

111TH CONGRESS
2D SESSION

S. 3845

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.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27, 2010

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Finance

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”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 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.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

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

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

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

7 (4) Poverty in America has changed remarkably
8 since the last major transformative policy debate on
9 the issue.

10 (5) The 1996 welfare reform bill ultimately did
11 not create new systems nor did it drive market-based
12 solutions.

13 (6) The economic downturn has exposed the
14 weakness of poverty reduction programs that are not
15 market-driven.

16 (7) Effective and meaningful investment in pov-
17 erty prevention programs will result in greater effi-
18 ciencies at the Federal level.

19 **SEC. 3. PURPOSES.**

20 It is the purpose of this Act to—

21 (1) establish a National Competition for Com-
22 munity Renewal to allow eligible communities to
23 draw upon existing and supplemental resources to
24 design and implement innovative poverty reduction
25 and prevention programs;

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

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

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

13 **SEC. 4. DEFINITIONS.**

14 In this Act:

15 (1) BOARD.—The term “Board” means the Na-
16 tional Opportunity Board established under section
17 101.

18 (2) ELIGIBLE AREA.—The term “eligible area”
19 means a city, county, town, township, parish, village,
20 or other general purpose political subdivision of a
21 State, including the District of Columbia and insular
22 areas, that meets criteria to be established under
23 this Act by the Board.

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

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

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

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

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

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

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

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

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

23 (12) RURAL AREA.—The term “rural area”
24 means an eligible area within a public use microdata
25 area that meets the definition of “rural area” as de-

1 terminated by the Census Bureau for the most recent
2 Census for which data is available.

3 **TITLE I—NATIONAL AND LOCAL** 4 **OPPORTUNITY BOARDS**

5 **SEC. 101. NATIONAL OPPORTUNITY BOARD.**

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

10 (b) COMPOSITION.—The Board shall be composed of
11 7 members, of which—

12 (1) 1 member shall be the President’s Domestic
13 Policy Advisor;

14 (2) 1 member shall be appointed by the Presi-
15 dent in consultation with the majority and minority
16 leaders of the House of Representatives and the
17 Senate, who shall serve as the Chair of the Board;

18 (3) 1 member shall be appointed by the minor-
19 ity leader of the Senate in consultation with the mi-
20 nority leader of the House of Representatives, who
21 shall serve as the Vice-Chair of the Board;

22 (4) 1 member shall be appointed by the senior
23 Democratic member of the Senate leadership;

24 (5) 1 member shall be appointed by the senior
25 Republican member of the Senate leadership;

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

4 (7) 1 member shall be appointed by the senior
 5 Republican member of the House of Representatives
 6 leadership.

7 (c) APPOINTMENTS.—The members appointed to the
 8 Board under subsection (b) shall, to the extent practicable,
 9 include—

10 (1) representatives of non-profit organizations;

11 (2) members of the poverty reduction advocacy
 12 community;

13 (3) experts in the area of philanthropic giving;
 14 and

15 (4) members with experience relative to local
 16 government administration.

17 (d) EX OFFICIO MEMBERS.—

18 (1) IN GENERAL.—The following individuals or
 19 their designees shall serve as ex officio members of
 20 the Board:

21 (A) The Secretary of Health and Human
 22 Services;

23 (B) The Secretary of Commerce;

24 (C) The Secretary of Housing and Urban
 25 Development;

1 (D) The Secretary of Labor;

2 (E) The Secretary of Agriculture; and

3 (F) The Attorney General.

4 (2) LIMITATIONS.—Ex officio members of the
5 board shall—

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

8 (B) be required to attend all meetings of
9 the Board.

10 (3) DESIGNEES.—An individual who is not at
11 least an Assistant Secretary may not be designated
12 to serve as an ex officio member of the Board under
13 paragraph (1).

14 (e) DISMISSAL, QUORUM, VACANCIES.—

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

18 (A) a member of the Board may be re-
19 moved by a unanimous vote of all remaining
20 voting members of the Board, and only for
21 cause;

22 (B) if an individual is appointed to fill a
23 vacancy occurring prior to the expiration of the
24 term of the individual's predecessor, that indi-

1 vidual shall serve only for the remainder of the
2 predecessor's term; and

3 (C) any such appointment to fill a vacancy
4 shall be made within 60 days after the vacancy
5 occurs and shall be made in the same manner
6 in which the original appointment was made.

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

10 (3) MEETINGS.—The Board shall meet at the
11 call of the Chair or a majority of the members ap-
12 pointed under subsection (b), and commence oper-
13 ations as soon as practicable and after its initial
14 meeting.

15 (f) DUTIES.—

16 (1) GUIDELINES FOR THE NATIONAL COMPETI-
17 TION.—The Board shall design and establish written
18 guidelines for establishing and implementing the Na-
19 tional Competition, including the following:

20 (A) Criteria for establishing eligible areas,
21 including—

22 (i) to the extent practicable, the use
23 by the Board of the Human Development
24 Index or the Supplemental Poverty Meas-
25 urement to be established by the Census

1 Bureau as a criteria for determining eligi-
2 ble areas; and

3 (ii) the demonstrated ability of a
4 Local Opportunity Board to provide local
5 matching funds as established under sec-
6 tion 204(e).

7 (B) Application requirements to enable eli-
8 gible areas to apply for grants and other assist-
9 ance under the National Competition, including
10 the design and content of the Local Oppor-
11 tunity Plan, as described in subsection
12 102(d)(1).

13 (C) Criteria for evaluating applications
14 submitted under the National Competition.

15 (D) Eligible program development costs.

16 (E) Criteria for accountability measures
17 for eligible areas selected to participate in the
18 National Competition.

19 (F) Reporting requirements for eligible
20 areas selected to participate in the National
21 Competition.

22 (2) RULEMAKING.—The Board shall have the
23 authority to promulgate regulations for establish-
24 ment and administration of the National Competi-
25 tion.

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

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

6 (B) evaluating the performance of partici-
7 pating eligible areas in accordance with this
8 section.

9 (4) EVALUATIONS.—

10 (A) IN GENERAL.—Not later than 3 years
11 after the date of enactment of this Act, and an-
12 nually thereafter, the Local Opportunity Board
13 shall submit to the National Opportunity Board
14 a comprehensive report on the implementation
15 of a spending plan as described in section
16 102(d)(1)(A).

17 (B) CANCELLATION OF AWARD.—Based on
18 information received in the report under sub-
19 paragraph (A), the National Opportunity Board
20 may revoke funding and access to benefits pro-
21 vided under title II if the Board determines
22 that—

23 (i) the Local Opportunity Board of
24 the qualified area fails to provide the infor-
25 mation required under subparagraph (A),

1 or the information provided by the chief
2 elected official is inadequate;

3 (ii) the Local Opportunity Board of
4 the qualified area failed to comply with the
5 provisions established under the Local Op-
6 portunity Plan as established under section
7 102(d)(1); or

8 (iii) the Local Opportunity Board of
9 the qualified area failed to meet any addi-
10 tional criteria to be established by the Na-
11 tional Opportunity Board.

12 (C) REPAYMENT OF AMOUNTS.—The Na-
13 tional Opportunity Board may, in accordance
14 with this subsection, require a qualified area to
15 repay any amounts that were not expended by
16 the qualified area in accordance with the Local
17 Opportunity Plan as established under section
18 102(d)(1), and any such funds shall be re-
19 turned to the general fund of the Treasury.

20 (D) GUIDELINES.—The National Oppor-
21 tunity Board shall establish guidelines for the
22 conduct of an independent audit, after the sec-
23 ond program year, of any qualified area partici-
24 pating in the National Competition. Such guide-
25 lines shall require that the qualified area be au-

1 dited in accordance with generally accepted au-
2 diting standards by independent certified public
3 accountants and that all books, accounts, finan-
4 cial records, reports, and files necessary to fa-
5 cilitate the audits shall be made available to the
6 person or persons conducting the audits.

7 (g) PERSONNEL MATTERS.—

8 (1) COMPENSATION AND EXPENSES.—

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

12 (B) TRAVEL EXPENSES.—Each member of
13 the Board shall be reimbursed for travel and
14 per diem in lieu of subsistence expenses during
15 the performance of duties of the Board while
16 away from home or his or her regular place of
17 business, in accordance with applicable provi-
18 sions under subchapter I of chapter 57 of title
19 5, United States Code.

20 (C) FEDERAL EMPLOYEES.—A member of
21 the Board who is an officer or employee of the
22 Federal Government shall serve without com-
23 pensation in addition to the compensation re-
24 ceived for the services of the member as an offi-
25 cer or employee of the Federal Government.

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

14 (3) STAFF OF FEDERAL AGENCIES.—Upon re-
15 quest of the Chair of the Board, the head of any de-
16 partment or agency described under section 101(d)
17 may detail, on a non-reimbursable basis, any of the
18 personnel of that department or agency to the Board
19 to assist it in carrying out its functions under this
20 Act.

21 (h) AUTHORIZATION OF APPROPRIATIONS.—For the
22 purposes of carrying out this section, there are authorized
23 to be appropriated \$1,000,000 for fiscal year 2011, and
24 \$2,500,000 each of fiscal years 2012 through 2016.

1 **SEC. 102. LOCAL OPPORTUNITY BOARDS.**

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

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

9 (1) State government;

10 (2) non-elected community leaders, particularly
11 those providing poverty-related services, including
12 advocates and experts; and

13 (3) the head of the lead agency (or his or her
14 designee) in one or more of the following programs
15 operating in the eligible area—

16 (A) health programs;

17 (B) labor programs;

18 (C) housing programs;

19 (D) agriculture programs;

20 (E) justice programs; or

21 (F) commerce programs.

22 (c) CHAIR.—The members of the Local Opportunity
23 Board shall select a Chair from among such members.

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

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

1 (A) a detailed spending plan for any funds
2 approved under the National Competition by
3 the Board;

4 (B) a description of how the spending plan
5 meets the criteria listed for grant eligibility as
6 defined by the Board and including the criteria
7 listed in section 205(a);

8 (C) a description of coordination with
9 other Federal, State, and local government as-
10 sistance programs available in the jurisdiction
11 in which the eligible area is located; and

12 (D) any other elements as required by the
13 Board;

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

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

1 **TITLE II—NATIONAL COMPETI-**
2 **TION FOR COMMUNITY RE-**
3 **NEWAL**

4 **SEC. 201. ESTABLISHMENT.**

5 The Board shall develop and publish guidelines for
6 the establishment of the National Competition for Com-
7 munity Renewal to provide for the awarding of competitive
8 grants, targeted waivers, and targeted tax incentives.

9 **SEC. 202. DURATION.**

10 The National Competition shall be effective beginning
11 with the first fiscal year that begins after the date of en-
12 actment of this Act and ending after the fifth such fiscal
13 year.

14 **SEC. 203. LOCAL OPPORTUNITY FUNDS.**

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

18 (1) establish a local opportunity fund; and
19 (2) otherwise comply with the requirements of
20 this section.

21 (b) AMOUNTS IN FUND.—

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

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

3 (A) Any funds provided to the qualified
4 area under the grant program established under
5 section 204.

6 (B) Funds made available for use during
7 the program period in the qualified area under
8 the following:

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

11 (ii) The Head Start Act (42 U.S.C.
12 9831 et seq.).

13 (iii) The Low-Income Home Energy
14 Assistance Act of 1981 (42 U.S.C. 8621 et
15 seq.).

16 (iv) The supplemental nutrition assist-
17 ance program under the Richard B. Rus-
18 sell National School Lunch Act (7 U.S.C.
19 2011 et seq.).

20 (v) The Weatherization Assistance for
21 Low-Income Persons Program under the
22 Energy Conservation and Production Act
23 (42 U.S.C. 6861 et seq.).

24 (vi) The Jobs Corps program under
25 subtitle C of title I of the Workforce In-

1 vestment Act of 1998 (29 U.S.C. 2881 et
2 seq.).

3 (vii) The Temporary Assistance to
4 Needy Families Program under title IV of
5 the Social Security Act (42 U.S.C. 601 et
6 seq.).

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

9 (C) Any matching funds provided by the
10 qualified area.

11 (c) ACCOUNTING REGULATIONS.—The Board shall
12 promulgate regulations with respect to accounting for the
13 amounts in the local opportunity funds established under
14 subsection (a).

15 (d) USE OF FUNDS.—The responsible local official
16 shall have a fiduciary responsibility to administer funds
17 in the local opportunity fund established under subsection
18 (a)—

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

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

23 (e) STATE FUNDS.—The Local Opportunity Plan de-
24 scribed in section 102(d)(1) shall provide satisfactory as-
25 surance that Federal funds and assistance made available

1 under this title shall not be comingled with State funds,
2 except as provided for under subsection (b)(2)(C).

3 **SEC. 204. GRANT AWARDS.**

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

7 (b) ADMINISTRATION.—Amount made available
8 under a grant under this section to a qualified area shall
9 be deposited in the local opportunity fund established by
10 the chief elected official for the qualified area.

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

13 (d) USE OF AMOUNTS.—The responsible local official
14 shall have a fiduciary responsibility to administer funds
15 in accordance with the priorities established in the Local
16 Opportunity Plan by the Local Opportunity Board and ap-
17 proved by the National Opportunity Board.

18 (e) MATCHING FUND.—

19 (1) IN GENERAL.—The Board may require a
20 qualified area to provide non-Federal matching
21 funds with respect to grants awarded under this sec-
22 tion, except that the amount of any matching re-
23 quirements shall not exceed the amount of the grant
24 award.

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

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

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

9 (3) IN-KIND CONTRIBUTIONS.—The Board shall
 10 permit qualified areas to comply with a matching re-
 11 quirement under paragraph (2) in whole or in part
 12 with in-kind contributions, including administrative
 13 expenses.

14 **SEC. 205. WAIVER PROGRAM.**

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

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

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

1 (1) The Community Services Block Grant Act
2 (42 U.S.C. 9901 et seq.).

3 (2) The Head Start Act (42 U.S.C. 9831 et
4 seq.).

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

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

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

13 (6) The Jobs Corps program under subtitle C
14 of title I of the Workforce Investment Act of 1998
15 (29 U.S.C. 2881 et seq.).

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

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

21 (d) HOLD HARMLESS.—Notwithstanding any other
22 provision of law, the amount received by an individual
23 under this Act in any program year shall not be less than
24 the amount that individual would otherwise have received

1 under any provision of law described in subsection (c) dur-
 2 ing such year.

3 **SEC. 206. TAX INCENTIVES.**

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

7 **SEC. 207. APPLICATION AND ADMINISTRATION.**

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

15 (1) Basing poverty reduction and prevention
 16 services on the Human Development Index as a
 17 measure of the level of poverty for individuals and
 18 households.

19 (2) A model of poverty reduction and preven-
 20 tion that includes the varying levels of service for in-
 21 dividuals and is adjusted to reflect the needs of indi-
 22 viduals and households at different stages of pov-
 23 erty. The different levels of service may be struc-
 24 tured to reflect the following levels of assistance:

1 (A) For low-income individuals and fami-
2 lies requiring services to prevent reliance on
3 more expensive government programs, services
4 shall focus on intervention, including such serv-
5 ices as mortgage assistance, debt relief, housing
6 and voucher assistance, and job development
7 and placement.

8 (B) For low-income individuals and fami-
9 lies currently relying on at least one govern-
10 ment program for basic needs such as food or
11 housing, services shall be tailored to meet spe-
12 cific needs identified in a unique individual op-
13 portunity plan adopted by intensive client advoca-
14 cacy.

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

18 (3) An individual opportunity plan (as provided
19 for in subsection (b)).

20 (4) Intensive client advocacy, as defined in
21 guidelines to be developed and published by the
22 Board.

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

1 (b) INDIVIDUAL OPPORTUNITY PLANS.—The Board
2 shall develop and publish guidelines for the establishment
3 of individual opportunity plans, which, at a minimum shall
4 consist of—

5 (1) an assessment of the unique strengths and
6 needs of the individual and the identification of serv-
7 ices appropriate to meet such needs; and

8 (2) a written individualized opportunity plan
9 developed by a multidisciplinary team, including a
10 description of measurable results and outcomes ex-
11 pecting to be achieved as a result of implementation
12 of the plan.

13 (c) PARTICIPATION IN NATIONAL COMPETITION.—
14 The Board shall select a total of 10 qualified areas for
15 participation in the National Competition. Such areas
16 shall include—

17 (1) not less than 3 rural areas as defined by
18 this Act; and

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

TITLE III—COMMUNITY RENEWAL INCENTIVES

SEC. 301. COMMUNITY RENEWAL SAVINGS.

(a) IN GENERAL.—Each Local Opportunity Board shall implement a method to calculate the community renewal savings achieved through the implementation of its Local Opportunity Plan.

(b) COMMUNITY RENEWAL SAVINGS.—For the purposes of this Act, the term “community renewal savings” means the present dollar value of the total Federal and State funds directly or indirectly saved by the Local Opportunity Board for individuals successfully assisted through the Local Opportunity Plan.

(c) FACTORS.—The community renewal savings shall be measured by criteria identified by the Local Opportunity Board in valuing the effectiveness of each program in the Local Opportunity Plan, but shall include the following:

(1) Present dollar value of increasing the income of an individual successfully assisted by a Local Opportunity Plan.

(2) Present dollar value of an individual graduating high school.

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

1 (4) Funds expended if an individual does not
2 graduate high school.

3 (d) ALLOCATION.—The community renewal savings
4 of a Local Opportunity Board shall be allocated as follows:

5 (1) 50 percent to reduce the public deficit.

6 (2) 25 percent to fund community tax incen-
7 tives.

8 (3) 25 percent to fund, reinvest in, and expand
9 programs and services under this Act.

10 (e) PROGRAM COST-BENEFIT RATIO.—Each Local
11 Opportunity Board shall calculate the program cost-ben-
12 efit ratio for each program under the Local Opportunity
13 Plan, which shall be the ratio of—

14 (1) the cost of the program measured by dol-
15 lars; over

16 (2) the benefit of the program expressed in dol-
17 lars.

18 (f) EXAMPLE.—The program cost-benefit ratio of a
19 job training program is equal to the cost of the program
20 in dollars over the amount the program raises the earnings
21 of the enrollee during his or her lifetime, taking into ac-
22 count what the individual would have earned without the
23 job training program using local job market data.

1 **SEC. 302. COMMUNITY TAX INCENTIVES.**

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

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

7 (1) Renewal employer refundable credit.

8 (2) Unrelated business taxable income deduc-
 9 tion.

10 (3) Qualified community renewal contribution.

11 (4) High school graduation tax credit.

12 (5) Modified new markets tax credit.

13 (6) Community renewal bonds.

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

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

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

24 (1) whose principal place of abode is within the
 25 qualified area;

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

4 (3) who begins employment with a qualified op-
5 portunity employer after the commencement of the
6 program period;

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

12 (5) who is not employed by the qualified oppor-
13 tunity employer to replace another employee of such
14 employer unless such other employee separated from
15 employment voluntarily or for cause;

16 (6) who is not an individual described in section
17 51(i)(1) of the Internal Revenue Code of 1986 (ap-
18 plied by substituting “qualified opportunity em-
19 ployer” for “taxpayer” each place that term ap-
20 pears);

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

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

1 (9) whose wages (as defined in section 3401(a)
 2 of the Internal Revenue Code of 1986) for such em-
 3 ployment during the last 26 weeks of such period
 4 equaled at least 110 percent of such wages for the
 5 first 26 weeks of such period; and

6 (10) who receives health benefits at least equal
 7 to essential health benefits, as defined under section
 8 1302 of the Patient Protection and Affordable Care
 9 Act.

10 (c) QUALIFIED OPPORTUNITY EMPLOYER.—

11 (1) IN GENERAL.—For purposes of this section,
 12 the term “qualified opportunity employer” means
 13 any employer—

14 (A) having a place of business in the quali-
 15 fied area;

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

18 (C) designated by the Local Opportunity
 19 Board, at its sole discretion, as a qualified op-
 20 portunity employer based on its hiring stand-
 21 ards, employee benefits, and employee retention
 22 statistics.

23 (2) TYPES OF QUALIFIED OPPORTUNITY EM-
 24 PLOYERS.—A qualified opportunity employer in-
 25 cludes any person employing individuals within the

1 qualified area as long as such person meets the re-
 2 quirements under paragraph (1) and is not limited
 3 to persons subject to income tax under subpart A of
 4 the Internal Revenue Code of 1986.

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

11 **SEC. 304. UNRELATED BUSINESS TAXABLE INCOME DEDUC-**
 12 **TION.**

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

18 (b) COMMUNITY RENEWAL EXPENDITURE.—For
 19 purposes of this section, the term “community renewal ex-
 20 penditure” means an expenditure made by a qualified op-
 21 portunity organization in furtherance of a qualified oppor-
 22 tunity program or service.

23 (c) QUALIFIED OPPORTUNITY ORGANIZATION.—For
 24 purposes of this section, the term “qualified opportunity
 25 organization” means an organization—

(d) QUALIFIED OPPORTUNITY PROGRAM OR SERVICE.—For purposes of this section, the term “qualified opportunity program or service” means a program or service conducted by a qualified opportunity organization that is designated by the Local Opportunity Board as contributing importantly in accomplishing the Local Opportunity Plan.

(a) IN GENERAL.—In the case of any taxable year during the program period, there shall be allowed a charitable contribution deduction under section 170(a) of the Internal Revenue Code of 1986 equal to the amount of

1 120 percent of any qualified community renewal contribu-
 2 tion donated during such taxable year.

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

10 (c) INCREASED CHARITABLE CONTRIBUTION DEDUC-
 11 TION LIMITATION.—For the purposes of this section, sec-
 12 tion 170 of the Internal Revenue Code of 1986 is ap-
 13 plied—

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

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

19 (d) EXCLUSION FROM ALTERNATIVE MINIMUM TAX-
 20 ABLE INCOME.—In any taxable year during which a quali-
 21 fied community renewal contribution is properly claimed
 22 or carried over, the amount of such qualified community
 23 renewal contribution shall not be included in limiting the
 24 claimant’s total itemized deductions under the Internal
 25 Revenue Code of 1986 (other than under subsection (c))

1 and shall be excluded from the claimant's calculation of
2 alternative minimum taxable income under such Code.

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

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

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

13 (c) QUALIFIED OPPORTUNITY SCHOOL.—For the
14 purposes of this section, the term “qualified opportunity
15 school” means—

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

18 (2) is designated by the Local Opportunity
19 Board as a qualified opportunity school based on
20 certain predetermined criteria, such as the average
21 graduation rate.

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

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

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

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

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

15 (a) IN GENERAL.—In the case of any taxable year
16 during the program period, the Local Opportunity Board
17 may submit to the National Opportunity Board revisions
18 to section 32 of the Internal Revenue Code of 1986 that
19 modify the eligibility or percentage requirements, or both,
20 of the earned income tax credit allowable to individuals
21 residing in the qualified area.

22 (b) ADOPTION.—The National Opportunity Board, in
23 its sole discretion, may approve all or part of the modifica-
24 tions to the earned income tax credit by the Local Oppor-
25 tunity Board. The National Opportunity Board shall base
26 its decision to approve the Local Opportunity Board’s pro-

1 posed revisions to the earned income tax credit on com-
2 prehensive data presented to the National Opportunity
3 Board that the proposed revisions will better serve the in-
4 dividuals residing in the qualified area.

5 (c) TERMINATION.—At the end of the program pe-
6 riod, any revisions made to the earned income tax credit
7 requirements under the authority granted in this section
8 shall terminate and individuals residing in the qualified
9 area shall be subject to the provisions as stated in section
10 32 of the Internal Revenue Code of 1986.

11 (d) REPORTS.—By the end of each subsequent year
12 following a taxable year of the program period, the Local
13 Opportunity Board shall report to the National Oppor-
14 tunity Board the number of persons filing and the amount
15 of credit allowed under the approved revisions to the
16 earned income tax credit as compared with the same sta-
17 tistics in taxable years before the commencement of the
18 program period.

19 **SEC. 309. COMMUNITY RENEWAL BONDS.**

20 (a) IN GENERAL.—The National Opportunity board,
21 acting through the Local Opportunity Boards, is hereby
22 granted the authority to act on behalf of the Secretary
23 of Treasury to issue and sell community renewal bonds
24 in face value increments of \$100 up to a maximum
25 amount of \$50,000,000 to assist the financing of Local

1 Opportunity Plans. Community renewal bonds shall bear
2 a coupon rate of 25 percent.

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

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

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

11 (e) REPAYMENT.—Repayment of community renewal
12 bonds allocated to each Local Opportunity Board shall be
13 made from a portion of the community renewal savings
14 allocated to the community tax incentives for such Board.

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

16 It shall be unlawful for any person—

17 (1) to claim a community renewal incentive who
18 does not meet the requirements set forth in this Act;
19 and

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

1 **TITLE IV—COMPETITIONS FOR**
2 **INNOVATION IN CLIENT AD-**
3 **VOCACY AND EVALUATION**

4 **SEC. 401. CLIENT ADVOCACY COMPETITION.**

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

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

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

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

19 (2) a user-friendly interface;

20 (3) data that is interoperable across numerous
21 programs;

22 (4) calculations based on the Human Develop-
23 ment Index or another alternative poverty measure-
24 ment;

25 (5) security requirements;

- 1 (6) assisting the case manager and consumer
2 with establishing short and long term goals; and
3 (7) low-cost or cost-effective replication abili-
4 ties.

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

10 **SEC. 402. EVALUATION COMPETITION.**

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

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

21 (c) SOCIAL SERVICE EVALUATION.—The Board shall
22 establish criteria for the awarding of grants under this
23 section and may consider, in establishing such criteria, the
24 extent to which the proposed social service evaluation
25 method to be developed under the grant would uniquely

1 measure social service interventions with high predict-
2 ability for programs that will be successful when serving
3 a high volume of individuals.

4 **TITLE V—REPORT TO CONGRESS**

5 **SEC. 501. REPORT TO CONGRESS.**

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

10 (1) summarizes all activities carried out under
11 this Act; and

12 (2) sets forth any findings, conclusions, or rec-
13 ommendations of the Board as a result of such ac-
14 tivities.

15 (b) GOVERNMENT ACCOUNTABILITY OFFICE.—Not
16 later the end of the third and the fifth fiscal year during
17 which the program under this Act is implemented, the
18 Comptroller General of the United States shall submit a
19 report to Congress that contains—

20 (1) a description of the savings in Federal pro-
21 grams accrued as a result of this Act;

22 (2) a description of the success and effective-
23 ness of the reforms contained in this Act; and

24 (3) recommendations for improvement in the
25 administration of the programs under this Act.

1 **TITLE VI—AUTHORIZATION OF**
2 **APPROPRIATIONS**

3 **SEC. 601. AUTHORIZATION OF APPROPRIATIONS.**

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

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