a grant under this sec-  
19       tion shall not exceed \$10,000,000.

20       (d) USE OF AMOUNTS.—The responsible local official  
21       shall have a fiduciary responsibility to administer funds  
22       in accordance with the priorities established in the Local  
23       Opportunity Plan by the Local Opportunity Board and ap-  
24       proved by the National Opportunity Board.

25       (e) MATCHING FUND.—

1           (1) IN GENERAL.—The Board may require a  
2       qualified area to provide non-Federal matching  
3       funds with respect to grants awarded under this sec-  
4       tion, except that the amount of any matching re-  
5       quirements shall not exceed the amount of the grant  
6       award.

7           (2) SLIDING SCALE.—The amount of matching  
8       funds required under paragraph (1) shall be estab-  
9       lished based on a sliding scale that takes into ac-  
10      count—

11                   (A) the poverty of the population to be tar-  
12                   geted by the qualified entity; and

13                   (B) the ability of the qualified entity to ob-  
14                   tain such matching funds.

15           (3) IN-KIND CONTRIBUTIONS.—The Board shall  
16       permit qualified areas to comply with a matching re-  
17       quirement under paragraph (2) in whole or in part  
18       with in-kind contributions, including administrative  
19       expenses.

20   **SEC. 205. WAIVER PROGRAM.**

21           (a) ESTABLISHMENT.—The Board shall develop and  
22       publish guidelines to provide for a waiver of the applica-  
23       tion of any or all of the provisions of law described in sub-  
24       section (c), with respect to a qualified area under the Na-  
25       tional Competition.

1 (b) AUTHORIZATION.—The Board shall grant a waiv-  
2 er to a qualified areas that has been selected by the Board  
3 as a winner under the National Competition.

4 (c) PROVISIONS OF LAW TO BE WAIVED.—The pro-  
5 visions of law described in this subsection are the fol-  
6 lowing:

7 (1) The Community Services Block Grant Act  
8 (42 U.S.C. 9901 et seq.).

9 (2) The Head Start Act (42 U.S.C. 9831 et  
10 seq.).

11 (3) The Low-Income Home Energy Assistance  
12 Act of 1981 (42 U.S.C. 8621 et seq.).

13 (4) The supplemental nutrition assistance pro-  
14 gram under the Richard B. Russell National School  
15 Lunch Act (7 U.S.C. 2011 et seq.).

16 (5) The Weatherization Assistance for Low-In-  
17 come Persons Program under the Energy Conserva-  
18 tion and Production Act (42 U.S.C. 6861 et seq.).

19 (6) The Jobs Corps program under subtitle C  
20 of title I of the Workforce Investment Act of 1998  
21 (29 U.S.C. 2881 et seq.).

22 (7) The Temporary Assistance to Needy Fami-  
23 lies Program under title IV of the Social Security  
24 Act (42 U.S.C. 601 et seq.).

1 (8) The Workforce Investment Act of 1998 (29  
2 U.S.C. 2801 et seq.).

3 (d) HOLD HARMLESS.—Notwithstanding any other  
4 provision of law, the amount received by an individual  
5 under this Act in any program year shall not be less than  
6 the amount that individual would otherwise have received  
7 under any provision of law described in subsection (c) dur-  
8 ing such year.

9 **SEC. 206. TAX INCENTIVES.**

10 A qualified area that is selected to participate in the  
11 National Competition by the Board shall be eligible for  
12 targeted tax incentives as established under title III.

13 **SEC. 207. APPLICATION AND ADMINISTRATION.**

14 (a) DESIGN PRINCIPLES.—In approving an applica-  
15 tion for participation in the National Competition under  
16 this title, the Board may give preference to eligible areas  
17 that include the creation of an individual opportunity plan  
18 (as described in subsection (b)) as well as the following  
19 design principles as contained in the Local Opportunity  
20 Plan (as established in section 102(d)(1)):

21 (1) Basing poverty reduction and prevention  
22 services on the Human Development Index as a  
23 measure of the level of poverty for individuals and  
24 households.



1           (2) A model of poverty reduction and preven-  
2           tion that includes the varying levels of service for in-  
3           dividuals and is adjusted to reflect the needs of indi-  
4           viduals and households at different stages of pov-  
5           erty. The different levels of service may be struc-  
6           tured to reflect the following levels of assistance:

7                   (A) For low-income individuals and fami-  
8           lies requiring services to prevent reliance on  
9           more expensive government programs, services  
10          shall focus on intervention, including such serv-  
11          ices as mortgage assistance, debt relief, housing  
12          and voucher assistance, and job development  
13          and placement.

14                  (B) For low-income individuals and fami-  
15          lies currently relying on at least one govern-  
16          ment program for basic needs such as food or  
17          housing, services shall be tailored to meet spe-  
18          cific needs identified in a unique individual op-  
19          portunity plan adopted by intensive client advo-  
20          cacy.

21                  (C) For individuals at or below the Federal  
22          Poverty Guidelines, the continued provision of  
23          long term services shall be made available.

24           (3) An individual opportunity plan (as provided  
25          for in subsection (b)).

1           (4) Intensive client advocacy, as defined in  
2       guidelines to be developed and published by the  
3       Board.

4           (5) Detailed evaluation practices, as defined in  
5       guidelines to be developed and published by the  
6       Board.

7       (b) INDIVIDUAL OPPORTUNITY PLANS.—The Board  
8       shall develop and publish guidelines for the establishment  
9       of individual opportunity plans, which, at a minimum shall  
10      consist of—

11           (1) an assessment of the unique strengths and  
12      needs of the individual and the identification of serv-  
13      ices appropriate to meet such needs; and

14           (2) a written individualized opportunity plan  
15      developed by a multidisciplinary team, including a  
16      description of measurable results and outcomes ex-  
17      pecting to be achieved as a result of implementation  
18      of the plan.

19       (c) PARTICIPATION IN NATIONAL COMPETITION.—  
20      The Board shall select a total of 10 qualified areas for  
21      participation in the National Competition. Such areas  
22      shall include—

23           (1) not less than 3 rural areas as defined by  
24      this Act; and,

1           (2) not less than 1 qualified area that is located  
2           in a county in which a qualified military installation  
3           or a county adjacent to a qualified military installa-  
4           tion is located.

5                   **TITLE III—COMMUNITY**  
6                   **RENEWAL INCENTIVES**

7   **SEC. 301. COMMUNITY RENEWAL SAVINGS.**

8           (a) IN GENERAL.—Each Local Opportunity Board  
9           shall implement a method to calculate the community re-  
10          newal savings achieved through the implementation of its  
11          Local Opportunity Plan.

12          (b) COMMUNITY RENEWAL SAVINGS.—For the pur-  
13          poses of this Act, the term “community renewal savings”  
14          means the present dollar value of the total Federal and  
15          State funds directly or indirectly saved by the Local Op-  
16          portunity Board for individuals successfully assisted  
17          through the Local Opportunity Plan.

18          (c) FACTORS.—The community renewal savings shall  
19          be measured by criteria identified by the Local Oppor-  
20          tunity Board in valuing the effectiveness of each program  
21          in the Local Opportunity Plan, but shall include the fol-  
22          lowing:

23                (1) Present dollar value of increasing the in-  
24                come of an individual successfully assisted by a  
25                Local Opportunity Plan.

1           (2) Present dollar value of an individual grad-  
2       uating high school.

3           (3) Funds expended by the jurisdiction to assist  
4       an individual in each Local Opportunity Plan.

5           (4) Funds expended if an individual does not  
6       graduate high school.

7       (d) ALLOCATION.—The community renewal savings  
8       of a Local Opportunity Board shall be allocated as fol-  
9       lowing:

10           (1) 50 percent to reduce the public deficit.

11           (2) 25 percent to fund community tax incen-  
12       tives.

13           (3) 25 percent to fund, reinvest in, and expand  
14       programs and services under this Act.

15       (e) PROGRAM COST-BENEFIT RATIO.—Each Local  
16       Opportunity Board shall calculate the program cost-ben-  
17       efit ratio for each program under the Local Opportunity  
18       Plan, which shall be the ratio of—

19           (1) the cost of the program measured by dol-  
20       lars; over

21           (2) the benefit of the program expressed in dol-  
22       lars.

23       (f) EXAMPLE.—The program cost-benefit ratio of a  
24       job training program is equal to the cost of the program  
25       in dollars over the amount the program raises the earnings

1 of the enrollee during his or her lifetime, taking into ac-  
2 count what the individual would have earned without the  
3 job training program using local job market data.

4 **SEC. 302. COMMUNITY TAX INCENTIVES.**

5 (a) IN GENERAL.—A dollar amount equal to 25 per-  
6 cent of the community renewal savings shall be allocated  
7 to the community tax incentives.

8 (b) COMMUNITY TAX INCENTIVES.—The community  
9 tax incentives shall consist of the following:

- 10 (1) Renewal employer refundable credit.
- 11 (2) Unrelated business taxable income deduc-  
12 tion.
- 13 (3) Qualified community renewal contribution.
- 14 (4) High school graduation tax credit.
- 15 (5) Modified new markets tax credit.
- 16 (6) Community renewal bonds.

17 **SEC. 303. RENEWAL EMPLOYER REFUNDABLE CREDIT.**

18 (a) IN GENERAL.—In the case of any taxable year  
19 during the program period, there shall be allowed a cur-  
20 rent year business credit in the amount of \$3,000 under  
21 section 38(b) of the Internal Revenue Code of 1986, with  
22 respect to each retained worker employed by a qualified  
23 opportunity employer with respect to which subsection  
24 (b)(4) is first satisfied during such taxable year.

1 (b) RETAINED WORKER.—For purposes of this sec-  
2 tion, the term “retained worker” means any individual—

3 (1) whose principal place of abode is within the  
4 qualified area;

5 (2) substantially all of the services performed  
6 by such individual during the taxable year are ren-  
7 dered within the qualified area;

8 (3) who begins employment with a qualified op-  
9 portunity employer after the commencement of the  
10 program period;

11 (4) who certifies by signed affidavit, under pen-  
12 alties of perjury, that such individual has not been  
13 employed for more than 40 hours during the 90-day  
14 period ending on the date such individual begins  
15 such employment;

16 (5) who is not employed by the qualified oppor-  
17 tunity employer to replace another employee of such  
18 employer unless such other employee separated from  
19 employment voluntarily or for cause;

20 (6) who is not an individual described in section  
21 51(i)(1) of the Internal Revenue Code of 1986 (ap-  
22 plied by substituting “qualified opportunity em-  
23 ployer” for “taxpayer” each place that term ap-  
24 pears);

1           (7) who was employed by the qualified oppor-  
2           tunity employer on any date during the taxable year;

3           (8) who was so employed by the qualified op-  
4           portunity employer for a period of not less than 52  
5           consecutive weeks;

6           (9) whose wages (as defined in section 3401(a)  
7           of the Internal Revenue Code of 1986) for such em-  
8           ployment during the last 26 weeks of such period  
9           equaled at least 110 percent of such wages for the  
10          first 26 weeks of such period; and

11          (10) who receives health benefits at least equal  
12          to essential health benefits, as defined under section  
13          1302 of the Patient Protection and Affordable Care  
14          Act.

15          (c) QUALIFIED OPPORTUNITY EMPLOYER.—

16           (1) IN GENERAL.—For purposes of this section,  
17          the term “qualified opportunity employer” means  
18          any employer—

19           (A) having a place of business in the quali-  
20          fied area;

21           (B) subject to remit withholding and em-  
22          ployment taxes to the United States; and

23           (C) designated by the Local Opportunity  
24          Board, at its sole discretion, as a qualified op-  
25          portunity employer based on its hiring stand-

1           ards, employee benefits, and employee retention  
2           statistics.

3           (2) TYPES OF QUALIFIED OPPORTUNITY EM-  
4           PLOYERS.—A qualified opportunity employer in-  
5           cludes any person employing individuals within the  
6           qualified area as long as such person meets the re-  
7           quirements under paragraph (1) and is not limited  
8           to persons subject to income tax under subpart A of  
9           the Internal Revenue Code of 1986.

10          (d) LIMITATION ON CARRYBACKS.—No portion of the  
11       unused credit under section 38 of the Internal Revenue  
12       Code of 1986 for any taxable year which is attributable  
13       to the increase in the current year business credit under  
14       this section may be carried to a taxable year beginning  
15       before the date of the enactment of this section.

16       **SEC. 304. UNRELATED BUSINESS TAXABLE INCOME DEDUC-**  
17                               **TION.**

18          (a) IN GENERAL.—In the case of any taxable year  
19       during the program period, there shall be allowed a deduc-  
20       tion under section 512(a) of the Internal Revenue Code  
21       of 1986 equal to the amount of 25 percent for any commu-  
22       nity renewal expenditure during such taxable year.

23          (b) COMMUNITY RENEWAL EXPENDITURE.—For  
24       purposes of this section, the term “community renewal ex-  
25       penditure” means an expenditure made by a qualified op-



1 opportunity organization in furtherance of a qualified oppor-  
2 tunity program or service.

3 (c) QUALIFIED OPPORTUNITY ORGANIZATION.—For  
4 purposes of this section, the term “qualified opportunity  
5 organization” means an organization—

6 (1) which is described in section 501(c)(3) of  
7 the Internal Revenue Code of 1986 and is exempt  
8 from tax under section 501(a) of such Code (other  
9 than a private foundation, as defined in section  
10 509(a) of such Code, which is not an operating foun-  
11 dation, as defined in section 4942(j)(3) of such  
12 Code); and

13 (2) is designated by the Local Opportunity  
14 Board as being an eligible recipient of qualified com-  
15 munity renewal contributions based on the programs  
16 and services it proposes to offer in furtherance of  
17 the Local Opportunity Plan.

18 (d) QUALIFIED OPPORTUNITY PROGRAM OR SERV-  
19 ICE.—For purposes of this section, the term “qualified op-  
20 portunity program or service” means a program or service  
21 conducted by a qualified opportunity organization that is  
22 designated by the Local Opportunity Board as contrib-  
23 uting importantly in accomplishing the Local Opportunity  
24 Plan.

1 **SEC. 305. QUALIFIED COMMUNITY RENEWAL CONTRIBU-**  
 2 **TION.**

3 (a) IN GENERAL.—In the case of any taxable year  
 4 during the program period, there shall be allowed a chari-  
 5 table contribution deduction under section 170(a) of the  
 6 Internal Revenue Code of 1986 equal to the amount of  
 7 120 percent of any qualified community renewal contribu-  
 8 tion donated during such taxable year.

9 (b) QUALIFIED COMMUNITY RENEWAL CONTRIBU-  
 10 TION.—For purposes of this section, the term qualified  
 11 “community renewal contribution” means a charitable  
 12 contribution of property described in section 170(c) of the  
 13 Internal Revenue Code of 1986, by an individual or cor-  
 14 poration to a qualified opportunity organization (as de-  
 15 fined in section 304(c)).

16 (c) INCREASED CHARITABLE CONTRIBUTION DEDUC-  
 17 TION LIMITATION.—For the purposes of this section, sec-  
 18 tion 170 of the Internal Revenue Code of 1986 is ap-  
 19 plied—

20 (1) in the flush language of subsection  
 21 (b)(1)(A), by substituting “75 percent” for “50 per-  
 22 cent”; and

23 (2) in subsection (b)(2)(A), by substituting “15  
 24 percent” for “10 percent”.

25 (d) EXCLUSION FROM ALTERNATIVE MINIMUM TAX-  
 26 ABLE INCOME.—In any taxable year during which a quali-

1 fied community renewal contribution is properly claimed  
 2 or carried over, the amount of such qualified community  
 3 renewal contribution shall not be included in limiting the  
 4 claimant's total itemized deductions under the Internal  
 5 Revenue Code of 1986 (other than under subsection (c))  
 6 and shall be excluded from the claimant's calculation of  
 7 alternative minimum taxable income under such Code.

8 **SEC. 306. HIGH SCHOOL GRADUATION TAX CREDIT.**

9 (a) IN GENERAL.—In the case of any taxable year  
 10 during the program period, there shall be allowed to any  
 11 eligible graduate or any taxpayer claiming an eligible grad-  
 12 uate as a dependent a credit against tax imposed by sub-  
 13 title A of the Internal Revenue Code of 1986 of a high  
 14 school graduation tax credit in the amount of \$500.

15 (b) ELIGIBLE GRADUATE.—For the purposes of this  
 16 section, the term “eligible graduate” means any individual  
 17 who graduates from a qualified opportunity school.

18 (c) QUALIFIED OPPORTUNITY SCHOOL.—For the  
 19 purposes of this section, the term “qualified opportunity  
 20 school” means—

21 (1) a secondary school located in the qualified  
 22 area that includes grade 12; and

23 (2) is designated by the Local Opportunity  
 24 Board as a qualified opportunity school based on

1 certain predetermined criteria, such as the average  
2 graduation rate.

3 (d) NO LIMITATION.—The high school graduation  
4 tax credit shall be considered a refundable tax credit under  
5 the Internal Revenue Code of 1986 and is allowable based  
6 solely on the requirements stated in this section.

7 **SEC. 307. MODIFIED NEW MARKETS TAX CREDIT.**

8 (a) IN GENERAL.—In the case of any taxable year  
9 during the program period, the term “low-income commu-  
10 nity” as defined in section 45D of the Internal Revenue  
11 Code of 1986 shall include the area within a qualified  
12 area.

13 (b) QUALIFIED EQUITY INVESTMENT.—A qualified  
14 equity investment made pursuant to section 45D of the  
15 Internal Revenue Code of 1986 in a qualified area in ac-  
16 cordance with subsection (a) shall qualify as such at the  
17 time of investment and shall not fail to be considered a  
18 qualified equity investment upon termination of the Na-  
19 tional Competition for Community Renewal.

20 **SEC. 308. EARNED INCOME TAX CREDIT.**

21 (a) IN GENERAL.—In the case of any taxable year  
22 during the program period, the Local Opportunity Board  
23 may submit to the National Opportunity Board revisions  
24 to section 32 of the Internal Revenue Code of 1986 that  
25 modify the eligibility or percentage requirements, or both,

1 of the earned income tax credit allowable to individuals  
2 residing in the qualified area.

3 (b) ADOPTION.—The National Opportunity Board, in  
4 its sole discretion, may approve all or part of the modifica-  
5 tions to the earned income tax credit by the Local Oppor-  
6 tunity Board. The National Opportunity Board shall base  
7 its decision to approve the Local Opportunity Board’s pro-  
8 posed revisions to the earned income tax credit on com-  
9 prehensive data presented to the National Opportunity  
10 Board that the proposed revisions will better serve the in-  
11 dividuals residing in the qualified area.

12 (c) TERMINATION.—At the end of the program pe-  
13 riod, any revisions made to the earned income tax credit  
14 requirements under the authority granted in this section  
15 shall terminate and individuals residing in the qualified  
16 area shall be subject to the provisions as stated in section  
17 32 of the Internal Revenue Code of 1986.

18 (d) REPORTS.—By the end of each subsequent year  
19 following a taxable year of the program period, the Local  
20 Opportunity Board shall report to the National Oppor-  
21 tunity Board the number of persons filing and the amount  
22 of credit allowed under the approved revisions to the  
23 earned income tax credit as compared with the same sta-  
24 tistics in taxable years before the commencement of the  
25 program period.

1 **SEC. 309. COMMUNITY RENEWAL BONDS.**

2 (a) IN GENERAL.—The National Opportunity board,  
3 acting through the Local Opportunity Boards, is hereby  
4 granted the authority to act on behalf of the Secretary  
5 of Treasury to issue and sell community renewal bonds  
6 in face value increments of \$100 up to a maximum  
7 amount of \$50,000,000 to assist the financing of Local  
8 Opportunity Plans. Community renewal bonds shall bear  
9 a coupon rate of 25 percent.

10 (b) COMMUNITY RENEWAL BONDS.—Community re-  
11 newal bonds shall be backed by the full faith and credit  
12 of the United States Government.

13 (c) ALLOCATION.—Proceeds from the sale of commu-  
14 nity renewal bonds shall be allocated evenly among the  
15 Local Opportunity Boards.

16 (d) TERM.—Community renewal bonds shall have a  
17 maturity date of 7 years from the date of issuance.

18 (e) REPAYMENT.—Repayment of community renewal  
19 bonds allocated to each Local Opportunity Board shall be  
20 made from a portion of the community renewal savings  
21 allocated to the community tax incentives for such Board.

22 **SEC. 310. ANTI-CORRUPTION PROVISION.**

23 It shall be unlawful for any person—

24 (1) to claim a community renewal incentive who  
25 does not meet the requirements set forth in this Act;  
26 and

1           (2) to use funds appropriated under this Act  
2       for any purpose for which such funds were not au-  
3       thorized.

4       **TITLE IV—COMPETITIONS FOR**  
5       **INNOVATION IN CLIENT AD-**  
6       **VOCACY AND EVALUATION**

7       **SEC. 401. CLIENT ADVOCACY COMPETITION.**

8       (a) IN GENERAL.—The Board shall be authorized to  
9       establish and administer a program to award competitive  
10      grants, in the amount of \$5,000,000, to eligible entities  
11      to provide for the development of a client advocacy and  
12      consumer services technology platform.

13      (b) ELIGIBLE ENTITY.—The Board shall establish  
14      criteria that an entity must comply with to be considered  
15      an eligible entity for purposes of this section

16      (c) PRIORITY CONSIDERATION.—The Board shall es-  
17      tablish criteria for the awarding of grants under this sec-  
18      tion and shall give priority consideration to eligible entities  
19      that establish a platform which shall include—

20           (1) single source data entry that will be im-  
21      ported into multiple data entry points;

22           (2) a user-friendly interface;

23           (3) data that is interoperable across numerous  
24      programs;

1           (4) calculations based on the Human Develop-  
2           ment Index or another alternative poverty measure-  
3           ment;

4           (5) security requirements;

5           (6) assisting the case manager and consumer  
6           with establishing short and long term goals; and

7           (7) low-cost or cost-effective replication abili-  
8           ties.

9           (d) CLIENT ADVOCACY AND CONSUMER SERVICES  
10          TECHNOLOGY.—In awarding grants under this section the  
11          Board shall give preference to those eligible entities that  
12          are, on the date of enactment of this Act, operating a cli-  
13          ent advocacy and consumer services technology platform.

14          **SEC. 402. EVALUATION COMPETITION.**

15          (a) IN GENERAL.—The Board shall be authorized to  
16          establish and administer a program to award competitive  
17          grants, in the amount of \$5,000,000, to eligible entities  
18          to provide for the development of a social services evalua-  
19          tion method.

20          (b) ELIGIBLE ENTITY.—The Board shall establish  
21          criteria that an entity must comply with to be considered  
22          an eligible entity for purposes of this section, with pref-  
23          erence to be given to those entities in academia or re-  
24          search-oriented fields.



1       (c) SOCIAL SERVICE EVALUATION.—The Board shall  
2 establish criteria for the awarding of grants under this  
3 section and may consider, in establishing such criteria, the  
4 extent to which the proposed social service evaluation  
5 method to be developed under the grant would uniquely  
6 measure social service interventions with high predict-  
7 ability for programs that will be successful when serving  
8 a high volume of individuals.

## 9   **TITLE V—REPORT TO CONGRESS**

### 10   **SEC. 501. REPORT TO CONGRESS.**

11       (a) BOARD.—Not later than 1 year after the end of  
12 the third and fifth fiscal years during which the program  
13 under this Act is implemented, the Board shall submit to  
14 the Congress a report that—

15           (1) summarizes all activities carried out under  
16 this Act; and

17           (2) sets forth any findings, conclusions, or rec-  
18 ommendations of the Board as a result of such ac-  
19 tivities.

20       (b) GOVERNMENT ACCOUNTABILITY OFFICE.—Not  
21 later the end of the third and the fifth fiscal year during  
22 which the program under this Act is implemented, the  
23 Comptroller General of the United States shall submit a  
24 report to Congress that contains—

- 1           (1) a description of the savings in Federal pro-  
2           grams accrued as a result of this Act;  
3           (2) a description of the success and effective-  
4           ness of the reforms contained in this Act; and  
5           (3) recommendations for improvement in the  
6           administration of the programs under this Act.

7       **TITLE VI—AUTHORIZATION OF**  
8       **APPROPRIATIONS**

9       **SEC. 601. AUTHORIZATION OF APPROPRIATIONS.**

10       For the purposes of carrying out this Act, there are  
11       authorized to be appropriated \$125,000,000 for the first  
12       fiscal year in which the National Competition is imple-  
13       mented, and for each of the five succeeding fiscal years.

○